

6409--B

I N S E N A T E

January 14, 2016

A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT intentionally omitted (Part A); intentionally omitted (Part B); intentionally omitted (Part C); to amend the real property tax law, in relation to allowing applications for exemptions to be filed after the taxable status date in certain cases (Part D); to amend the tax law and the administrative code of the city of New York, in relation to establishing a new school tax reduction credit for residents of a city with a population over one million (Part E); to amend the real property tax law, in relation to authorizing the commissioner of taxation and finance to make direct payments of STAR tax savings to property owners in certain cases (Part F); to amend chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness thereof (Part G); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part H); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part I); to amend the tax law, in relation to extending the empire state commercial production tax credit (Part J); to amend chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who provide transportation to people with disabilities, in relation to extending the expiration of such provision (Part K); to amend part I of chapter 58 of the laws of 2006, amending the tax law relating to providing an enhanced earned income tax credit, in relation to making the enhanced earned income tax credit permanent (Part L); to amend part N of chapter 61 of the laws of 2005 amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to extending the disclosure and penalty provisions for transactions that present the potential for tax avoidance (Part M); to amend the tax law, in relation to extending the clean heating fuel credit for three years and updating the credit to reflect new minimum

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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biodiesel fuel thresholds (Part N); intentionally omitted (Part O); to amend the tax law and the administrative code of the city of New York, in relation to making corrections to the corporate tax reform provisions (Subpart A); to amend the tax law, in relation to the carryover of credit for the special additional mortgage recording tax (Subpart B); to amend the tax law, in relation to the definition of investment income (Subpart C); to amend the tax law, in relation to definitions concerning prior net operating loss conversion subtraction (Subpart D); to amend the tax law, in relation to the metropolitan transportation business tax surcharge (Subpart E); to amend the tax law, in relation to the real property tax credit for manufacturers (Subpart F); and to amend the tax law, in relation to leases as assets for a qualified residential loan portfolio (Subpart G) (Part P); to amend the tax law and the administrative code of the city of New York, in relation to the time for filing reports (Part Q); to amend the tax law and the administrative code of the city of New York, in relation to business income base and certain small business taxpayers (Part R); to amend the tax law and the education law, in relation to enacting the "education investment incentives act" (Part S); intentionally omitted (Part T); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions for five years (Part U); to amend the tax law, in relation to exempting from alcoholic beverage tax certain alcoholic beverages furnished at no charge by certain licensees to customers or prospective customers at a tasting held in accordance with the alcoholic beverage control law, and to expand the beer production credit to include wine, liquor and cider (Part V); intentionally omitted (Part W); to amend the tax law and the administrative code of the city of New York, in relation to allowing room remarketers to purchase occupancies from hotel operators exempt from sales tax under certain circumstances (Part X); to amend the tax law, in relation to charitable contributions and charitable activities being considered in determining domicile for estate tax purposes (Part Y); to amend the state finance law, in relation to creating the aviation purpose account and ensuring that the funds deposited in the aviation purpose account are used for airport improvement projects; to amend the tax law, in relation to provide for the distribution of revenues under section 301-e of such law; to exempt sales of fuel sold for use in commercial aircraft and general aviation aircraft from the prepayment of sales tax imposed pursuant to the authority of section 1102(a) (1) (ii) of such law; and to exclude sales of fuel sold for use in commercial aircraft and general aviation aircraft from the operation of sales and use taxes imposed pursuant to the authority of section 1210(a) of such law (Part Z); intentionally omitted (Part AA); intentionally omitted (Part BB); to amend the racing, pari-mutuel wagering and breeding law, in relation to the timing of harness track reimbursements and other technical amendments (Part CC); to amend the tax law, in relation to the payment of vendors' fees (Part DD); to amend the tax law, in relation to vendor fees at vendor tracks (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breed-

ing law and other laws relating to simulcasting; to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provision thereof; and to amend the racing, pari-mutuel and breeding law, in relation to extending certain provisions thereof (Part FF); to amend the tax law, in relation to capital awards to vendor tracks (Part GG); to amend the state finance law, in relation to allocations from the commercial gaming revenue fund; and to amend the tax law, in relation to commissions payable to certain vendor racetracks (Part HH); to amend the tax law, in relation to further clarifying disclosure procedures regarding medical marihuana (Part II); to amend the real property tax law, in relation to STAR recoupment program (Part JJ); to amend the tax law and the state finance law, in relation to the fees associated with a certificate of registration and decal imposed by article 21 of the tax law for certain vehicles operating on public highways in New York state (Part KK); to amend the tax law, in relation to the estate tax where the estate includes a farm operation (Part LL); to amend the tax law, in relation to increasing the exemption for pensions and annuities for certain persons (Part MM); to amend the tax law, in relation to cost of living adjustment (Part NN); to amend the tax law, in relation to reductions in the imposition of personal income tax (Part OO); to amend the public service law, in relation to the temporary state energy and utility service conservation assessment (Part PP); to amend the tax law, in relation to the property tax relief credit (Part QQ); to amend the tax law, in relation to the definition of "allowable college tuition expenses" and the tax credit allowed for such expenses (Part RR); to amend the tax law, in relation to contributions to family tuition accounts (Part SS); to amend the tax law, in relation to interest on indebtedness incurred by taxpayer to pay for higher education (Part TT); to amend the tax law, in relation to requiring wholesalers of motor fuel to register and file returns (Part UU); to amend the tax law, in relation to exempting commercial fuel cell electricity generating systems and electricity provided by such sources from the sales tax imposed by article 28 of the tax law and omitting such exemption from the taxes imposed pursuant to the authority of article 29 of the tax law, unless a locality elects otherwise (Part VV); to amend the tax law and the state finance law, in relation to the creation of the cigarette tax enforcement fund; and making an appropriation therefor (Part WW); to amend chapter 60 of the laws of 2011, amending the New York state urban development corporation act relating to the new markets tax credits, in relation to extending the effectiveness thereof (Part XX); to amend the tax law and the insurance law, in relation to the tax credit for the purchase of long-term care insurance (Part YY); to amend the state finance law, in relation to the sharing of revenue from gaming devices located within the county of Niagara; and to amend chapter 747 of the laws of 2006 amending the state finance law, relating to the tribal-state compact revenue account, in relation to extending the effectiveness thereof (Part ZZ); to amend the racing, pari-mutuel wagering and breeding law, in relation to a memorandum of understanding relating to health insurance for jockeys (Part AAA); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part BBB); to amend the racing, pari-mutuel wagering and breeding law, in relation to creating the racing fan advisory council (Part CCC); to amend the racing, pari-mutuel

wagering and breeding law and the financial services law, in relation to interactive fantasy sports (Part DDD); to amend the racing, pari-mutuel wagering and breeding law, in relation to payments in support of racing (Part EEE); to amend the racing, pari-mutuel wagering and breeding law and the penal law, in relation to allowing certain interactive poker games (Part FFF); relating to capital acquisition funds maintained by regional off-track betting corporations (Part GGG); to amend the racing, pari-mutuel wagering and breeding law, in relation to authorizing the division of state police to conduct qualification investigations for those applying for casino key employee licenses or gaming employee registrations (Part HHH); and to amend the tax law, in relation to establishing the green building credit (Part III)

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2016-2017
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through III. The effective date for each partic-
5 ular provision contained within such Part is set forth in the last
6 section of such Part. Any provision in any section contained within a
7 Part, including the effective date of the Part, which makes a reference
8 to a section "of this act", when used in connection with that particular
9 component, shall be deemed to mean and refer to the corresponding
10 section of the Part in which it is found. Section three of this act sets
11 forth the general effective date of this act.

12 PART A

13 Intentionally Omitted

14 PART B

15 Intentionally Omitted

16 PART C

17 Intentionally Omitted

18 PART D

19 Section 1. Subdivision 6 of section 425 of the real property tax law
20 is amended by adding a new paragraph (a-2) to read as follows:

21 (A-2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHERE A
22 RENEWAL APPLICATION FOR THE "ENHANCED" STAR EXEMPTION AUTHORIZED BY
23 SUBDIVISION FOUR OF THIS SECTION HAS NOT BEEN FILED ON OR BEFORE THE
24 TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD CAUSE EXISTED FOR
25 THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT DATE, THE OWNER MAY,
26 NO LATER THAN THE LAST DAY FOR PAYING SCHOOL TAXES WITHOUT INCURRING
27 INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE COMMISSIONER ASKING
28 HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION. SUCH
29 REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS MISSED, AND
30 SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING THE FACTS AND
31 CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE. AFTER CONSULT-

1 ING WITH THE ASSESSOR, THE COMMISSIONER MAY EXTEND THE FILING DEADLINE
2 AND GRANT THE EXEMPTION IF THE COMMISSIONER IS SATISFIED THAT (I) GOOD
3 CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THE
4 TAXABLE STATUS DATE, AND THAT (II) THE APPLICANT IS OTHERWISE ENTITLED
5 TO THE EXEMPTION. THE COMMISSIONER SHALL MAIL NOTICE OF HIS OR HER
6 DETERMINATION TO SUCH OWNER AND THE ASSESSOR. IF THE DETERMINATION
7 STATES THAT THE COMMISSIONER HAS GRANTED THE EXEMPTION, THE ASSESSOR
8 SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT
9 ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE
10 ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE
11 CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE SCHOOL TAXES ARE
12 LEVIED, THE FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTA-
13 TION OF THE TAX SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE
14 THREE OF ARTICLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDING-
15 LY.

16 S 2. Section 467 of the real property tax law is amended by adding a
17 new subdivision 8-a to read as follows:

18 8-A. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LOCAL
19 GOVERNING BODY OF A MUNICIPAL CORPORATION THAT IS AUTHORIZED TO ADOPT A
20 LOCAL LAW PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION IS FURTHER
21 AUTHORIZED TO ADOPT A LOCAL LAW PROVIDING THAT WHERE A RENEWAL APPLICA-
22 TION FOR THE EXEMPTION AUTHORIZED BY THIS SECTION HAS NOT BEEN FILED ON
23 OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD
24 CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT
25 DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING TAXES WITHOUT
26 INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE ASSESSOR
27 ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION.
28 SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS
29 MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING
30 THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE.
31 THE ASSESSOR MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF
32 HE OR SHE IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO
33 FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II)
34 THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE ASSESSOR SHALL
35 MAIL NOTICE OF HIS OR HER DETERMINATION TO THE OWNER. IF THE DETERMI-
36 NATION STATES THAT THE ASSESSOR HAS GRANTED THE EXEMPTION, HE OR SHE
37 SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT
38 ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE
39 ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE
40 CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE TAXES ARE LEVIED, THE
41 FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX
42 SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTI-
43 CLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

44 S 3. This act shall take effect on the sixtieth day after it shall
45 have become a law.

46 PART E

47 Section 1. Section 606 of the tax law is amended by adding a new
48 subsection (eee) to read as follows:

49 (EEE) SCHOOL TAX REDUCTION CREDIT FOR RESIDENTS OF A CITY WITH A POPU-
50 LATION OVER ONE MILLION. (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOU-
51 SAND FIFTEEN, A SCHOOL TAX REDUCTION CREDIT SHALL BE ALLOWED TO A RESI-
52 DENT INDIVIDUAL OF THE STATE WHO IS A RESIDENT OF A CITY WITH A
53 POPULATION OVER ONE MILLION, AS PROVIDED BELOW. THE CREDIT SHALL BE
54 ALLOWED AGAINST THE TAXES AUTHORIZED BY THIS ARTICLE REDUCED BY THE

CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED HOWEVER, THAT NO INTEREST WILL BE PAID THEREON. FOR PURPOSES OF THIS SUBSECTION, NO CREDIT SHALL BE GRANTED TO AN INDIVIDUAL WITH RESPECT TO WHOM A DEDUCTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED FIFTY-ONE OF THE INTERNAL REVENUE CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR.

(2) THE AMOUNT OF THE CREDIT UNDER THIS PARAGRAPH SHALL BE DETERMINED BASED UPON THE TAXPAYER'S INCOME AS DEFINED IN SUBPARAGRAPH (II) OF PARAGRAPH (B) OF SUBDIVISION FOUR OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW. FOR THE PURPOSES OF THIS PARAGRAPH, ANY TAXPAYER UNDER SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH WITH INCOME OF MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL NOT RECEIVE A CREDIT.

(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES. IN THE CASE OF MARRIED INDIVIDUALS WHO MAKE A SINGLE RETURN JOINTLY AND OF A SURVIVING SPOUSE, THE CREDIT SHALL BE ONE HUNDRED TWENTY-FIVE DOLLARS.

(B) ALL OTHERS. IN THE CASE OF AN UNMARRIED INDIVIDUAL, A HEAD OF A HOUSEHOLD OR A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, THE CREDIT SHALL BE SIXTY-TWO DOLLARS AND FIFTY CENTS.

(3) PART-YEAR RESIDENTS. IF A TAXPAYER CHANGES STATUS DURING THE TAXABLE YEAR FROM RESIDENT TO NONRESIDENT, OR FROM NONRESIDENT TO RESIDENT, THE SCHOOL TAX REDUCTION CREDIT AUTHORIZED BY THIS SUBSECTION SHALL BE PRORATED ACCORDING TO THE NUMBER OF MONTHS IN THE PERIOD OF RESIDENCE.

S 2. Paragraphs 1 and 2 of subsection (e) of section 1310 of the tax law, paragraph 1 as amended by section 3 of part A of chapter 56 of the laws of 1998, paragraph 2 as amended by section 1 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 4 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven, AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this subsection, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For the purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by

applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of this chapter.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	\$125
in 2006	\$230
in 2007-2008	\$290
in 2009 [and after]- 2015	\$125

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	\$62.50
in 2006	\$115
in 2007-2008	\$145
in 2009 [and after]- 2015	\$62.50

S 3. Paragraphs 1 and 2 of subsection (c) of section 11-1706 of the administrative code of the city of New York, paragraph 1 as amended by section 6 of part A of chapter 56 of the laws of 1998, paragraph 2 as amended by section 2 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 5 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this [subdivision] SUBSECTION, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax

year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of the tax law.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
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in 2001-2005	\$125
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in 2006	\$230
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in 2007-2008	\$290
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in 2009 [and after]- 2015	\$125
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(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
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in 2001-2005	\$62.50
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in 2006	\$115
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in 2007-2008	\$145
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in 2009 [and after]- 2015	\$62.50
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S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2016.

PART F

Section 1. Section 425 of the real property tax law is amended by adding a new subdivision 16 to read as follows:

(16) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHEN THE COMMISSIONER FINDS THAT A PROPERTY OWNER WAS ELIGIBLE FOR THE STAR EXEMPTION AUTHORIZED BY THIS SECTION ON AN ASSESSMENT ROLL, BUT THE EXEMPTION WAS NOT TAKEN INTO ACCOUNT IN THE CALCULATION OF THE PROPERTY OWNER'S SCHOOL TAX BILL DUE TO AN ADMINISTRATIVE ERROR, AND THE PROPERTY OWNER OR HIS OR HER AGENT PAID AN EXCESSIVE AMOUNT OF SCHOOL TAXES ON THE PROPERTY AS A RESULT, THE COMMISSIONER OF TAXATION AND FINANCE IS AUTHORIZED TO REMIT DIRECTLY TO THE PROPERTY OWNER THE TAX SAVINGS THAT THE STAR EXEMPTION WOULD HAVE YIELDED IF THE STAR EXEMPTION HAD BEEN TAKEN INTO ACCOUNT IN THE CALCULATION OF THAT TAXPAYER'S SCHOOL TAX BILL. THE AMOUNTS PAYABLE UNDER THIS SECTION SHALL BE PAID FROM THE ACCOUNT ESTABLISHED FOR THE PAYMENT OF STAR BENEFITS TO LATE REGISTRANTS PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION FOURTEEN OF THIS SECTION. WHERE SUCH A PAYMENT HAS BEEN MADE, NEITHER THE PROPERTY OWNER NOR HIS OR HER AGENT SHALL BE ENTITLED TO A REFUND OF THE EXCESSIVE AMOUNT OF SCHOOL TAXES PAID ON ACCOUNT OF THE ADMINISTRATIVE ERROR.

S 2. This act shall take effect immediately.

PART G

Section 1. Intentionally omitted.

S 2. Intentionally omitted.

S 3. Intentionally omitted.

S 4. Intentionally omitted.

S 5. Section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing stand-

ards for electronic tax administration, as amended by section 1 of part H of chapter 59 of the laws of 2013, is amended to read as follows:

S 23. This act shall take effect immediately; provided, however, that:

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law and shall expire and be deemed repealed December 31, [2016] 2017, provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law;

(b) sections fourteen, fifteen, sixteen and seventeen of this act shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent;

(c) sections fourteen-a and fifteen-a of this act shall take effect September 15, 2011 and expire and be deemed repealed December 31, 2012 but shall take effect only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is eighty-five percent or greater;

(d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this act shall take effect January 1, [2017] 2018 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and

(e) sections twenty-one and twenty-one-a of this act shall expire and be deemed repealed December 31, [2016] 2017.

S 6. Intentionally omitted.

S 7. Intentionally omitted.

S 8. This act shall take effect immediately.

PART H

Section 1. Subdivision 4 of section 22 of the public housing law, as amended by section 2 of part P of chapter 59 of the laws of 2014, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [sixty-four] SEVENTY-TWO million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not

1 apply to allowance to a taxpayer of the credit with respect to an eligi-
2 ble low-income building for each year of the credit period.

3 S 2. Subdivision 4 of section 22 of the public housing law, as amended
4 by section one of this act, is amended to read as follows:

5 4. Statewide limitation. The aggregate dollar amount of credit which
6 the commissioner may allocate to eligible low-income buildings under
7 this article shall be [seventy-two] EIGHTY million dollars. The limita-
8 tion provided by this subdivision applies only to allocation of the
9 aggregate dollar amount of credit by the commissioner, and does not
10 apply to allowance to a taxpayer of the credit with respect to an eligi-
11 ble low-income building for each year of the credit period.

12 S 3. Subdivision 4 of section 22 of the public housing law as amended
13 by section two of this act is amended to read as follows:

14 4. Statewide limitation. The aggregate dollar amount of credit which
15 the commissioner may allocate to eligible low-income buildings under
16 this article shall be [eighty] EIGHTY-EIGHT million dollars. The limita-
17 tion provided by this subdivision applies only to allocation of the
18 aggregate dollar amount of credit by the commissioner, and does not
19 apply to allowance to a taxpayer of the credit with respect to an eligi-
20 ble low-income building for each year of the credit period.

21 S 4. Subdivision 4 of section 22 of the public housing law, as amended
22 by section three of this act, is amended to read as follows:

23 4. Statewide limitation. The aggregate dollar amount of credit which
24 the commissioner may allocate to eligible low-income buildings under
25 this article shall be [eighty-eight] NINETY-SIX million dollars. The
26 limitation provided by this subdivision applies only to allocation of
27 the aggregate dollar amount of credit by the commissioner, and does not
28 apply to allowance to a taxpayer of the credit with respect to an eligi-
29 ble low-income building for each year of the credit period.

30 S 5. Subdivision 4 of section 22 of the public housing law, as amended
31 by section four of this act, is amended to read as follows:

32 4. Statewide limitation. The aggregate dollar amount of credit which
33 the commissioner may allocate to eligible low-income buildings under
34 this article shall be [ninety-six] ONE HUNDRED FOUR million dollars. The
35 limitation provided by this subdivision applies only to allocation of
36 the aggregate dollar amount of credit by the commissioner, and does not
37 apply to allowance to a taxpayer of the credit with respect to an eligi-
38 ble low-income building for each year of the credit period.

39 S 6. This act shall take effect immediately; provided, however,
40 section two of this act shall take effect April 1, 2017; section three
41 of this act shall take effect April 1, 2018; section four of this act
42 shall take effect April 1, 2019 and section five of this act shall take
43 effect April 1, 2020.

44 PART I

45 Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B
46 of the tax law, as added by section 17 of part A of chapter 59 of the
47 laws of 2014, are amended to read as follows:

48 (a) Allowance of credit. For taxable years beginning on or after Janu-
49 ary first, two thousand fifteen and before January first, two thousand
50 [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be
51 computed as provided in this subdivision, against the tax imposed by
52 this article, for hiring and employing, for not less than one year and
53 for not less than thirty-five hours each week, a qualified veteran with-
54 in the state. The taxpayer may claim the credit in the year in which the

1 qualified veteran completes one year of employment by the taxpayer. If
2 the taxpayer claims the credit allowed under this subdivision, the
3 taxpayer may not use the hiring of a qualified veteran that is the basis
4 for this credit in the basis of any other credit allowed under this
5 article.

6 (b) Qualified veteran. A qualified veteran is an individual:

7 (1) who served on active duty in the United States army, navy, air
8 force, marine corps, coast guard or the reserves thereof, or who served
9 in active military service of the United States as a member of the army
10 national guard, air national guard, New York guard or New York naval
11 militia; who was released from active duty by general or honorable
12 discharge after September eleventh, two thousand one;

13 (2) who commences employment by the qualified taxpayer on or after
14 January first, two thousand fourteen, and before January first, two
15 thousand [sixteen] EIGHTEEN; and

16 (3) who certifies by signed affidavit, under penalty of perjury, that
17 he or she has not been employed for thirty-five or more hours during any
18 week in the one hundred eighty day period immediately prior to his or
19 her employment by the taxpayer.

20 S. 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
21 law, as added by section 3 of part AA of chapter 59 of the laws of 2013,
22 are amended to read as follows:

23 (1) Allowance of credit. For taxable years beginning on or after Janu-
24 ary first, two thousand fifteen and before January first, two thousand
25 [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be
26 computed as provided in this subsection, against the tax imposed by this
27 article, for hiring and employing, for not less than one year and for
28 not less than thirty-five hours each week, a qualified veteran within
29 the state. The taxpayer may claim the credit in the year in which the
30 qualified veteran completes one year of employment by the taxpayer. If
31 the taxpayer claims the credit allowed under this subsection, the
32 taxpayer may not use the hiring of a qualified veteran that is the basis
33 for this credit in the basis of any other credit allowed under this
34 article.

35 (2) Qualified veteran. A qualified veteran is an individual:

36 (A) who served on active duty in the United States army, navy, air
37 force, marine corps, coast guard or the reserves thereof, or who served
38 in active military service of the United States as a member of the army
39 national guard, air national guard, New York guard or New York naval
40 militia; who was released from active duty by general or honorable
41 discharge after September eleventh, two thousand one;

42 (B) who commences employment by the qualified taxpayer on or after
43 January first, two thousand fourteen, and before January first, two
44 thousand [sixteen] EIGHTEEN; and

45 (C) who certifies by signed affidavit, under penalty of perjury, that
46 he or she has not been employed for thirty-five or more hours during any
47 week in the one hundred eighty day period immediately prior to his or
48 her employment by the taxpayer.

49 S. 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
50 tax law, as added by section 5 of part AA of chapter 59 of the laws of
51 2013, are amended to read as follows:

52 (1) Allowance of credit. For taxable years beginning on or after Janu-
53 ary first, two thousand fifteen and before January first, two thousand
54 [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be
55 computed as provided in this subdivision, against the tax imposed by
56 this article, for hiring and employing, for not less than one year and

for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(2) Qualified veteran. A qualified veteran is an individual:

(A) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(C) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 4. This act shall take effect immediately.

PART J

Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax law, as amended by section 1 of part O of chapter 59 of the laws of 2014, is amended to read as follows:

(1) A taxpayer which is a qualified commercial production company, or which is a sole proprietor of a qualified commercial production company, and which is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (c) of this section, to be computed as provided in this section. Provided, however, to be eligible for such credit, at least seventy-five percent of the production costs (excluding post production costs) paid or incurred directly and predominantly in the actual filming or recording of the qualified commercial must be costs incurred in New York state. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 2. Paragraph (c) of subdivision 23 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(c) Expiration of credit. The credit allowed under this subdivision shall not be applicable to taxable years beginning on or after [December thirty-first] JANUARY FIRST, two thousand [seventeen] NINETEEN.

S 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as amended by section 4 of part O of chapter 59 of the laws of 2014, is amended to read as follows:

(1) Allowance of credit. A taxpayer that is eligible pursuant to the provisions of section twenty-eight of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 4. This act shall take effect immediately.

1

PART K

2 Section 1. Section 5 of chapter 604 of the laws of 2011, amending the
3 tax law relating to the credit for companies who provide transportation
4 to people with disabilities, is amended to read as follows:

5 S 5. This act shall take effect immediately and shall remain in effect
6 until December 31, 2016 when upon such date it shall be deemed repealed;
7 provided that this act shall be deemed to have been in full force and
8 effect on December 31, 2010; [and] provided further that this act shall
9 apply to all tax years commencing on or after January 1, 2011; AND
10 PROVIDED FURTHER THAT SECTIONS ONE AND TWO OF THIS ACT SHALL REMAIN IN
11 EFFECT UNTIL DECEMBER 31, 2022 WHEN UPON SUCH DATE SUCH SECTIONS SHALL
12 BE DEEMED REPEALED.

13 S 2. Paragraph (c) of subdivision 38 of section 210-B of the tax law,
14 as added by section 17 of part A of chapter 59 of the laws of 2014, is
15 amended to read as follows:

16 (c) Application of credit. In no event shall the credit allowed under
17 this subdivision for any taxable year reduce the tax due for such year
18 to less than the amount prescribed in paragraph (d) of subdivision one
19 of section two hundred ten of this article. However, if the amount of
20 credit allowed under this subdivision for any taxable year reduces the
21 tax to such amount or if the taxpayer otherwise pays tax based on the
22 fixed dollar minimum amount, any amount of credit thus not deductible in
23 such taxable year shall be carried over to the following year or years,
24 and may be deducted from the taxpayer's tax for such year or years. THE
25 TAX CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION SHALL NOT APPLY TO TAXA-
26 BLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND
27 TWENTY-THREE.

28 S 3. This act shall take effect immediately.

29

PART L

30 Section 1. Section 2 of part I of chapter 58 of the laws of 2006,
31 relating to providing an enhanced earned income tax credit, as amended
32 by section 1 of part G of chapter 59 of the laws of 2014, is amended to
33 read as follows:

34 S 2. This act shall take effect immediately and shall apply to taxable
35 years beginning on or after January 1, 2006 [and before January 1,
36 2017].

37 S 2. This act shall take effect immediately.

38

PART M

39 Section 1. Section 12 of part N of chapter 61 of the laws of 2005,
40 amending the tax law relating to certain transactions and related infor-
41 mation and relating to the voluntary compliance initiative, as amended
42 by section 1 of part B of chapter 61 of the laws of 2011, is amended to
43 read as follows:

44 S 12. This act shall take effect immediately; provided, however, that
45 (i) section one of this act shall apply to all disclosure statements
46 described in paragraph 1 of subdivision (a) of section 25 of the tax
47 law, as added by section one of this act, that were required to be filed
48 with the internal revenue service at any time with respect to "listed
49 transactions" as described in such paragraph 1, and shall apply to all
50 disclosure statements described in paragraph 1 of subdivision (a) of
51 section 25 of the tax law, as added by section one of this act, that

1 were required to be filed with the internal revenue service with respect
2 to "reportable transactions" as described in such paragraph 1, other
3 than "listed transactions", in which a taxpayer participated during any
4 taxable year for which the statute of limitations for assessment has not
5 expired as of the date this act shall take effect, and shall apply to
6 returns or statements described in such paragraph 1 required to be filed
7 by taxpayers (or persons as described in such paragraph) with the
8 commissioner of taxation and finance on or after the sixtieth day after
9 this act shall have become a law; and
10 (ii) sections two through four and seven through nine of this act
11 shall apply to any tax liability for which the statute of limitations on
12 assessment has not expired as of the date this act shall take effect;
13 and
14 (iii) provided, further, that the provisions of this act, except
15 section five of this act, shall expire and be deemed repealed July 1,
16 [2015] 2017; provided, that, such expiration and repeal shall not affect
17 any requirement imposed pursuant to this act.
18 S 2. This act shall take effect immediately and shall be deemed to
19 have been in full force and effect on and after July 1, 2015; provided,
20 however that notwithstanding the provisions of article 5 of the general
21 construction law, the provisions of section 25, paragraph 11 of
22 subsection (c) of section 683, subsections (p), (p-1), (x), (y), (z),
23 (aa) and (bb) of section 685, paragraph 11 of subsection (c) of section
24 1083, subsections (k), (k-1), (p), (q), (r), (s) and (t) of section 1085
25 of the tax law, and section 11 of part N of chapter 61 of the laws of
26 2005, are hereby revived and shall continue in full force and effect as
27 such provisions existed on July 1, 2015.

PART N

28
29 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
30 law, as added by section 17 of part A of chapter 59 of the laws of 2014,
31 is amended to read as follows:
32 (a) General. A taxpayer shall be allowed a credit against the tax
33 imposed by this article. Such credit, to be computed as hereinafter
34 provided, shall be allowed for bioheat, used for space heating or hot
35 water production for residential purposes within this state purchased
36 before January first, two thousand [seventeen] TWENTY. Such credit shall
37 be \$0.01 per percent of biodiesel per gallon of bioheat, not to exceed
38 twenty cents per gallon, purchased by such taxpayer. PROVIDED, HOWEVER,
39 THAT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT
40 SHALL NOT APPLY TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER
41 GALLON OF BIOHEAT.
42 S 2. Paragraph 1 of subsection (mm) of section 606 of the tax law, as
43 amended by chapter 193 of the laws of 2012, is amended to read as
44 follows:
45 (1) A taxpayer shall be allowed a credit against the tax imposed by
46 this article. Such credit, to be computed as hereinafter provided, shall
47 be allowed for bioheat, used for space heating or hot water production
48 for residential purposes within this state and purchased on or after
49 July first, two thousand six and before July first, two thousand seven
50 and on or after January first, two thousand eight and before January
51 first, two thousand [seventeen] TWENTY. Such credit shall be \$0.01 per
52 percent of biodiesel per gallon of bioheat, not to exceed twenty cents
53 per gallon, purchased by such taxpayer. PROVIDED, HOWEVER, THAT ON OR
54 AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT SHALL NOT APPLY

TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER GALLON OF BIOHEAT.

S 3. This act shall take effect immediately.

PART O

Intentionally Omitted

PART P

Section 1. This act enacts into law major components of legislation. Each component is wholly contained within a Subpart identified as Subparts A through G. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes references to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this act sets forth the general effective date of this act.

SUBPART A

Section 1. Subdivision (c) of section 24 of the tax law, as added by section 1 of part P of chapter 60 of the laws of 2004, is amended to read as follows:

(c) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) article 9-A: section [210] 210-B: subdivision [36] 20.

(2) article 22: section 606: subsection (gg).

S 2. Subdivision (a) and paragraphs 2, 4, and 5 of subdivision (e) of section 38 of the tax law, as added by section 1 of part EE of chapter 59 of the laws of 2013, are amended to read as follows:

(a) A taxpayer that is an eligible employer or an owner of an eligible employer as defined in subdivision (b) of this section shall be eligible for a credit against the tax imposed under article nine, nine-A, twenty-two, [thirty-two] or thirty-three of this article, pursuant to the provisions referenced in subdivision (e) of this section.

(2) Article 9-A: Section [210] 210-B, subdivision [46] 40.

(4) [Article 32: Section 1456, subsection (z).

(5)] Article 33: Section 1511, subdivision (cc).

S 3. Paragraph (e) of subdivision 1 of section 209 of the tax law, as added by section 5 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(e) At the end of each year, the commissioner shall review the cumulative percentage change in the consumer price index. The commissioner shall adjust the receipt thresholds set forth in this subdivision if the consumer price index has changed by ten percent or more since January first, two thousand fifteen, or since the date that the thresholds were last adjusted under this subdivision. The thresholds shall be adjusted to reflect that cumulative percentage change in the consumer price index. The adjusted thresholds shall be rounded to the nearest one thousand dollars. As used in this paragraph, "consumer price index" means the consumer price index for all urban consumers (CPI-U) available [form] FROM the bureau of labor statistics of the United States depart-

1 ment of labor. Any adjustment shall apply to tax periods that begin
2 after the adjustment is made.

3 S 4. The opening paragraph of paragraph (a) of subdivision 5 of
4 section 210-A of the tax law, as amended by section 23 of part T of
5 chapter 59 of the laws of 2015, is amended to read as follows:

6 A financial instrument is a "nonqualified financial instrument" if it
7 is not a qualified financial instrument. A qualified financial instru-
8 ment means a financial instrument that is of a type described in any of
9 clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this
10 paragraph and that has been marked to market in the taxable year by the
11 taxpayer under section 475 or section 1256 of the internal revenue code.
12 Further, if the taxpayer has in the taxable year marked to market a
13 financial instrument of the type described in any of the clauses (A),
14 (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph,
15 then any financial instrument within that type described in the above
16 specified clause or clauses that has not been marked to market by the
17 taxpayer under section 475 or section 1256 of the internal revenue code
18 is a qualified financial instrument in the taxable year. Notwithstanding
19 the two preceding sentences, (i) a loan secured by real property shall
20 not be a qualified financial instrument, (ii) if the only loans that are
21 marked to market by the taxpayer under section 475 or section 1256 of
22 the internal revenue code are loans secured by real property, then no
23 loans shall be qualified financial instruments, [and] (iii) stock that
24 is investment capital as defined in paragraph (a) of subdivision five of
25 section two hundred eight of this article shall not be a qualified
26 financial instrument, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME
27 AS DEFINED IN SUBDIVISION SIX-A OF SECTION TWO HUNDRED EIGHT OF THIS
28 ARTICLE AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION
29 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED
30 FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS
31 DESCRIBED IN SUCH SUBDIVISION SIX-A. If a corporation is included in a
32 combined report, the definition of qualified financial instrument shall
33 be determined on a combined basis.

34 S 5. Paragraph (c) of subdivision 7 of section 210-B of the tax law,
35 as added by section 17 of part A of chapter 59 of the laws of 2014, is
36 amended to read as follows:

37 (c) Average number of individuals employed full-time. For the purposes
38 of this subdivision, average number of individuals employed full-time
39 shall be computed by adding the number of such individuals employed by
40 the taxpayer at the end of each quarter during each taxable year or
41 other applicable period and dividing the sum so obtained by the number
42 of such quarters occurring within such taxable year or other applicable
43 period; provided however, except that in computing base year employment,
44 there shall be excluded therefrom any employee with respect to whom a
45 credit provided for under subdivision [six of this section is] NINETEEN
46 OF SECTION TWO HUNDRED TEN OF THIS ARTICLE, AS SUCH SUBDIVISION WAS IN
47 EFFECT ON DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN, WAS claimed for
48 the taxable year.

49 S 6. Paragraph (a) of subdivision 9 of section 210-B of the tax law,
50 as added by section 17 of part A of chapter 59 of the laws of 2014, is
51 amended to read as follows:

52 (a) Application of credit. A taxpayer shall be allowed a credit, to be
53 credited against the tax imposed by this article, equal to the amount of
54 the special additional mortgage recording tax paid by the taxpayer
55 pursuant to the provisions of subdivision one-a of section two hundred
56 fifty-three of this chapter [or] ON mortgages recorded. Provided, howev-

er, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in one or more of the counties comprising the metropolitan commuter transportation area. Provided further, however, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in the county of Erie.

S 7. Subdivision 45 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

45. Order of credits. [(a)] Credits allowable under this article which cannot be carried over and which are not refundable shall be deducted first. [The credit allowable under subdivision six of this section shall be deducted immediately after the deduction of all credits allowable under this article which cannot be carried over and which are not refundable, whether or not a portion of such credit is refundable.] Credits allowable under this article which can be carried over, and carryovers of such credits, shall be deducted next [after the deduction of the credit allowable under subdivision six of this section], and among such credits, those whose carryover is of limited duration shall be deducted before those whose carryover is of unlimited duration. Credits allowable under this article which are refundable [(other than the credit allowable under subdivision six of this section)] shall be deducted last.

S 8. Paragraph (a) of subdivision 3 of section 210-C of the tax law, as added by section 18 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) Subject to the provisions of paragraph (c) of subdivision two of this section, a taxpayer may elect to treat as its combined group all corporations that meet the ownership requirements described in paragraph (a) of subdivision two of this section (such corporations collectively referred to in this subdivision as the "commonly owned group"). If that election is made, the commonly owned group shall calculate the combined business income, combined capital, and fixed dollar minimum bases of all members of the group in accordance with [paragraph] SUBDIVISION four of this [subdivision] SECTION, whether or not that business income or business capital is from a single unitary business.

S 9. Paragraph I of subdivision 1 of section 11-604 of the administrative code of the city of New York, as added by chapter 491 of the laws of 2007, is amended to read as follows:

I. Notwithstanding any provision of this subdivision to the contrary, for taxable years beginning on or after January first, two thousand seven for any corporation that:

(a) has a business allocation percentage for the taxable year, as determined under paragraph (a) of subdivision three of this section, of one hundred percent;

(b) has no investment capital or income at any time during the taxable year;

(c) has no subsidiary capital or income at any time during the taxable year; and

(d) has gross income, as defined in section sixty-one of the internal revenue code, less than two hundred fifty thousand dollars for the taxable year:

the tax imposed by subdivision one of section 11-603 of this subchapter shall be the greater of the tax on entire net income computed under clause one of subparagraph (a) of paragraph E of this subdivision and the fixed dollar minimum tax specified in clause four of subparagraph (a) of paragraph E of this subdivision.

For purposes of this paragraph, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, any corporation for which an election under subsection (a) of section six hundred sixty of the tax law is not in effect for the taxable year may elect to treat as entire net income the sum of:

(i) entire net income as determined under section two hundred eight of the tax law; and

(ii) any deductions taken for the taxable year in computing federal taxable income for New York city taxes paid or accrued under this chapter.

S 10. Subdivision 2 of section 11-651 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

2. Each reference in THE TAX LAW OR this code to subchapters two or three of this chapter, or any of the provisions thereof, shall be deemed a reference also to this subchapter, and any of the applicable provisions thereof, where appropriate and with all necessary modifications.

S 11. Paragraph (a) of subdivision 4 of section 11-652 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) The term "investment capital" means investments in stocks that:

(i) satisfy the definition of a capital asset under section 1221 of the internal revenue code at all times the taxpayer owned such stocks during the taxable year; (ii) are held by the taxpayer for investment for more than one year; (iii) the dispositions of which are, or would be, treated by the taxpayer as generating long-term capital gains or losses under the internal revenue code; (iv) for stocks acquired on or after January first, two thousand fifteen, at any time after the close of the day in which they are acquired, have never been held for sale to customers in the regular course of business; and (v) before the close of the day on which the stock was acquired, are clearly identified in the taxpayer's records as stock held for investment in the same manner as required under section 1236(a)(1) of the internal revenue code for the stock of a dealer in securities to be eligible for capital gain treatment (whether or not the taxpayer is a dealer of securities subject to section 1236), provided, however, that for stock acquired prior to October first, two thousand fifteen that was not subject to section 1236(a) of the internal revenue code, such identification in the taxpayer's records must occur before October first, two thousand fifteen. Stock in a corporation that is conducting a unitary business with the taxpayer, stock in a corporation that is included in a combined report with the taxpayer pursuant to the commonly owned group election in subdivision three of section 11-654.3 of this subchapter, and stock [used] ISSUED by the taxpayer shall not constitute investment capital. For purposes of this subdivision, if the taxpayer owns or controls, directly or indirectly, less than twenty percent of the voting power of the stock of a corporation,

1 that corporation will be presumed to be conducting a business that is
2 not unitary with the business of the taxpayer.

3 S 12. Subparagraph 2 of paragraph (a) of subdivision 18 of section
4 11-654 of the administrative code of the city of New York, as added by
5 section 1 of part D of chapter 60 of the laws of 2015, is amended to
6 read as follows:

7 (2) The amount determined in this subparagraph is the product of (i)
8 the excess of (A) the tax computed under clause (i) of subparagraph one
9 of paragraph (e) of subdivision one of this section, without allowance
10 of any credits allowed by this section, over (B) the tax so computed,
11 determined as if the corporation had no such distributive share or guar-
12 anteed payments with respect to the unincorporated business, and (ii) a
13 fraction, the numerator of which is four and the denominator of which is
14 eight and eighty-five one hundredths, [provided however,] EXCEPT THAT IN
15 THE CASE OF A FINANCIAL CORPORATION AS DEFINED IN CLAUSE (I) OF SUBPARA-
16 GRAPH ONE OF PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION, SUCH
17 DENOMINATOR IS NINE, AND in the case of a taxpayer that is subject to
18 paragraph (j) or (k) of subdivision one of this section, such denomina-
19 tor shall be the rate of tax as determined by such paragraph (j) or (k)
20 for the taxable year; [and,] provided[, however,] that the amounts
21 computed in subclauses (A) and (B) of clause (i) of this subparagraph
22 shall be computed with the following modifications:

23 (A) such amounts shall be computed without taking into account any
24 carryforward or carryback by the partner of a net operating loss or a
25 prior net operation loss conversion subtraction;

26 (B) if, prior to taking into account any distributive share or guaran-
27 teed payments from any unincorporated business or any net operating loss
28 carryforward or carryback, the entire net income of the partner is less
29 than zero, such entire net income shall be treated as zero; and

30 (C) if such partner's net total distributive share of income, gain,
31 loss and deductions of, and guaranteed payments from, any unincorporated
32 business is less than zero, such net total shall be treated as zero. The
33 amount determined in this subparagraph shall not be less than zero.

34 S 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section
35 11-654 of the administrative code of the city of New York, as added by
36 section 1 of part D of chapter 60 of the laws of 2015, is amended to
37 read as follows:

38 (1) Notwithstanding anything to the contrary in paragraph (a) of this
39 subdivision, in the case of a corporation that, before the application
40 of this subdivision or any other credit allowed by this section, is
41 liable for the tax on business income under clause (i) of subparagraph
42 one of paragraph (e) of subdivision one of this section, the credit or
43 the sum of the credits that may be taken by such corporation for a taxa-
44 ble year under this subdivision with respect to an unincorporated busi-
45 ness or unincorporated businesses in which it is a partner shall not
46 exceed the tax so computed, without allowance of any credits allowed by
47 this section, multiplied by a fraction the numerator of which is four
48 and the denominator of which is eight and eighty-five one-hundredths
49 [provided, however], EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION
50 AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDI-
51 VISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of
52 a taxpayer that is subject to paragraph (j) or (k) of subdivision one of
53 this section, such denominator shall be the rate of tax as determined by
54 such paragraph (j) or (k) for the taxable year. If the credit allowed
55 under this subdivision or the sum of such credits exceeds the product of
56 such tax and such fraction, the amount of the excess may be carried

forward, in order, to each of the seven immediately succeeding taxable years and, to the extent not previously taken, shall be allowed as a credit in each of such years. In applying the provisions of the preceding sentence, the credit determined for the taxable year under paragraph (a) of this subdivision shall be taken before taking any credit carryforward pursuant to this paragraph and the credit carryforward attributable to the earliest taxable year shall be taken before taking a credit carryforward attributable to a subsequent taxable year.

S 14. Subparagraph 8 of paragraph (a) of subdivision 21 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(8) The credit allowed under this subdivision shall only be allowed for taxable years beginning before January first, two thousand [sixteen] NINETEEN.

S 15. Paragraph (c) of subdivision 2 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(c) Receipts from sales of tangible personal property and electricity that are traded as commodities as the term "commodity" is defined in section four hundred seventy-five of the internal revenue code, shall be included in the receipts fraction in accordance with clause [(i)] (IX) of subparagraph two of paragraph (a) of subdivision five of this section.

S 16. The opening paragraph of paragraph (a) of subdivision 5 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, [and] (iii) stock that is investment capital as defined in paragraph (a) of subdivision [4] FOUR of section 11-652 of this subchapter shall not be a qualified financial instrument, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME AS DEFINED IN SUBDIVISION FIVE-A OF SECTION 11-652 OF THIS SUBCHAPTER AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS DESCRIBED IN SUCH SUBDIVISION FIVE-A. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis.

1 S 17. This act shall take effect immediately; provided however that
2 sections one, two, three, four, five, six, seven and eight of this act
3 shall be deemed to have been in full force and effect on the same date
4 and in the same manner as part A of chapter 59 of the laws of 2014, took
5 effect, and sections nine, ten, eleven, twelve, thirteen, fourteen,
6 fifteen and sixteen of this act shall be deemed to have been in full
7 force and effect on the same date and in the same manner as part D of
8 chapter 60 of the laws of 2015, took effect.

9 SUBPART B

10 Section 1. Paragraph (b) of subdivision 9 of section 210-B of the tax
11 law, as added by section 17 of part A of chapter 59 of the laws of 2014,
12 is amended to read as follows:

13 (b) [Carryover.] REFUND. In no event shall the credit herein provided
14 for be allowed in an amount which will reduce the tax payable to less
15 than the fixed dollar minimum amount prescribed in paragraph (d) of
16 subdivision one of section two hundred ten of this article. If, however,
17 the amount of credit allowable under this subdivision for any taxable
18 year, including any credit carried over from a prior taxable year,
19 reduces the tax to such amount or if the taxpayer otherwise pays tax
20 based on the fixed dollar minimum amount, any amount of credit not
21 deductible in such taxable year may be carried over to the following
22 year or years and may be deducted from the taxpayer's tax for such year
23 or years. PROVIDED, HOWEVER, IN LIEU OF CARRYING OVER, TO THE FOLLOWING
24 YEAR OR YEARS, THE UNUSED PORTION OF CREDITS ATTRIBUTABLE TO SPECIAL
25 ADDITIONAL MORTGAGE RECORDING TAX WITH RESPECT TO SUCH MORTGAGES, WHICH
26 IS DUE AND PAID IN ANY OF SUCH TAXABLE YEARS, THE TAXPAYER MAY ELECT TO
27 TREAT SUCH UNUSED PORTION AS AN OVERPAYMENT OF TAX TO BE CREDITED OR
28 REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND
29 EIGHTY-SIX OF THIS CHAPTER EXCEPT THAT NO INTEREST SHALL BE PAID ON SUCH
30 OVERPAYMENT.

31 S 2. This act shall take effect immediately and shall apply to taxable
32 years beginning on or after January 1, 2015.

33 SUBPART C

34 Section 1. Paragraph (a) of subdivision 6 of section 208 of the tax
35 law, as amended by section 5 of part T of chapter 59 of the laws of
36 2015, is amended to read as follows:

37 (a) (i) The term "investment income" means income, including capital
38 gains in excess of capital losses, from investment capital, to the
39 extent included in computing entire net income, less, in the discretion
40 of the commissioner, any interest deductions allowable in computing
41 entire net income which are directly or indirectly attributable to
42 investment capital or investment income, provided, however, that in no
43 case shall investment income exceed entire net income. (ii) If the
44 amount of interest deductions subtracted under subparagraph (i) of this
45 paragraph exceeds investment income, the excess of such amount over
46 investment income must be added back to entire net income. (iii) If
47 FIFTY PERCENT OR MORE OF THE RECEIPTS, DIVIDENDS, INTEREST INCOME, NET
48 INTEREST INCOME, NET INTEREST, NET INCOME AND NET GAIN IN THE DENOMINA-
49 TOR OF A TAXPAYER'S APPORTIONMENT FRACTION ARE FROM TRANSACTIONS AND
50 SOURCES DESCRIBED IN SUBDIVISION FIVE OF SECTION TWO HUNDRED TEN-A OF
51 THIS ARTICLE AND the taxpayer's investment income determined without
52 regard to the interest deductions subtracted under subparagraph (i) of

1 this paragraph comprises more than eight percent of the taxpayer's
2 entire net income, investment income determined without regard to such
3 interest deductions cannot exceed eight percent of the taxpayer's entire
4 net income.

5 S 2. This act shall take effect immediately.

6 SUBPART D

7 Section 1. Subclause 1 of clause (B) of subparagraph (viii) of para-
8 graph (a) of subdivision 1 of section 210 of the tax law, is amended by
9 adding three new items (V), (VI) and (VII) to read as follows:

10 (V) IN LIEU OF THE BASE YEAR BAP DEFINED IN ITEM (III) OF THIS
11 SUBCLAUSE, A HISTORICAL LOSS COMPANY MAY ELECT TO COMPUTE ITS BASE YEAR
12 BAP BASED ON THE AVERAGE OF THE "BUSINESS ALLOCATION PERCENTAGES"
13 REPORTED ON ITS ANNUAL CORPORATE FRANCHISE TAX RETURNS THAT THE HISTOR-
14 ICAL LOSS COMPANY FILED FOR THE TAXABLE YEARS DURING THE LOSS PERIOD.

15 (VI) "HISTORICAL LOSS COMPANY" MEANS A COMPANY THAT DID NOT PAY CORPO-
16 RATE FRANCHISE TAX ON AN ENTIRE NET INCOME BASIS FOR ITS TAXABLE YEARS
17 DURING THE LOSS PERIOD AND EITHER REALIZED A LOSS IN EACH SUCH TAXABLE
18 YEAR OR CARRIED FORWARD A PRIOR LOSS FROM A TAXABLE YEAR ENDING BEFORE
19 SUCH LOSS PERIOD TO OFFSET SUCH ENTIRE NET INCOME, SUCH THAT THE COMPANY
20 WOULD BE IN AN HISTORICAL LOSS POSITION DURING THE LOSS PERIOD.

21 (VII) "LOSS PERIOD" MEANS THE PERIOD COMMENCING WITH THE TAXABLE YEAR
22 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND, AND ENDING WITH THE
23 LAST TAXABLE YEAR THAT INCLUDES OR ENDS ON DECEMBER THIRTY-FIRST, TWO
24 THOUSAND FOURTEEN.

25 S 2. This act shall take effect immediately.

26 SUBPART E

27 Section 1. Paragraph (f) of subdivision 1 of section 209-B of the tax
28 law, as added by section 7 of part A of chapter 59 of the laws of 2014,
29 is amended to read as follows:

30 (f) The commissioner shall determine the rate of tax for taxable years
31 beginning on or after January first, two thousand sixteen by adjusting
32 the rate for taxable years beginning on or after January first, two
33 thousand fifteen and before January first, two thousand sixteen as
34 necessary to ensure that the receipts attributable to such surcharge, as
35 impacted by the chapter of the laws of two thousand fourteen which added
36 this paragraph, will meet and not exceed the financial projections for
37 state fiscal year two thousand sixteen-two thousand seventeen, as
38 reflected in state fiscal year two thousand fifteen-two thousand sixteen
39 enacted budget. The commissioner shall annually determine the rate ther-
40 eafter using the financial projections for the state fiscal year that
41 commences in the year for which the rate is to be set as reflected in
42 the enacted budget for the fiscal year commencing on the previous April
43 first. PROVIDED HOWEVER, NO INCREASE IN THE RATE SHALL OCCUR IN TAXABLE
44 YEARS BEGINNING AFTER TWO THOUSAND SIXTEEN.

45 S 2. This act shall take effect immediately.

46 SUBPART F

47 Section 1. Subparagraph 2 of paragraph (b) of subdivision 43 of
48 section 210-B of the tax law, as added by section 17 of part A of chap-
49 ter 59 of the laws of 2014, is amended to read as follows:

1 (2) In addition, the term real property tax includes taxes paid by the
2 taxpayer upon real property principally used during the taxable year by
3 the taxpayer in manufacturing where the taxpayer leases such real prop-
4 erty from an unrelated third party if the following conditions are
5 satisfied: (i) the tax must be paid by the taxpayer as lessee pursuant
6 to explicit requirements in a written lease, and (ii) the taxpayer as
7 lessee has paid such taxes directly to the taxing authority and has
8 received a written receipt for payment of taxes from the taxing authori-
9 ty. In the case of a combined group that constitutes a qualified New
10 York manufacturer, the conditions in the preceding sentence are satis-
11 fied if one corporation in the combined group is the lessee and another
12 corporation in the combined group makes the payments to the taxing
13 authority. IN THE CASE OF A TAXPAYER THAT, DURING THE TAXABLE YEAR, IS
14 PRINCIPALLY ENGAGED IN THE PRODUCTION OF GOODS BY FARMING, AGRICULTURE,
15 HORTICULTURE, FLORICULTURE, VITICULTURE, OR COMMERCIAL FISHING, THE
16 TAXPAYER IS ELIGIBLE IF THE TAXPAYER SATISFIES THE CONDITIONS STIPULATED
17 IN THIS SUBDIVISION AND THE TAXPAYER LEASES SUCH REAL PROPERTY FROM A
18 RELATED OR UNRELATED PARTY.

19 S 2. This act shall take effect immediately.

20

SUBPART G

21 Section 1. Item (III) of subclause (ii) of clause (B) of subparagraph
22 1 of paragraph (r) of subdivision 9 of section 208 of the tax law, as
23 amended by section 6 of part T of chapter 59 of the laws of 2015, is
24 amended to read as follows:

25 (III) Tangible real and personal property, such as buildings, land,
26 machinery, and equipment shall be valued at cost. Leased assets NOTWITH-
27 STANDING WHETHER THE UNDERLYING LEASE IS INCLUDED ON THE BALANCE SHEET
28 AS PROVIDED IN ITEM (II) will be valued at the annual lease payment
29 multiplied by eight. Intangible property, such as loans and investments,
30 shall be valued at book value exclusive of reserves.

31 S 2. This act shall take effect immediately.

32 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-
33 sion, section or subpart of this act shall be adjudged by any court of
34 competent jurisdiction to be invalid, such judgment shall not affect,
35 impair, or invalidate the remainder thereof, but shall be confined in
36 its operation to the clause, sentence, paragraph, subdivision, section
37 or subpart thereof directly involved in the controversy in which such
38 judgment shall have been rendered. It is hereby declared to be the
39 intent of the legislature that this act would have been enacted even if
40 such invalid provisions had not been included herein.

41 S 3. This act shall take effect immediately, provided, however, that
42 the applicable effective date of Subparts A through G of this act shall
43 be as specifically set forth in the last section of such Subparts.

44

PART Q

45 Section 1. Subdivision 5 of section 183-a of the tax law, as amended
46 by section 61 of part A of chapter 59 of the laws of 2014, is amended to
47 read as follows:

48 5. The report covering the tax surcharge which must be calculated
49 pursuant to this section based upon the tax reportable on the report due
50 by March fifteenth of any year under section one hundred eighty-three of
51 this article, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO
52 THOUSAND SIXTEEN, AND ON THE REPORT DUE BY APRIL FIFTEENTH OF ANY YEAR

1 UNDER SECTION ONE HUNDRED EIGHTY-THREE OF THIS ARTICLE, FOR TAXABLE
2 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, shall
3 be filed on or before March fifteenth of the year next succeeding such
4 year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
5 SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF THE YEAR NEXT SUCCEEDING
6 SUCH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO
7 THOUSAND SIXTEEN. An extension pursuant to section one hundred ninety-
8 three of this article shall be allowed only if a taxpayer files with the
9 commissioner an application for extension in such form as said commis-
10 sioner may prescribe by regulation and pays on or before the date of
11 such filing in addition to any other amounts required under this arti-
12 cle, either ninety percent of the entire tax surcharge required to be
13 paid under this section for the applicable period, or not less than the
14 tax surcharge shown on the taxpayer's report for the preceding year, if
15 such preceding year consisted of twelve months. The tax surcharge
16 imposed by this section shall be payable to the commissioner in full at
17 the time the report is required to be filed, and such tax surcharge or
18 the balance thereof, imposed on any taxpayer which ceases to exercise
19 its franchise or be subject to the tax surcharge imposed by this section
20 shall be payable to the commissioner at the time the report is required
21 to be filed, provided such tax surcharge of a domestic corporation which
22 continues to possess its franchise shall be subject to adjustment as the
23 circumstances may require; all other tax surcharges of any such taxpay-
24 er, which pursuant to the foregoing provisions of this section would
25 otherwise be payable subsequent to the time such report is required to
26 be filed, shall nevertheless be payable at such time. All of the
27 provisions of this article presently applicable to section one hundred
28 eighty-three of this article are applicable to the tax surcharge imposed
29 by this section except for section one hundred ninety-two of this arti-
30 cle.

31 S 2. Subdivision 4 of section 186-a of the tax law, as amended by
32 chapter 536 of the laws of 1998, is amended to read as follows:

33 4. Every utility subject to tax hereunder shall file, on or before
34 March fifteenth of each year, a return for the year ended on the preced-
35 ing December thirty-first, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY
36 FIRST, TWO THOUSAND SIXTEEN, except that the year ended on December
37 thirty-first, nineteen hundred seventy-six shall be deemed, for the
38 purposes of this subdivision, to have commenced on June first, nineteen
39 hundred seventy-six, AND SHALL FILE, ON OR BEFORE APRIL FIFTEENTH OF
40 EACH YEAR, A RETURN FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIR-
41 TY-FIRST, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO
42 THOUSAND SIXTEEN, including any period for which the tax imposed hereby
43 or by any amendment hereof is effective, each of which returns shall
44 state the gross income or gross operating income for the period covered
45 by each such return. Returns shall be filed with the commissioner of
46 taxation and finance on a form to be furnished by the commissioner for
47 such purpose and shall contain such other data, information or matter as
48 the commissioner may require to be included therein. Notwithstanding the
49 foregoing provisions of this subdivision, the commissioner may require
50 any utility to file an annual return, which shall contain any data spec-
51 ified by the commissioner, regardless of whether the utility is subject
52 to tax under this section; and the commissioner may require a landlord
53 selling to a tenant gas, electric, steam, water or refrigeration or
54 furnishing gas, electric, steam, water or refrigerator service, where
55 the same has been subjected to tax under this section on the sale to
56 such landlord, to file, on or before the fifteenth day of March of each

1 year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
2 SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF APRIL OF EACH YEAR, FOR
3 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,
4 an information return for the year ended on the preceding December thir-
5 ty-first, covering such year in such form and containing such data as
6 the commissioner may specify. Every return shall have annexed thereto a
7 certification by the head of the utility making the same, or of the
8 owner or of a co-partner thereof, or of a principal officer of the
9 corporation, if such business be conducted by a corporation, to the
10 effect that the statements contained therein are true.

11 S 3. Subdivision 6 of section 186-e of the tax law, as added by chap-
12 ter 2 of the laws of 1995, is amended to read as follows:

13 6. Returns. Every provider of telecommunication services subject to
14 tax under this section shall file, on or before March fifteenth of each
15 year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
16 SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, FOR TAXABLE
17 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, a
18 return for the year ended on the preceding December thirty-first, and
19 pay the tax due, which return shall state the gross receipts for the
20 period covered by each such return and the resale exclusions during such
21 period. Returns shall be filed with the commissioner on a form to be
22 furnished by the commissioner for such purpose and shall contain such
23 other data, information or matter as the commissioner may require to be
24 included therein. Notwithstanding the foregoing provisions of this
25 subdivision, the commissioner may require any provider of telecommuni-
26 cation services to file an annual return, which shall contain any data
27 specified by the commissioner, regardless of whether such provider is
28 subject to tax under this section. Every return shall have annexed ther-
29 eto a certification by the head of the provider of telecommunication
30 services making the same, or of the owner or of a partner or member
31 thereof, or of a principal officer of the corporation, if such business
32 be conducted by a corporation, to the effect that the statements
33 contained therein are true.

34 S 4. Subdivision 1 of section 192 of the tax law, as amended by chap-
35 ter 96 of the laws of 1976, is amended to read as follows:

36 1. Corporations paying franchise tax. Every corporation, association
37 or joint-stock company liable to pay a tax under section one hundred
38 eighty-three or one hundred eighty-five of this chapter shall, on or
39 before March fifteenth in each year, FOR TAXABLE YEARS BEGINNING BEFORE
40 JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN
41 EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO
42 THOUSAND SIXTEEN, make a written report to the [tax commission] COMMIS-
43 SIONER of its condition at the close of its business on the preceding
44 December thirty-first, stating the amount of its authorized capital
45 stock, the amount of stock paid in, the date and rate per centum of each
46 dividend paid by it during the year ending with such day, the entire
47 amount of the capital of such corporation, and the capital employed by
48 it in this state during such year.

49 S 5. Subdivision 1 of section 192 of the tax law, as amended by
50 section 26 of part S of chapter 59 of the laws of 2014, is amended to
51 read as follows:

52 1. Corporations paying franchise tax. Every corporation, association
53 or joint-stock company liable to pay a tax under section one hundred
54 eighty-three of this chapter shall, on or before March fifteenth in each
55 year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
56 SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN EACH YEAR, FOR TAXABLE

1 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, make a
2 written report to the [tax commission] COMMISSIONER of its condition at
3 the close of its business on the preceding December thirty-first, stat-
4 ing the amount of its authorized capital stock, the amount of stock paid
5 in, the date and rate per centum of each dividend paid by it during the
6 year ending with such day, the entire amount of the capital of such
7 corporation, and the capital employed by it in this state during such
8 year.

9 S 6. Subdivision 2 of section 192 of the tax law, as amended by chap-
10 ter 96 of the laws of 1976, is amended to read as follows:

11 2. Transportation and transmission corporations. Every transportation
12 or transmission corporation, joint-stock company or association liable
13 to pay an additional franchise tax under section one hundred eighty-four
14 of this chapter, shall also, on or before March fifteenth of each year,
15 make a written report to the [tax commission] COMMISSIONER of the amount
16 of its gross earnings subject to the tax imposed by said section for the
17 year ended on the preceding December thirty-first, FOR TAXABLE YEARS
18 BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the
19 year ended on December thirty-first, nineteen hundred seventy-six shall
20 be deemed, for the purposes of this subdivision, to have commenced on
21 July first, nineteen hundred seventy-six, AND SHALL ALSO, ON OR BEFORE
22 APRIL FIFTEENTH OF EACH YEAR, MAKE A WRITTEN REPORT TO THE COMMISSIONER
23 OF THE AMOUNT OF ITS GROSS EARNINGS SUBJECT TO THE TAX IMPOSED BY SAID
24 SECTION FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR
25 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.
26 Any such corporation, joint-stock company or association which ceases to
27 be subject to the tax imposed by section one hundred eighty-four of this
28 chapter by reason of a liquidation, dissolution, merger or consolidation
29 with any other corporation, or any other cause, shall, on the date of
30 such cessation or at such other time as the [tax commission] COMMISSION-
31 ER may require, make a written report to the [tax commission] COMMIS-
32 SIONER of the amount of its gross earnings subject to the tax imposed by
33 section one hundred eighty-four of this chapter for any period for which
34 no report was theretofore filed. Any corporation, joint-stock company or
35 association subject to a tax upon dividends under said section one
36 hundred eighty-four of this chapter shall also include in its report
37 under this subdivision required to be filed a statement of the author-
38 ized capital of the company, the amount of capital stock issued, and the
39 amount of dividends of every nature paid during the year ended on the
40 preceding December thirty-first. As to tax payers subject to such tax
41 upon dividends under said section one hundred eighty-four of this chap-
42 ter, the year ended on December thirty-first, nineteen hundred seventy-
43 six shall be deemed, for the purposes of this subdivision, to have
44 commenced on July first, nineteen hundred seventy-six.

45 S 7. Intentionally omitted.

46 S 8. Paragraph (a) of subdivision 1 of section 209 of the tax law, as
47 amended by section 5 of part A of chapter 59 of the laws of 2014, is
48 amended to read as follows:

49 (a) For the privilege of exercising its corporate franchise, or of
50 doing business, or of employing capital, or of owning or leasing proper-
51 ty in this state in a corporate or organized capacity, or of maintaining
52 an office in this state, or of deriving receipts from activity in this
53 state, for all or any part of each of its fiscal or calendar years,
54 every domestic or foreign corporation, except corporations specified in
55 subdivision four of this section, shall annually pay a franchise tax,
56 upon the basis of its business income base, or upon such other basis as

1 may be applicable as hereinafter provided, for such fiscal or calendar
2 year or part thereof, on a report which shall be filed, except as here-
3 inafter provided, on or before the fifteenth day of March next succeed-
4 ing the close of each such year, FOR TAXABLE YEARS BEGINNING BEFORE
5 JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY
6 OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH YEAR, FOR TAXABLE YEARS
7 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, or, in the
8 case of a corporation which reports on the basis of a fiscal year, with-
9 in two and one-half months after the close of such fiscal year, FOR
10 TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND
11 ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF
12 SUCH FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST,
13 TWO THOUSAND SIXTEEN, and shall be paid as hereinafter provided.

14 S 9. Subdivision 1 of section 211 of the tax law, as amended by chap-
15 ter 436 of the laws of 1974, the opening paragraph as amended by chapter
16 190 of the laws of 1990 and the second undesignated paragraph as amended
17 by chapter 542 of the laws of 1985, is amended to read as follows:

18 1. Every taxpayer[, as well as every foreign corporation having an
19 employee, including any officer, within the state,] shall annually on or
20 before March fifteenth, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY
21 FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR BEFORE APRIL FIFTEENTH,
22 FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND
23 SIXTEEN, transmit to the [tax commission] COMMISSIONER a report in a
24 form prescribed by [it] THE COMMISSIONER (except that a corporation
25 which reports on the basis of a fiscal year shall transmit its report
26 within two and one-half months after the close of its fiscal year, FOR
27 TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND
28 ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF
29 ITS FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST,
30 TWO THOUSAND SIXTEEN, and except, also, that a corporation which is a
31 DISC shall transmit its report on or before the fifteenth day of the
32 ninth month following the close of its calendar or fiscal year), setting
33 forth such information as the [tax commission] COMMISSIONER may
34 prescribe and every taxpayer which ceases to exercise its franchise or
35 to be subject to the tax imposed by this article shall transmit to the
36 [tax commission] COMMISSIONER a report on the date of such cessation or
37 at such other time as the [tax commission] COMMISSIONER may require
38 covering each year or period for which no report was theretofore filed.
39 In the case of a termination year of an S corporation, the S short year
40 and the C short year shall be treated as separate short taxable years,
41 provided, however, the due date of the report for the S short year shall
42 be the same as the due date of the report for the C short year. Every
43 taxpayer shall also transmit such other reports and such facts and
44 information as the [tax commission] COMMISSIONER may require in the
45 administration of this article. The [tax commission] COMMISSIONER may
46 grant a reasonable extension of time for filing reports whenever good
47 cause exists.

48 An automatic extension of six months for the filing of its annual
49 report shall be allowed any taxpayer if, within the time prescribed by
50 the preceding paragraph, such taxpayer files with the [tax commission]
51 COMMISSIONER an application for extension in such form as [said commis-
52 sion] THE COMMISSIONER may prescribe by regulation and pays on or before
53 the date of such filing the amount properly estimated as its tax.

54 S 10. Intentionally omitted.

55 S 11. Intentionally omitted.

1 S 12. Paragraph 1 of subsection (c) of section 658 of the tax law, as
2 amended by chapter 760 of the laws of 1992, is amended to read as
3 follows:

4 (1) Partnerships. Every partnership having a resident partner or
5 having any income derived from New York sources, determined in accord-
6 ance with the applicable rules of section six hundred thirty-one as in
7 the case of a nonresident individual, shall make a return for the taxa-
8 ble year setting forth all items of income, gain, loss and deduction and
9 such other pertinent information as the commissioner may by regulations
10 and instructions prescribe. Such return shall be filed on or before the
11 fifteenth day of the fourth month following the close of each taxable
12 year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
13 SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING
14 THE CLOSE OF EACH TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER
15 JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the due date for the
16 return of a partnership consisting entirely of nonresident aliens shall
17 be the date prescribed for the filing of its federal partnership return
18 for the taxable year. For purposes of this paragraph, "taxable year"
19 means a year or a period which would be a taxable year of the partner-
20 ship if it were subject to tax under this article.

21 S 13. Subparagraph (A) of paragraph 3 of subsection (c) of section 658
22 of the tax law, as amended by section 18 of part U of chapter 61 of the
23 laws of 2011, is amended to read as follows:

24 (A) Every subchapter K limited liability company, every limited
25 liability company that is a disregarded entity for federal income tax
26 purposes, and every partnership which has any income derived from New
27 York sources, determined in accordance with the applicable rules of
28 section six hundred thirty-one of this article as in the case of a
29 nonresident individual, shall[, within sixty days after the last day of
30 the taxable year,] ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH
31 FOLLOWING THE CLOSE OF EACH TAXABLE YEAR make a payment of a filing fee.
32 The amount of the filing fee is the amount set forth in subparagraph (B)
33 of this paragraph. The minimum filing fee is twenty-five dollars for
34 taxable years beginning in two thousand eight and thereafter. Limited
35 liability companies that are disregarded entities for federal income tax
36 purposes must pay a filing fee of twenty-five dollars for taxable years
37 beginning on or after January first, two thousand eight.

38 S 14. Subsection (i) of section 1087 of the tax law, as added by chap-
39 ter 188 of the laws of 1964, is amended to read as follows:

40 (i) Prepaid tax.--For purposes of this section, any tax paid by the
41 taxpayer before the last day prescribed for its payment (including any
42 amount paid by the taxpayer as estimated tax for a taxable year) shall
43 be deemed to have been paid by it on the fifteenth day of the third
44 month following the close of the taxable year the income of which is the
45 basis for tax under article nine-a, [nine-b or nine-c,] or on the last
46 day prescribed in article nine for the filing of a final return for such
47 taxable year, or portion thereof, determined in all cases without regard
48 to any extension of time granted the taxpayer, FOR TAXABLE YEARS BEGIN-
49 NING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON THE FIFTEENTH
50 DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR THE
51 INCOME OF WHICH IS THE BASIS FOR TAX UNDER ARTICLE NINE-A, OR ON THE
52 LAST DAY PRESCRIBED IN ARTICLE NINE FOR THE FILING OF A FINAL RETURN FOR
53 SUCH TAXABLE YEAR, OR PORTION THEREOF, DETERMINED IN ALL CASES WITHOUT
54 REGARD TO ANY EXTENSION OF TIME GRANTED THE TAXPAYER, FOR TAXABLE YEARS
55 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

56 S 15. Intentionally omitted.

1 S 16. Intentionally omitted.

2 S 17. Subdivision (a) of section 1515 of the tax law, as added by
3 section 649 of the laws of 1974 and as further amended by section 104 of
4 part A of chapter 62 of the laws of 2011, is amended to read as follows:

5 (a) Every taxpayer and every other foreign and alien insurance corpo-
6 ration having an employee, including any officer, in this state or
7 having an agent or representative in this state, shall annually, on or
8 before the fifteenth day of the third month following the close of its
9 taxable year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO
10 THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH
11 FOLLOWING THE CLOSE OF ITS TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON
12 OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the [tax
13 commission] COMMISSIONER a return in a form prescribed by [it] THE
14 COMMISSIONER setting forth such information as the [tax commission]
15 COMMISSIONER may prescribe and every taxpayer which ceases to exercise
16 its franchise or to be subject to the tax imposed by this article shall
17 transmit to the [tax commission] COMMISSIONER a return on the date of
18 such cessation or at such other time as the [tax commission] COMMISSION-
19 ER may require covering each year or period for which no return was
20 theretofore filed. A copy of each return required under this subdivision
21 shall also be transmitted to the superintendent of financial services at
22 or before the times specified for filing such returns with the [tax
23 commission] COMMISSIONER.

24 S 18. Subdivisions (a) and (b) of section 11-514 of the administrative
25 code of the city of New York, subdivision (a) as amended by chapter 183
26 of the laws of 2009, are amended to read as follows:

27 (a) General. [On or before the fifteenth day of the fourth month
28 following the close of a taxable year, an] AN unincorporated business
29 income tax return shall be made and filed, and the balance of any tax
30 shown on the face of such return, not previously paid as installments of
31 estimated tax, shall be paid, ON OR BEFORE THE FIFTEENTH DAY OF THE
32 FOURTH MONTH FOLLOWING THE CLOSE OF A TAXABLE YEAR FOR TAXABLE YEARS
33 BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE
34 THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF A TAXABLE
35 YEAR FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND
36 SIXTEEN:

37 (1) by or for every unincorporated business, for taxable years begin-
38 ning after nineteen hundred eighty-six but before nineteen hundred nine-
39 ty-seven, having unincorporated business gross income, determined for
40 purposes of this subdivision without any deduction for the cost of goods
41 sold or services performed, of more than ten thousand dollars, or having
42 any amount of unincorporated business taxable income;

43 (2) by or for every partnership, for taxable years beginning after
44 nineteen hundred ninety-six but before two thousand nine, having unin-
45 corporated business gross income, determined for purposes of this subdivi-
46 sion without any deduction for the cost of goods sold or services
47 performed, of more than twenty-five thousand dollars, or having unincor-
48 porated business taxable income of more than fifteen thousand dollars;

49 (3) by or for every unincorporated business other than a partnership,
50 for taxable years beginning after nineteen hundred ninety-six but before
51 two thousand nine, having unincorporated business gross income, deter-
52 mined for purposes of this subdivision without any deduction for the
53 cost of goods sold or services performed, of more than seventy-five
54 thousand dollars, or having unincorporated business taxable income of
55 more than thirty-five thousand dollars; and

(4) by or for every unincorporated business, for taxable years beginning after two thousand eight, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ninety-five thousand dollars.

(b) Decedents. The return for any deceased individual shall be made and filed by his or her executor, administrator, or other person charged with his or her property. If a final return of a decedent is for a fractional part of a year, the due date of such return shall be, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, the fifteenth day of the fourth month following the close of the twelve-month period [which] THAT began with the first day of such fractional part of the year, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF THE TWELVE-MONTH PERIOD THAT BEGAN WITH THE FIRST DAY OF SUCH FRACTIONAL PART OF THE YEAR.

S 19. Subdivision (i) of section 11-527 of the administrative code of the city of New York is amended to read as follows:

(i) Prepaid tax. For purposes of this section, any tax paid by the taxpayer before the last day prescribed for its payment and any amount paid by the taxpayer as estimated tax for a taxable year shall be deemed to have been paid by the taxpayer, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on the fifteenth day of the fourth month following the close of his or her taxable year with respect to which such amount constitutes a credit or payment, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF HIS OR HER TAXABLE YEAR WITH RESPECT TO WHICH SUCH AMOUNT CONSTITUTES A CREDIT OR PAYMENT.

S 20. Paragraph (a) of subdivision 1 of section 11-653 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) For the privilege of doing business, or of employing capital, or of owning or leasing property in the city in a corporate or organized capacity, or of maintaining an office in the city, for all or any part of each of its fiscal or calendar years, every domestic or foreign corporation, except corporations specified in subdivision four of this section, shall annually pay a tax, upon the basis of its business income, or upon such other basis as may be applicable as hereinafter provided, for such fiscal or calendar year or part thereof, on a report [which] THAT shall be filed, except as hereinafter provided, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on or before the fifteenth day of March next succeeding the close of each such CALENDAR year, or, in the case of a taxpayer [which] THAT reports on the basis of a fiscal year, within two and one-half months after the close of EACH such fiscal year, AND FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON OR BEFORE THE FIFTEENTH DAY OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH CALENDAR YEAR, OR, IN THE CASE OF A TAXPAYER THAT REPORTS ON THE BASIS OF A FISCAL YEAR, WITHIN THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF EACH SUCH FISCAL YEAR, and shall be paid as hereinafter provided.

S 21. Subdivision 1 of section 11-655 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

1. Every corporation having an officer, agent or representative within the city, shall, annually on or before March fifteenth FOR TAXABLE YEARS

1 BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR
2 BEFORE APRIL FIFTEENTH FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY
3 FIRST, TWO THOUSAND SIXTEEN, transmit to the commissioner of finance a
4 report, in a form prescribed by the commissioner of finance [(except
5 that a corporation which reports on the basis of a fiscal year shall
6 transmit its report within two and one-half months after the close of
7 its fiscal year)], setting forth such information as the commissioner of
8 finance may prescribe, [and every] EXCEPT THAT A CORPORATION THAT
9 REPORTS ON THE BASIS OF A FISCAL YEAR SHALL TRANSMIT SUCH REPORT, FOR
10 TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN,
11 WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR, AND,
12 FOR TAXABLE YEARS BEGINNING AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN,
13 WITHIN THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR.
14 EVERY taxpayer [which] THAT ceases to do business in the city or to be
15 subject to the tax imposed by this subchapter shall transmit to the
16 commissioner of finance a report on the date of such cessation or at
17 such other time as the commissioner of finance may require covering each
18 year or period for which no report was theretofore filed. Every taxpayer
19 shall also transmit such other reports and such facts and information as
20 the commissioner of finance may require in the administration of this
21 subchapter. The commissioner of finance may grant a reasonable extension
22 of time for filing reports whenever good cause exists.

23 An automatic extension of six months for the filing of its annual
24 report shall be allowed any taxpayer if, within the time prescribed by
25 the preceding paragraph, whichever is applicable, such taxpayer files
26 with the commissioner of finance an application for extension in such
27 form as the commissioner of finance may prescribe by regulation and pays
28 on or before the date of such filing the amount properly estimated as
29 its tax.

30 S 22. Intentionally omitted.

31 S 23. Intentionally omitted.

32 S 24. This act shall take effect immediately provided, however, that
33 section five of this act shall take effect on the same date and in the
34 same manner as section 26 of part S of chapter 59 of the laws of 2014,
35 takes effect, and that section five of this act shall apply to taxable
36 years beginning on or after January 1, 2018 and that section thirteen of
37 this act shall apply to taxable years beginning on or after January 1,
38 2016.

39

PART R

40 Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of
41 section 210 of the tax law, as amended by section 12 of part A of chap-
42 ter 59 of the laws of 2014, is amended to read as follows:

43 (iv) (A) for taxable years beginning before January first, two thou-
44 sand sixteen, if the business income base is not more than two hundred
45 ninety thousand dollars the amount shall be six and one-half percent of
46 the business income base; if the business income base is more than two
47 hundred ninety thousand dollars but not over three hundred ninety thou-
48 sand dollars the amount shall be the sum of (1) eighteen thousand eight
49 hundred fifty dollars, (2) seven and one-tenth percent of the excess of
50 the business income base over two hundred ninety thousand dollars but
51 not over three hundred ninety thousand dollars and (3) four and thirty-
52 five hundredths percent of the excess of the business income base over
53 three hundred fifty thousand dollars but not over three hundred ninety
54 thousand dollars;

1 (B) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOU-
2 SAND SEVENTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN FOUR
3 HUNDRED THOUSAND DOLLARS THE AMOUNT SHALL BE FOUR PERCENT OF THE BUSI-
4 NESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN FOUR HUNDRED
5 THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS THE AMOUNT
6 SHALL BE THE SUM OF (1) SIXTEEN THOUSAND DOLLARS, (2) SIX AND ONE-HALF
7 PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR HUNDRED
8 THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS AND (3)
9 TWENTY PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR
10 HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND
11 DOLLARS;

12 (C) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOU-
13 SAND EIGHTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN FOUR HUNDRED
14 THOUSAND DOLLARS THE AMOUNT SHALL BE TWO AND ONE-HALF PERCENT OF THE
15 BUSINESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN FOUR
16 HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS THE
17 AMOUNT SHALL BE THE SUM OF (1) TEN THOUSAND DOLLARS, (2) SIX AND
18 ONE-HALF PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR
19 HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS AND
20 (3) THIRTY-TWO PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER
21 FOUR HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND
22 DOLLARS.

23 S 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as
24 added by section 1 of part Y of chapter 59 of the laws of 2013, is
25 amended to read as follows:

26 (39) (A) In the case of a taxpayer who is a small business OR A
27 TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY
28 COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A
29 SMALL BUSINESS, who OR WHICH has business income [and/or farm income] as
30 defined in the laws of the United States, an amount equal to [three]
31 FIVE percent of the net items of income, gain, loss and deduction
32 attributable to such business [or farm] entering into federal adjusted
33 gross income, but not less than zero, for taxable years beginning after
34 two thousand [thirteen] SIXTEEN, an amount equal to [three and three-
35 quarters] TEN percent of the net items of income, gain, loss and
36 deduction attributable to such business [or farm] entering into federal
37 adjusted gross income, but not less than zero, for taxable years begin-
38 ning after two thousand [fourteen] SEVENTEEN, and an amount equal to
39 [five] FIFTEEN percent of the net items of income, gain, loss and
40 deduction attributable to such business [or farm] entering into federal
41 adjusted gross income, but not less than zero[, for taxable years begin-
42 ning after two thousand fifteen].

43 (B) IN THE CASE OF A TAXPAYER WHO IS A FARM BUSINESS OR A TAXPAYER WHO
44 IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY,
45 PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A FARM
46 BUSINESS, WHO OR WHICH HAS FARM INCOME AS DEFINED BY THE LAWS OF THE
47 UNITED STATES, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE NET ITEMS OF
48 INCOME, GAIN, LOSS AND DEDUCTION ATTRIBUTABLE TO SUCH FARM. THE TERM
49 FARM BUSINESS SHALL MEAN A FARM BUSINESS THAT HAS NET FARM INCOME OF
50 LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

51 (C) (I) For the purposes of this paragraph, the term small business
52 shall mean: (I) a sole proprietor [or a farm business who employs one or
53 more persons during the taxable year and] who has net business income
54 [or net farm income] of less than [two hundred fifty] FIVE HUNDRED thou-
55 sand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW
56 YORK S CORPORATION THAT DURING THE TAXABLE YEAR HAS NEW YORK GROSS BUSI-

1 NESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN
2 ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM
3 INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT
4 LESS THAN FIVE HUNDRED THOUSAND DOLLARS. (II) FOR PURPOSES OF THIS PARA-
5 GRAPH, THE TERM NEW YORK GROSS BUSINESS INCOME SHALL MEAN: (I) IN THE
6 CASE OF A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, NEW YORK SOURCE
7 GROSS INCOME AS DEFINED IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF
8 SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THIS ARTICLE, AND,
9 (II) IN THE CASE OF A NEW YORK S CORPORATION, NEW YORK RECEIPTS INCLUDED
10 IN THE NUMERATOR OF THE APPORTIONMENT FACTOR DETERMINED UNDER SECTION
11 TWO HUNDRED TEN-A OF ARTICLE NINE-A OF THIS CHAPTER FOR THE TAXABLE
12 YEAR.

13 (D) TO QUALIFY FOR THIS MODIFICATION IN RELATION TO A NON-FARM SMALL
14 BUSINESS THAT IS A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S
15 CORPORATION, THE TAXPAYER'S INCOME ATTRIBUTABLE TO THE NET BUSINESS
16 INCOME FROM ITS OWNERSHIP INTERESTS IN NON-FARM LIMITED LIABILITY COMPA-
17 NIES, PARTNERSHIPS OR NEW YORK S CORPORATIONS MUST BE LESS THAN FIVE
18 HUNDRED THOUSAND DOLLARS.

19 S 3. Paragraph 35 of subdivision (c) of section 11-1712 of the admin-
20 istrative code of the city of New York, as added by section 2 of part Y
21 of chapter 59 of the laws of 2013, is amended to read as follows:

22 (35) (A) In the case of a taxpayer who is a small business OR A
23 TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY
24 COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A
25 SMALL BUSINESS, who OR WHICH has business income [and/or farm income] as
26 defined in the laws of the United States, an amount equal to [three]
27 FIFTEEN percent of the net items of income, gain, loss and deduction
28 attributable to such business [or farm] entering into federal adjusted
29 gross income, but not less than zero[, for taxable years beginning after
30 two thousand thirteen, an amount equal to three and three-quarters
31 percent of the net items of income, gain, loss and deduction attribut-
32 able to such business or farm entering into federal adjusted gross
33 income, but not less than zero, for taxable years beginning after two
34 thousand fourteen, and an amount equal to five percent of the net items
35 of income, gain, loss and deduction attributable to such business or
36 farm entering into federal adjusted gross income, but not less than
37 zero, for taxable years beginning after two thousand fifteen].

38 (B) IN THE CASE OF A TAXPAYER WHO IS A FARM BUSINESS OR A TAXPAYER WHO
39 IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY,
40 PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A FARM
41 BUSINESS, WHO OR WHICH HAS FARM INCOME AS DEFINED BY THE LAWS OF THE
42 UNITED STATES, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE NET ITEMS OF
43 INCOME, GAIN, LOSS AND DEDUCTION ATTRIBUTABLE TO SUCH FARM. THE TERM
44 FARM BUSINESS SHALL MEAN A FARM BUSINESS THAT HAS NET FARM INCOME OF
45 LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

46 (C) (I) For the purposes of this paragraph, the term small business
47 shall mean: (I) a sole proprietor [or a farm business who employs one or
48 more persons during the taxable year and] who has net business income
49 [or net farm income] of less than [two hundred fifty] FIVE HUNDRED thou-
50 sand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW
51 YORK S CORPORATION THAT DURING THE TAXABLE YEAR HAS NEW YORK GROSS BUSI-
52 NESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN
53 ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM
54 INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT
55 LESS THAN FIVE HUNDRED THOUSAND DOLLARS. (II) FOR PURPOSES OF THIS PARA-
56 GRAPH, THE TERM NEW YORK GROSS BUSINESS INCOME SHALL MEAN: (I) IN THE

CASE OF A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, NEW YORK SOURCE GROSS INCOME AS DEFINED IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THE TAX LAW, AND, (II) IN THE CASE OF A NEW YORK S CORPORATION, NEW YORK RECEIPTS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FACTOR DETERMINED UNDER SECTION TWO HUNDRED TEN-A OF THE TAX LAW FOR THE TAXABLE YEAR.

(D) TO QUALIFY FOR THIS MODIFICATION IN RELATION TO A NON-FARM SMALL BUSINESS THAT IS A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION, THE TAXPAYER'S INCOME ATTRIBUTABLE TO THE NET BUSINESS INCOME FROM ITS OWNERSHIP INTERESTS IN NON-FARM LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR NEW YORK S CORPORATIONS MUST BE LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2017.

PART S

Section 1. Short title. This act shall be known and may be cited as the "education investment incentives act".

S 2. The tax law is amended by adding a new section 42 to read as follows:

S 42. EDUCATION INVESTMENT TAX CREDIT. (A) DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE SAME DEFINITION AS PROVIDED FOR IN ARTICLE TWENTY-FIVE OF THE EDUCATION LAW:

"AUTHORIZED CONTRIBUTION";

"CONTRIBUTION";

"EDUCATIONAL PROGRAM";

"EDUCATIONAL SCHOLARSHIP ORGANIZATION";

"ELIGIBLE PUPIL";

"LOCAL EDUCATION FUND";

"NONPUBLIC SCHOOL";

"PUBLIC EDUCATION ENTITY";

"PUBLIC SCHOOL";

"QUALIFIED CONTRIBUTION";

"QUALIFIED EDUCATOR";

"QUALIFIED SCHOOL";

"SCHOLARSHIP"; AND

"SCHOOL IMPROVEMENT ORGANIZATION".

(B) ALLOWANCE OF CREDIT. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED CREDIT AGAINST SUCH TAX, PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (L) OF THIS SECTION, WITH RESPECT TO QUALIFIED CONTRIBUTIONS MADE DURING THE TAXABLE YEAR.

(C) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE NINETY PERCENT OF THE TAXPAYER'S TOTAL QUALIFIED CONTRIBUTIONS, CAPPED AT ONE MILLION DOLLARS. A TAXPAYER THAT IS A PARTNER IN A PARTNERSHIP, MEMBER OF A LIMITED LIABILITY COMPANY OR SHAREHOLDER IN AN S CORPORATION SHALL BE ALLOWED TO CLAIM ITS PRO RATA SHARE OF THE CREDIT EARNED BY THE PARTNERSHIP, LIMITED LIABILITY COMPANY OR S CORPORATION, PROVIDED THAT SUCH A TAXPAYER SHALL NOT CLAIM CREDIT IN EXCESS OF THE LIMIT IMPOSED BY THE PRECEDING SENTENCE.

(D) INFORMATION TO BE POSTED ON THE DEPARTMENT'S WEBSITE. THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A RUNNING TOTAL OF THE AMOUNT OF AVAILABLE CREDIT FOR WHICH TAXPAYERS MAY APPLY PURSUANT TO THIS SECTION. SUCH RUNNING TOTAL SHALL BE UPDATED ON A DAILY BASIS. ADDITIONALLY, THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S

WEBSITE A LIST OF THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. THE COMMISSIONER SHALL ALSO MAINTAIN ON THE DEPARTMENT'S WEBSITE A LIST OF PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS WHOSE APPROVAL TO ISSUE CERTIFICATES OF RECEIPT HAS BEEN REVOKED ALONG WITH THE DATE OF REVOCATION.

(E) APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. PRIOR TO MAKING A CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, THE TAXPAYER SHALL APPLY TO THE DEPARTMENT FOR A CONTRIBUTION AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. SUCH APPLICATION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT MAY ALLOW TAXPAYERS TO MAKE MULTIPLE APPLICATIONS ON THE SAME FORM, PROVIDED THAT EACH CONTRIBUTION LISTED ON SUCH APPLICATION SHALL BE TREATED AS A SEPARATE APPLICATION AND THAT THE DEPARTMENT SHALL ISSUE SEPARATE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR EACH SUCH APPLICATION.

(F) CONTRIBUTION AUTHORIZATION CERTIFICATES. 1. ISSUANCE OF CERTIFICATES. THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES IN TWO PHASES. IN PHASE ONE, WHICH BEGINS ON THE FIRST DAY OF JANUARY AND ENDS ON THE THIRTY-FIRST DAY OF JANUARY, THE COMMISSIONER SHALL ACCEPT APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. COMMENCING AFTER THE FIFTH DAY OF FEBRUARY, THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE, PROVIDED THAT IF THE AGGREGATE TOTAL OF THE CONTRIBUTIONS FOR WHICH APPLICATIONS HAVE BEEN RECEIVED DURING PHASE ONE EXCEEDS THE AMOUNT OF THE CREDIT CAP IN SUBDIVISION (H) OF THIS SECTION, THEN PHASE ONE OF THE CREDIT CAP APPLICATION SHALL BE ALLOCATED IN TWO STEPS. IN STEP ONE, THE ALLOCATION SHALL EQUAL THE CONTRIBUTION CAP DIVIDED BY THE TOTAL NUMBER OF APPLICATIONS FOR CONTRIBUTIONS, ROUNDED DOWN TO THE NEAREST CENT. EACH APPLICATION REQUESTING AN AMOUNT WHICH IS LESS THAN OR EQUAL TO THE ALLOCATION IN STEP ONE SHALL RECEIVE THE AMOUNT ON THEIR APPLICATION FOR CONTRIBUTION AND THE DIFFERENCE, WHICH SHALL BE REFERRED TO AS "EXCESS DISTRIBUTIONS" FOR THE PURPOSES OF THIS SUBDIVISION, SHALL BE AVAILABLE FOR ALLOCATION IN STEP TWO. EACH APPLICATION REQUESTING AN AMOUNT WHICH EXCEEDS THE ALLOCATION IN STEP ONE SHALL BE ALLOCATED CREDITS IN STEP TWO. IN STEP TWO, IF EXCESS DISTRIBUTIONS EQUAL ZERO THEN EACH APPLICATION SHALL RECEIVE THE ALLOCATION AMOUNT FROM STEP ONE, OTHERWISE EACH APPLICATION SHALL RECEIVE AN AMOUNT EQUAL TO THE SUM OF THE (I) THE ALLOCATION AMOUNT IN STEP ONE AND (II) A PRO RATA SHARE OF AGGREGATE EXCESS DISTRIBUTIONS BASED ON THE DIFFERENCE BETWEEN THE AMOUNT ON THEIR APPLICATION FOR CONTRIBUTION AND THE ALLOCATION IN STEP ONE. FOR THE PURPOSES OF THIS SUBDIVISION, MULTIPLE APPLICATIONS BY THE SAME TAXPAYER SHALL BE TREATED AS ONE APPLICATION. IF THE CREDIT CAP IS NOT EXCEEDED, PHASE TWO COMMENCES ON FEBRUARY TWENTIETH AND ENDS ON OCTOBER THIRTY-FIRST. DURING PHASE TWO THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES ON A FIRST-COME FIRST SERVE BASIS BASED UPON THE DATE THE DEPARTMENT RECEIVED THE TAXPAYER'S APPLICATION FOR SUCH CERTIFICATE. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE SHALL BE MAILED NO LATER THAN THE TWENTIETH DAY OF FEBRUARY. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE TWO SHALL BE MAILED WITHIN FIVE DAYS OF RECEIPT OF SUCH APPLICATIONS.

1 2. CONTRIBUTION AUTHORIZATION CERTIFICATE CONTENTS. EACH CONTRIBUTION
2 AUTHORIZATION CERTIFICATE SHALL STATE (I) THE DATE SUCH CERTIFICATE WAS
3 ISSUED, (II) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED ON THE
4 CERTIFICATE MUST BE MADE, WHICH SHALL BE NO LATER THAN DECEMBER THIRTY-
5 FIRST OF THE YEAR FOR WHICH THE CONTRIBUTION AUTHORIZATION CERTIFICATE
6 WAS ISSUED, (III) THE AMOUNT OF AUTHORIZED CONTRIBUTION, (IV) THE
7 CERTIFICATE NUMBER, (V) THE TAXPAYER'S NAME AND ADDRESS, (VI) THE NAME
8 AND ADDRESS OF THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZA-
9 TION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO
10 WHICH THE TAXPAYER MAY MAKE THE AUTHORIZED CONTRIBUTION, AND (VII) ANY
11 OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

12 3. NOTIFICATION OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION
13 CERTIFICATE. UPON THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIF-
14 ICATE TO A TAXPAYER, THE COMMISSIONER SHALL NOTIFY THE PUBLIC EDUCATION
15 ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCA-
16 TIONAL SCHOLARSHIP ORGANIZATION OF THE ISSUANCE OF SUCH CONTRIBUTION
17 AUTHORIZATION CERTIFICATE. SUCH NOTIFICATION SHALL INCLUDE (I) THE
18 TAXPAYER'S NAME AND ADDRESS, (II) THE DATE SUCH CERTIFICATE WAS ISSUED,
19 (III) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE
20 NOTIFICATION MUST BE MADE BY THE TAXPAYER, (IV) THE AMOUNT OF THE
21 AUTHORIZED CONTRIBUTION, (V) THE CONTRIBUTION AUTHORIZATION CERTIF-
22 ICATE'S CERTIFICATE NUMBER, AND (VI) ANY OTHER INFORMATION THAT THE
23 COMMISSIONER DEEMS NECESSARY.

24 (G) CERTIFICATE OF RECEIPT. 1. IN GENERAL. NO PUBLIC EDUCATION ENTITY,
25 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
26 SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR ANY
27 CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY,
28 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
29 SCHOLARSHIP ORGANIZATION HAS BEEN APPROVED TO ISSUE CERTIFICATES OF
30 RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. NO PUBLIC
31 EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND,
32 OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF
33 RECEIPT FOR A CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCA-
34 TION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR
35 EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS RECEIVED NOTICE FROM THE
36 DEPARTMENT THAT THE DEPARTMENT ISSUED A CONTRIBUTION AUTHORIZATION
37 CERTIFICATE TO THE TAXPAYER FOR SUCH CONTRIBUTION.

38 2. TIMELY CONTRIBUTION. IF A TAXPAYER MAKES AN AUTHORIZED CONTRIBUTION
39 TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL
40 EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SET FORTH ON THE
41 CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER NO LATER
42 THAN THE DATE BY WHICH SUCH AUTHORIZED CONTRIBUTION IS REQUIRED TO BE
43 MADE, SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION,
44 LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL,
45 WITHIN THIRTY DAYS OF RECEIPT OF THE AUTHORIZED CONTRIBUTION, ISSUE TO
46 THE TAXPAYER A CERTIFICATE OF RECEIPT; PROVIDED, HOWEVER, THAT IF THE
47 TAXPAYER CONTRIBUTES AN AMOUNT THAT IS LESS THAN THE AMOUNT LISTED ON
48 THE TAXPAYER'S CONTRIBUTION AUTHORIZATION CERTIFICATE, THE TAXPAYER
49 SHALL NOT BE ISSUED A CERTIFICATE OF RECEIPT FOR SUCH CONTRIBUTION.

50 3. CERTIFICATE OF RECEIPT CONTENTS. EACH CERTIFICATE OF RECEIPT SHALL
51 STATE (I) THE NAME AND ADDRESS OF THE ISSUING PUBLIC EDUCATION ENTITY,
52 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
53 SCHOLARSHIP ORGANIZATION, (II) THE TAXPAYER'S NAME AND ADDRESS, (III)
54 THE DATE FOR EACH CONTRIBUTION, (IV) THE AMOUNT OF EACH CONTRIBUTION AND
55 THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER, (V) THE

1 TOTAL AMOUNT OF CONTRIBUTIONS, (VI) CERTIFICATE OF RECEIPT NUMBER AND
2 (VII) ANY OTHER INFORMATION THAT THE COMMISSIONER MAY DEEM NECESSARY.

3 4. NOTIFICATION TO THE DEPARTMENT FOR THE ISSUANCE OF A CERTIFICATE OF
4 RECEIPT. UPON THE ISSUANCE OF A CERTIFICATE OF RECEIPT, THE ISSUING
5 PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCA-
6 TION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY
7 DAYS OF ISSUING THE CERTIFICATE OF RECEIPT, PROVIDE THE DEPARTMENT WITH
8 NOTIFICATION OF THE ISSUANCE OF SUCH CERTIFICATE IN THE FORM AND MANNER
9 PRESCRIBED BY THE DEPARTMENT.

10 5. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE
11 OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZA-
12 TION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT
13 RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (F) OF
14 THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION
15 CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION
16 DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE
17 DEPARTMENT FOR EACH TAXPAYER THAT FAILED TO MAKE THE AUTHORIZED CONTRIB-
18 UTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION,
19 LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE
20 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

21 6. FAILURE TO NOTIFY THE DEPARTMENT. WITHIN THIRTY DAYS OF THE DISCOV-
22 ERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT
23 PROGRAM, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION
24 TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS
25 FOUR AND FIVE OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE
26 OF COMPLIANCE FAILURE TO SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION.
27 SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM
28 THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARA-
29 GRAPHS FOUR AND FIVE OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED
30 FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, PROGRAM,
31 FUND, OR ORGANIZATION. UPON THE EXPIRATION OF PERIOD FOR COMPLIANCE SET
32 FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL
33 NOTIFY THE BOARD OF REGENTS AND THE COMMISSIONER OF EDUCATION THAT SUCH
34 ENTITY, PROGRAM, FUND, OR ORGANIZATION FAILED TO MAKE THE NOTIFICATIONS
35 PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION.

36 (H) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION
37 AVAILABLE TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS FOR CALENDAR YEAR
38 TWO THOUSAND SEVENTEEN SHALL BE ONE HUNDRED FIFTY MILLION DOLLARS. IN
39 CALENDAR YEAR TWO THOUSAND EIGHTEEN, THE MAXIMUM PERMITTED CREDITS UNDER
40 THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE TWO HUNDRED TWENTY-FIVE
41 MILLION DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE
42 CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. FOR CALENDAR YEAR TWO
43 THOUSAND NINETEEN AND EACH CALENDAR YEAR THEREAFTER, THE MAXIMUM PERMIT-
44 TED CREDITS AVAILABLE TO ALL TAXPAYERS SHALL BE THREE HUNDRED MILLION
45 DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSU-
46 ANT TO SUBDIVISION (I) OF THIS SECTION. THE MAXIMUM PERMITTED CREDITS
47 UNDER THIS SECTION FOR QUALIFIED CONTRIBUTIONS SHALL BE ALLOCATED FIFTY
48 PERCENT TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS,
49 AND LOCAL EDUCATION FUNDS AND FIFTY PERCENT TO EDUCATIONAL SCHOLARSHIP
50 ORGANIZATIONS.

51 (I) ADDITIONS TO CREDIT CAP. UNISSUED CERTIFICATES OF RECEIPT. ANY
52 AMOUNTS FOR WHICH THE DEPARTMENT RECEIVES NOTIFICATION OF NON-ISSUANCE
53 OF A CERTIFICATE OF RECEIPT SHALL BE ADDED TO THE CAP PRESCRIBED IN
54 SUBDIVISION (H) OF THIS SECTION FOR THE IMMEDIATELY FOLLOWING YEAR.

1 (J) REGULATIONS. THE COMMISSIONER IS HEREBY AUTHORIZED TO PROMULGATE
2 AND ADOPT ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMEN-
3 TATION OF THIS SECTION.

4 (K) WRITTEN REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR EACH CALEN-
5 DAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE
6 COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE
7 GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE
8 ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN
9 OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE EDUCATION INVEST-
10 MENT TAX CREDIT. SUCH REPORT SHALL CONTAIN INFORMATION FOR ARTICLES
11 NINE-A AND TWENTY-TWO, RESPECTIVELY, REGARDING: (I) THE NUMBER OF APPLI-
12 CATIONS RECEIVED; (II) THE NUMBER OF AND AGGREGATE VALUE OF THE CONTRIB-
13 UTION AUTHORIZATION CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC
14 EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION
15 FUNDS, AND SCHOLARSHIP ORGANIZATIONS, RESPECTIVELY; (III) THE GEOGRAPH-
16 ICAL DISTRIBUTION BY COUNTY OF (A) THE APPLICATIONS FOR CONTRIBUTION
17 AUTHORIZATION CERTIFICATES, DISTRIBUTION BY COUNTY OF (B) THE PUBLIC
18 EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION
19 FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS LISTED ON THE ISSUED
20 CONTRIBUTION AUTHORIZATION CERTIFICATES; AND (IV) INFORMATION, INCLUDING
21 GEOGRAPHICAL DISTRIBUTION BY COUNTY, OF THE NUMBER OF ELIGIBLE PUPILS
22 THAT RECEIVED SCHOLARSHIPS, THE NUMBER OF QUALIFIED SCHOOLS ATTENDED BY
23 ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE
24 OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND
25 DESIGNATED EMPLOYEES OF THE DEPARTMENT, THE BOARD OF REGENTS, THE
26 COMMISSIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE STATE EDUCA-
27 TION DEPARTMENT, SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE
28 INFORMATION REGARDING THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCA-
29 TION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR
30 APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS; AND THE
31 PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL
32 EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AUTHORIZED TO
33 ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR
34 DERIVED FROM APPLICATION FORMS AND REPORTS SUBMITTED TO THE EDUCATION
35 DEPARTMENT OR BOARD OF REGENTS.

36 (L) CROSS REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN
37 THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

38 1. ARTICLE 9-A: SECTION 210-B; SUBDIVISION 49;

39 2. ARTICLE 22: SECTION 606; SUBSECTIONS (I) AND (CCC).

40 S 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is
41 amended by adding a new subparagraph 22 to read as follows:

42 (22) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE
43 HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH A CREDIT IS
44 CLAIMED PURSUANT TO SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B
45 OF THIS ARTICLE.

46 S 4. Section 210-B of the tax law is amended by adding a new subdivi-
47 sion 49 to read as follows:

48 49. EDUCATION INVESTMENT TAX CREDIT. (A) ALLOWANCE OF CREDIT. A
49 TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN
50 SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTI-
51 CLE.

52 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION
53 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS
54 THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) OR (D) OF
55 SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. HOWEVER, IF
56 THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR QUALIFIED

CONTRIBUTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xli) to read as follows:

(XLI) EDUCATION INVESTMENT	AMOUNT OF CREDIT UNDER SUBDIVISION
TAX CREDIT UNDER SUBSECTION (CCC)	FORTY-NINE OF SECTION TWO HUNDRED
	TEN-B

S 6. Section 606 of the tax law is amended by adding two new subsections (w) and (w-1) to read as follows:

(W) HOME-BASED INSTRUCTIONAL MATERIALS CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE PURCHASE OF INSTRUCTIONAL MATERIALS APPROVED BY THE EDUCATION DEPARTMENT OR BOARD OF REGENTS FOR USE IN NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAMS; PROVIDED, THAT THE AMOUNT OF CREDIT CLAIMED DOES NOT EXCEED THE LESSER OF TWO HUNDRED DOLLARS OR ONE HUNDRED PERCENT OF THE COST OF SUCH PURCHASES MADE BY THE TAXPAYER DURING THE TAXABLE YEAR.

(2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

(W-1) INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT EQUAL TO THE LESSER OF THE AMOUNT PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR INSTRUCTIONAL MATERIALS AND SUPPLIES, OR TWO HUNDRED DOLLARS; PROVIDED THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR IN A QUALIFIED SCHOOL, AS DEFINED IN SECTION FORTY-TWO OF THIS CHAPTER, FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR. FOR PURPOSES OF THIS SUBSECTION, THE TERM "MATERIALS AND SUPPLIES" MEANS INSTRUCTIONAL MATERIALS OR SUPPLIES THAT ARE USED IN THE CLASSROOM IN ANY QUALIFIED SCHOOL.

(2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

(4) THE MAXIMUM AMOUNT OF CREDIT THAT SHALL BE ALLOWED ANNUALLY UNDER THIS SUBSECTION SHALL BE TEN MILLION DOLLARS. IN ORDER TO CLAIM A CREDIT UNDER THIS SUBSECTION, A TAXPAYER SHALL BE REQUIRED TO APPLY TO THE DEPARTMENT FOR APPROVAL DURING THE TAXABLE YEAR. THE TAXPAYER SHALL BE REQUIRED TO SUBMIT DOCUMENTATION DEMONSTRATING THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR AS REQUIRED UNDER THIS SUBSECTION AND THAT THE TAXPAYER PURCHASED MATERIALS AND SUPPLIES. THE DEPARTMENT SHALL REVIEW THE APPLICATION AND PROVIDE A TAXPAYER WITH A CERTIFICATE THAT SPECIFIES HOW MUCH CREDIT THE TAXPAYER IS ENTITLED TO CLAIM. IF REQUIRED BY THE COMMISSIONER, THE TAXPAYER MUST SUBMIT THAT CERTIFICATE WITH HIS OR HER

TAX RETURN. THE COMMISSIONER SHALL ALLOCATE THE CREDITS ON A FIRST COME FIRST SERVED BASIS AND PRESCRIBE THE NECESSARY PROCEDURES FOR REVIEWING THE APPLICATIONS AND PRODUCING THE CERTIFICATES.

S 7. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(CCC) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 8. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR CONTRIBUTIONS MADE FOR WHICH A TAXPAYER CLAIMS A CREDIT UNDER SUBSECTION (CCC) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE.

S 9. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25

EDUCATION INVESTMENT TAX CREDIT PROGRAM

SECTION 1209. SHORT TITLE.

1210. DEFINITIONS.

1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1213. APPLICATION APPROVAL.

1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1215. RECORDKEEPING.

1216. JOINT ANNUAL REPORT.

1217. COMMISSIONER; POWERS.

S 1209. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "EDUCATION INVESTMENT TAX CREDIT PROGRAM".

S 1210. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO A TAXPAYER.

2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD MADE BY THE TAXPAYER DURING THE TAX YEAR.

3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC PROGRAM OF A PUBLIC SCHOOL THAT ENHANCES THE CURRICULUM, OR PROVIDES OR EXPANDS A PRE-KINDERGARTEN PROGRAM OR AN AFTER-SCHOOL PROGRAM TO THE PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERIALS, PROGRAMS OR OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (A) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (B) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUNSELING; OR (C) USE OF SPECIALIZED INSTRUCTIONAL MATERIALS, INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY WHICH (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION

(C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (B) COMMITS FOR THE EXPENDITURE OF AT LEAST NINETY PERCENT OF THE REVENUE FROM QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS FOR SCHOLARSHIPS, (C) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (D) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT NO FEWER THAN THREE QUALIFIED SCHOOLS.

5. "ELIGIBLE PUPIL" MEANS A CHILD WHO (A) IS A RESIDENT OF THIS STATE, (B) IS SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER OR WHO IS FOUR YEARS OF AGE ON OR BEFORE DECEMBER FIRST OF THE YEAR IN WHICH THEY ARE ENROLLED IN A PRE-KINDERGARTEN PROGRAM, (C) ATTENDS OR IS ABOUT TO ATTEND A QUALIFIED SCHOOL, AND (D) RESIDES IN A HOUSEHOLD THAT HAS A FEDERAL ADJUSTED GROSS INCOME OF FIVE HUNDRED THOUSAND DOLLARS OR LESS, PROVIDED HOWEVER, FOR HOUSEHOLDS WITH THREE OR MORE DEPENDENT CHILDREN, SUCH INCOME LEVEL SHALL BE INCREASED BY TEN THOUSAND DOLLARS PER DEPENDENT CHILD IN EXCESS OF TWO, NOT TO EXCEED FIVE HUNDRED FIFTY THOUSAND DOLLARS.

6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (B) IS ESTABLISHED FOR THE PURPOSE OF SUPPORTING AN EDUCATIONAL PROGRAM IN AT LEAST ONE PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT, (C) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT, AND (D) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE.

7. "NONPUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN PROGRAM OR ELEMENTARY, SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL LOCATED IN THIS STATE, OTHER THAN A PUBLIC SCHOOL, THAT IS PROVIDING INSTRUCTION AT ONE OR MORE LOCATIONS TO A STUDENT IN ACCORDANCE WITH SUBDIVISION TWO OF SECTION THIRTY-TWO HUNDRED FOUR OF THIS CHAPTER.

8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL OR A PUBLIC SCHOOL DISTRICT, PROVIDED THAT SUCH PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE GUARANTEED BY ARTICLE ELEVEN OF THE CONSTITUTION OR CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THIS CHAPTER.

10. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY A TAXPAYER TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT IS LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER AND FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT FROM SUCH ENTITY, FUND, OR ORGANIZATION. A CONTRIBUTION DOES NOT QUALIFY IF THE TAXPAYER DESIGNATES THE TAXPAYER'S CONTRIBUTION TO AN ENTITY OR ORGANIZATION FOR THE DIRECT BENEFIT OF ANY PARTICULAR OR SPECIFIED STUDENT.

1 11. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER OR
2 INSTRUCTOR IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING
3 A SCHOOL YEAR.

4 12. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NONPUBLIC SCHOOL.

5 13. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP WHICH PROVIDES A
6 TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL
7 IN AN AMOUNT NOT TO EXCEED THE TUITION CHARGED TO ATTEND SUCH SCHOOL
8 LESS ANY OTHER EDUCATIONAL SCHOLARSHIP RECEIVED BY SUCH ELIGIBLE PUPIL
9 OR HIS OR HER PARENT, PARENTS OR GUARDIAN FOR SUCH ELIGIBLE PUPIL'S
10 TUITION; PROVIDED, HOWEVER, IN THE CASE OF AN ELIGIBLE PUPIL ATTENDING A
11 PUBLIC SCHOOL IN A PUBLIC SCHOOL DISTRICT OF WHICH SUCH PUPIL IS NOT A
12 RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP AWARDED MAY NOT
13 EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT TO PARAGRAPH D
14 OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER
15 LESS ANY OTHER EDUCATIONAL SCHOLARSHIP RECEIVED BY SUCH ELIGIBLE PUPIL
16 OR HIS OR HER PARENT, PARENTS OR GUARDIAN FOR SUCH ELIGIBLE PUPIL'S
17 TUITION, BUT ONLY IF THE PUBLIC SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A
18 RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

19 14. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY
20 WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION
21 (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES
22 AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING
23 THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIB-
24 UTIONS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN
25 THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER BY MAKING
26 CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS
27 LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR IN
28 CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS
29 LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS
30 AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS IN AN ACCOUNT
31 THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL
32 SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (IV)
33 IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.
34 SUCH ENTITY MAY ALLOW THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM,
35 PROJECT OR INITIATIVE IDENTIFIED BY A QUALIFIED EDUCATOR FOR USE IN A
36 PUBLIC SCHOOL.

37 S 1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. PUBLIC SCHOOLS
38 AND PUBLIC SCHOOL DISTRICTS. ALL PUBLIC SCHOOLS AND PUBLIC SCHOOL
39 DISTRICTS SHALL BE APPROVED TO ISSUE CERTIFICATES OF RECEIPT PROVIDED,
40 THAT A PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT SHALL NOT BE APPROVED IF
41 EITHER (A) THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT FAILS TO DEPOSIT
42 AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED
43 CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE SCHOOL OR SCHOOL
44 DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS
45 OR INCOME ARE WITHDRAWN FOR USE, OR (B) THE BOARD OF REGENTS HAS REVOKED
46 SUCH APPROVAL FOR SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT PURSUANT
47 TO SECTION TWELVE HUNDRED FOURTEEN OF THIS ARTICLE.

48 2. SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZA-
49 TIONS AND LOCAL EDUCATION FUNDS. NO SCHOOL IMPROVEMENT ORGANIZATION,
50 EDUCATIONAL SCHOLARSHIP ORGANIZATION OR LOCAL EDUCATION FUND SHALL ISSUE
51 ANY CERTIFICATES OF RECEIPT WITHOUT FILING AN APPLICATION PURSUANT TO
52 SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND RECEIVING APPROVAL
53 PURSUANT TO SECTION TWELVE HUNDRED THIRTEEN OF THIS ARTICLE.

54 S 1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
55 EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZA-
56 TION, AND LOCAL EDUCATION FUND SHALL SUBMIT AN APPLICATION TO THE BOARD

1 OF REGENTS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND
2 MANNER PRESCRIBED BY THE BOARD; PROVIDED THAT SUCH APPLICATION SHALL
3 INCLUDE: (A) SUBMISSION OF DOCUMENTATION THAT SUCH SCHOOL IMPROVEMENT
4 ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZA-
5 TION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF
6 SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE;
7 (B) THE MOST RECENT ANNUAL FINANCIAL AUDIT, WHICH SHALL BE COMPLETED BY
8 AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT AND A LIST OF NAMES AND
9 ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF THE SCHOOL IMPROVE-
10 MENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP
11 ORGANIZATION; AND (C) AN EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL
12 PROVIDE CRITERIA FOR THE AWARDING OF SCHOLARSHIPS TO ELIGIBLE STUDENTS.
13 THE BOARD OF REGENTS, COMMISSIONER OR DEPARTMENT SHALL NOT REQUIRE ANY
14 OTHER INFORMATION FOR SUCH APPLICATION EXCEPT AS AUTHORIZED IN THIS
15 ARTICLE OR BY SECTION FORTY-TWO OF THE TAX LAW.

16 S 1213. APPLICATION APPROVAL. THE BOARD OF REGENTS SHALL REVIEW EACH
17 APPLICATION TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.
18 APPROVAL OR DENIAL OF AN APPLICATION SHALL BE MADE AT THE NEXT SCHEDULED
19 MEETING OF THE BOARD OF REGENTS THAT FOLLOWS THE RECEIPT OF SUCH APPLI-
20 CATION, BUT NOT LATER THAN THE NEXT MEETING THEREAFTER.

21 S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE
22 BOARD OF REGENTS, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND
23 FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION,
24 EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC
25 SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A
26 FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS
27 VIOLATED THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW. THESE
28 VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING:
29 (A) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE OR SECTION
30 FORTY-TWO OF THE TAX LAW, (B) THE FAILURE TO MAINTAIN FULL AND ADEQUATE
31 RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS, (C) THE
32 FAILURE TO SUPPLY SUCH RECORDS TO THE COMMISSIONER, DEPARTMENT OF TAXA-
33 TION AND FINANCE OR BOARD OF REGENTS WHEN REQUESTED BY THE DEPARTMENT OR
34 BOARD, OR (D) THE FAILURE TO PROVIDE NOTICE TO THE DEPARTMENT OF TAXA-
35 TION AND FINANCE OF THE ISSUANCE OR NONISSUANCE OF CERTIFICATES OF
36 RECEIPT PURSUANT TO SECTION FORTY-TWO OF THE TAX LAW; PROVIDED HOWEVER,
37 THAT THE BOARD OF REGENTS SHALL NOT REVOKE APPROVAL PURSUANT TO THIS
38 SECTION BASED UPON A VIOLATION OF THE TAX LAW UNLESS THE COMMISSIONER OF
39 TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED
40 FURTHER THAT THE BOARD SHALL NOT REVOKE APPROVAL PURSUANT TO THIS
41 SECTION WHEN THE FAILURE TO COMPLY IS DUE TO CLERICAL ERROR AND NOT
42 NEGLIGENCE OR INTENTIONAL DISREGARD FOR THE LAW. WITHIN FIVE DAYS OF THE
43 DETERMINATION REVOKING APPROVAL, THE BOARD SHALL PROVIDE NOTICE OF SUCH
44 REVOCATION TO THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVE-
45 MENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL
46 DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE.

47 S 1215. RECORDKEEPING. EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCA-
48 TIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND
49 PUBLIC SCHOOL DISTRICT THAT ISSUED AT LEAST ONE CERTIFICATE OF RECEIPT
50 SHALL MAINTAIN RECORDS INCLUDING (A) NOTIFICATIONS RECEIVED FROM THE
51 DEPARTMENT OF TAXATION AND FINANCE, (B) NOTIFICATIONS MADE TO THE
52 DEPARTMENT OF TAXATION AND FINANCE, (C) COPIES OF QUALIFIED CONTRIB-
53 UTIONS RECEIVED, (D) COPIES OF THE DEPOSIT OF SUCH QUALIFIED CONTRIB-
54 UTIONS, (E) COPIES OF ISSUED CERTIFICATES OF RECEIPT, (F) ANNUAL FINAN-
55 CIAL STATEMENTS, (G) IN THE CASE OF SCHOOL IMPROVEMENT ORGANIZATIONS,
56 EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS, THE

1 APPLICATION SUBMITTED PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS
2 ARTICLE AND THE APPROVAL ISSUED BY THE BOARD OF REGENTS, AND (H) ANY
3 OTHER INFORMATION AS PRESCRIBED BY REGULATION PROMULGATED BY THE COMMIS-
4 SIONER OR RULE PROMULGATED BY THE BOARD OF REGENTS.

5 S 1216. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR
6 EACH CALENDAR YEAR, THE COMMISSIONER OF TAXATION AND FINANCE AND THE
7 COMMISSIONER, JOINTLY, SHALL SUBMIT A WRITTEN REPORT AS PROVIDED IN
8 SUBDIVISION (K) OF SECTION FORTY-TWO OF THE TAX LAW.

9 S 1217. COMMISSIONER; POWERS. THE COMMISSIONER SHALL PROMULGATE ON AN
10 EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS
11 SECTION. THE COMMISSIONER SHALL MAKE ANY APPLICATION REQUIRED TO BE
12 FILED PURSUANT TO THIS ARTICLE AVAILABLE TO APPLICANTS WITHIN SIXTY DAYS
13 OF THE EFFECTIVE DATE OF THIS ARTICLE.

14 S 10. The education law is amended by adding a new section 1503-a to
15 read as follows:

16 S 1503-A. POWER TO ACCEPT AND SOLICIT GIFTS AND DONATIONS. 1. ALL
17 SCHOOL DISTRICTS ORGANIZED BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS
18 OF A GENERAL LAW ARE HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT GIFTS,
19 DONATIONS, AND CONTRIBUTIONS TO THE DISTRICT AND TO SOLICIT THE SAME.

20 2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR OF ANY OTHER
21 GENERAL OR SPECIAL LAW TO THE CONTRARY, THE RECEIPT OF SUCH GIFTS,
22 DONATIONS, CONTRIBUTIONS AND OTHER FUNDS, AND ANY INCOME DERIVED THERE-
23 FROM, SHALL BE DISREGARDED FOR THE PURPOSES OF ALL APPORTIONMENTS,
24 COMPUTATIONS, AND DETERMINATIONS OF STATE AID.

25 S 11. Severability. If any provision of this section or the applica-
26 tion thereof to any person or circumstances is held invalid, such inva-
27 lidity shall not affect other provisions or applications of the section
28 which can be given effect without the invalid provision or application,
29 and to this end the provisions of this section are declared to be sever-
30 able.

31 S 12. This act shall take effect immediately and shall apply to taxa-
32 ble years beginning after December 31, 2016.

33 PART T

34 Intentionally Omitted

35 PART U

36 Section 1. Section 19 of Part W-1 of chapter 109 of the laws of 2006
37 amending the tax law and other laws relating to providing exemptions,
38 reimbursements and credits from various taxes for certain alternative
39 fuels, as amended by section 1 of part V of chapter 59 of the laws of
40 2014, is amended to read as follows:

41 S 19. This act shall take effect immediately; provided, however, that
42 sections one through thirteen of this act shall take effect September 1,
43 2006 and shall be deemed repealed on September 1, [2016] 2021 and such
44 repeal shall apply in accordance with the applicable transitional
45 provisions of sections 1106 and 1217 of the tax law, and shall apply to
46 sales made, fuel compounded or manufactured, and uses occurring on or
47 after such date, and with respect to sections seven through eleven of
48 this act, in accordance with applicable transitional provisions of
49 sections 1106 and 1217 of the tax law; provided, however, that the
50 commissioner of taxation and finance shall be authorized on and after
51 the date this act shall have become a law to adopt and amend any rules
52 or regulations and to take any steps necessary to implement the

provisions of this act; provided further that sections fourteen through sixteen of this act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006.

S 2. This act shall take effect immediately.

PART V

Section 1. Section 37 of the tax law, as added by chapter 109 of the laws of 2012, subdivision (c) as amended by section 52 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

S 37. [Beer] ALCOHOLIC BEVERAGE production credit. (a) General. A taxpayer subject to tax under article nine-A or twenty-two of this chapter, that is registered as a distributor under article eighteen of this chapter, and that produces sixty million or fewer gallons of beer OR CIDER, TWENTY MILLION OR FEWER GALLONS OF WINE, OR EIGHT HUNDRED THOUSAND OR FEWER GALLONS OF LIQUOR in this state in the taxable year, shall be allowed a credit against such taxes in the amount specified in subdivision (b) of this section and pursuant to the provisions referenced in subdivision (c) of this section. Provided, however, that no credit shall be allowed for any beer, CIDER, WINE OR LIQUOR produced in excess of fifteen million five hundred thousand gallons in the taxable year. If the taxpayer is a partner in a partnership or shareholder of a New York S corporation, then the cap imposed by the preceding sentence shall be applied at the entity level, so that the aggregate credit allowed to all the partners or shareholders of each such entity in the taxable year does not exceed that cap.

(b) The amount of the credit per taxpayer per taxable year (or pro rata share of earned credit in the case of a partnership) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state [on or after April first, two thousand twelve] shall be determined as follows:

(1) for the first five hundred thousand gallons of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year, the credit shall equal fourteen cents per gallon; and

(2) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year in excess of five hundred thousand gallons, the credit shall equal four and one-half cents per gallon.

(c) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) Article 9-A: Section 210-B, subdivision 39.

(2) Article 22: Section 606, subsections (i) and (uu).

S 2. Subdivision 39 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

39. [Beer] ALCOHOLIC BEVERAGE production credit. A taxpayer shall be allowed a credit, to be computed as provided in section thirty-seven of this chapter, against the tax imposed by this article. In no event shall the credit allowed under this subdivision for any taxable year reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however,

the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

S 3. Subdivision 3 of section 420 of the tax law, as amended by chapter 94 of the laws of 1934, is amended to read as follows:

3. "Alcoholic beverages" mean and include CIDERS, AS DEFINED BY THE ALCOHOLIC BEVERAGE CONTROL LAW, beers, wines or liquors.

S 4. Section 424 of the tax law is amended by adding a new subdivision 6 to read as follows:

6. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THERE SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER THIS ARTICLE, ALCOHOLIC BEVERAGES FURNISHED BY A LICENSED PRODUCER OF ALCOHOLIC BEVERAGES AT NO CHARGE TO A CUSTOMER OR PROSPECTIVE CUSTOMER AT A TASTING HELD IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGE CONTROL LAW FOR CONSUMPTION AT SUCH TASTING.

S 5. Clause (xxxiv) of subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, as amended by section 68 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(xxxiv) [Beer] ALCOHOLIC BEVERAGE	Amount of credit
production credit under	under subdivision thirty-nine of
subsection (uu)	section two hundred ten-B

S 6. Subsection (uu) of section 606 of the tax law, as added by chapter 109 of the laws of 2012, is amended to read as follows:

(uu) [Beer] ALCOHOLIC BEVERAGE production credit. A taxpayer shall be allowed a credit, to be computed as provided in section thirty-seven of this chapter, against the tax imposed by this article. If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

S 7. Subdivision 13 of section 1118 of the tax law, as added by section 2 of part U of chapter 59 of the laws of 2015, is amended to read as follows:

(13) In respect to the use of the following items at a tasting held by a licensed [brewery, farm brewery, cider producer, farm cidery, distillery or farm distillery] PRODUCER OF ALCOHOLIC BEVERAGES in accordance with the alcoholic beverage control law: (i) the alcoholic beverage or beverages authorized by the alcoholic beverage control law to be furnished at no charge to a customer or prospective customer at such tasting for consumption at such tasting; and (ii) bottles, corks, caps and labels used to package such alcoholic beverages.

S 8. This act shall take effect immediately, provided, however, that: sections one, two, five and six of this act shall apply to taxable years beginning on or after January 1, 2016; sections three and four of this act shall apply to taxable periods beginning on or after April 1, 2016; and section seven of this act shall apply to uses occurring on and after June 1, 2016.

PART W

Intentionally Omitted

PART X

Section 1. Paragraph 2 of subdivision (e) of section 1105 of the tax law, as amended by section 1 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

1 (2) Except as provided in subdivision (r) of section eleven hundred
2 eleven of this part, when occupancy is provided, for a single consider-
3 ation, with property, services, amusement charges, or any other items,
4 the separate sale of which is not subject to tax under this article, AND
5 THE RENT PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN
6 SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE, the
7 entire consideration shall be treated as rent subject to tax under para-
8 graph one of this subdivision; provided, however, that where the amount
9 of the rent for occupancy is stated separately from the price of such
10 property, services, amusement charges, or other items, on any sales
11 slip, invoice, receipt, or other statement given the occupant, and such
12 rent is reasonable in relation to the value of such property, services,
13 amusement charges or other items, only such separately stated rent will
14 be subject to tax under paragraph one of this subdivision.

15 S 2. Section 1115 of the tax law is amended by adding a new subdivi-
16 sion (kk) to read as follows:

17 (KK) RENT PAID BY A ROOM REMARKETER TO AN OPERATOR THAT IS NOT A ROOM
18 REMARKETER FOR AN OCCUPANCY THAT THE ROOM REMARKETER INTENDS TO PROVIDE
19 TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE HOTEL UNIT FEE IMPOSED
20 BY SECTION ELEVEN HUNDRED FOUR OF THIS ARTICLE AND THE TAX IMPOSED BY
21 SUBDIVISION (E) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE, PROVIDED
22 THAT SUCH ROOM REMARKETER FURNISHES SUCH OPERATOR A CERTIFICATE IN SUCH
23 FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMIS-
24 SIONER. THE EXEMPTION CERTIFICATE PROVIDED FOR BY THIS SUBDIVISION SHALL
25 BE ADMINISTERED BY THE COMMISSIONER IN CONFORMITY WITH THE RULES FOR
26 EXEMPTION OR RESALE CERTIFICATES IN SUBPARAGRAPH (I) OF PARAGRAPH ONE OF
27 SUBDIVISION (C) OF SECTION ELEVEN HUNDRED THIRTY-TWO OF THIS ARTICLE.

28 S 3. Paragraph 4 of subdivision a of section 11-2502 of the adminis-
29 trative code of the city of New York, as amended by section 4 of part Q
30 of chapter 59 of the laws of 2012, is amended to read as follows:

31 (4) (i) When occupancy is provided, for a single consideration, with
32 property, services, amusement charges, or any other items, the separate
33 sale of which is not subject to tax under this chapter, AND THE RENT
34 PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN SUBDIVI-
35 SION 1 OF THIS SECTION, the entire consideration shall be treated as
36 rent subject to tax under paragraph one of this subdivision; provided,
37 however, that where the amount of the rent for occupancy is stated sepa-
38 rately from the price of such property, services, amusement charges or
39 other items on any sales slip, invoice, receipt, or other statement
40 given the occupant and such rent is reasonable in relation to the value
41 of such property, services, amusement charges, or other items, only such
42 separately stated rent will be subject to tax under this subdivision.

43 (ii) In regard to the collection of tax on occupancies by remarketers,
44 when occupancy is provided, for a single consideration, with property,
45 services, amusement charges, or any other items, whether or not such
46 other items are taxable, the rent portion of the consideration for such
47 sale shall be computed as follows: the total consideration for the sale
48 multiplied by a fraction, the numerator of which shall be the consider-
49 ation paid to the hotel for the occupancy and the denominator of which
50 shall be the consideration paid to the hotel for the occupancy plus the
51 consideration paid to the providers of the other items being sold, or by
52 any other reasonable method pursuant to which the rent portion of
53 consideration would be no less than the computation of rent portion of
54 consideration under subparagraph (i) of this paragraph. Nothing herein
55 shall be construed to subject to tax or exempt from tax any service or

property or amusement charge or other items otherwise subject to tax or exempt from tax under this chapter.

S 4. Section 11-2502 of the administrative code of the city of New York is amended by adding a new subdivision 1 to read as follows:

1. AN OCCUPANCY THAT AN OPERATOR CONVEYS OR FURNISHES TO A ROOM REMARKETER THAT THE ROOM REMARKETER INTENDS TO CONVEY OR FURNISH, DIRECTLY OR INDIRECTLY, TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE TAXES IMPOSED BY THIS SECTION, PROVIDED THAT SUCH ROOM REMARKETER FURNISHES THE OPERATOR WITH A CERTIFICATE IN SUCH FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSIONER OF FINANCE. THE OPERATOR SHALL RETAIN SUCH STATEMENT AND PROVIDE IT TO THE COMMISSIONER OF FINANCE UPON REQUEST.

S 5. This act shall take effect immediately and apply to rent paid for occupancies on or after June 1, 2016.

PART Y

Section 1. The section heading of section 951-a of the tax law, as added by chapter 190 of the laws of 1990, is amended to read as follows: [Definitions] GENERAL PROVISIONS AND DEFINITIONS.

S 2. Section 951-a of the tax law is amended by adding a new subsection (f) to read as follows:

(F) TAX TREATMENT OF CHARITABLE CONTRIBUTIONS FOR DETERMINING DOMICILE. NOTWITHSTANDING ANY OTHER PROVISION OF ANY OTHER LAW TO THE CONTRARY, THE MAKING OF A FINANCIAL CONTRIBUTION, GIFT, BEQUEST, DONATION OR ANY OTHER FINANCIAL INSTRUMENT OR PLEDGE IN ANY AMOUNT OR THE DONATION OR LOAN OF ANY OBJECT OF ANY VALUE, OR THE VOLUNTEERING, GIVING OR DONATION OF UNCOMPENSATED TIME, OR ANY COMBINATION OF THE FOREGOING, CONSIDERED A CHARITABLE CONTRIBUTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE, OR TO A NOT-FOR-PROFIT ORGANIZATION, AS DEFINED IN SUBDIVISION SEVEN OF SECTION ONE HUNDRED SEVENTY-NINE-Q OF THE STATE FINANCE LAW, SHALL NOT BE USED IN ANY MANNER TO DETERMINE WHERE AN INDIVIDUAL IS DOMICILED AT THE TIME OF HIS OR HER DEATH.

S 3. This act shall take effect immediately.

PART Z

Section 1. Subdivision 2 of section 89-b of the state finance law, as amended by chapter 56 of the laws of 1993, is amended to read as follows:

2. The dedicated highway and bridge trust fund shall consist of [two] THREE accounts: (a) the special obligation reserve and payment account; [and] (b) the highway and bridge capital account; AND (C) THE AVIATION PURPOSE ACCOUNT. Moneys in each account shall be kept separate and not commingled with any other moneys in the custody of the comptroller.

S 2. Section 89-b of the state finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. (A) THE AVIATION PURPOSE ACCOUNT SHALL CONSIST OF ALL MONEYS REQUIRED TO BE DEPOSITED BY SECTION THREE HUNDRED TWELVE OF THE TAX LAW AND ANY OTHER MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND, ACCOUNT OR SOURCE.

(B) MONEYS IN THE AVIATION PURPOSE ACCOUNT SHALL BE UTILIZED FOR AIRPORTS AND AVIATION FACILITIES AND EQUIPMENT AND RELATED PROJECTS, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF REAL OR TANGIBLE PERSONAL PROPERTY, CONSTRUCTION, RECONSTRUCTION, RECONDITIONING, PRESER-

VATION, MAINTENANCE OR IMPROVEMENT OF AIRPORT OR AVIATION CAPITAL FACILITIES AND NOISE MITIGATION PROJECTS, AND ANY OTHER PURPOSE NOT PROHIBITED BY FEDERAL LAW.

S 3. Section 312 of the tax law, as amended by section 32 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

S 312. Deposit and disposition of revenue.-- (a) Except as otherwise provided, of all taxes, interest and penalties collected or received on or after April first, two thousand one, from the taxes imposed by [sections] SECTION three hundred one-a [and three hundred one-e] of this article, (i) initially eighty and three-tenths percent shall be deposited, as prescribed by subdivision (d) of section three hundred one-j of this article and (ii) nineteen and seven-tenths percent shall be deposited in such mass transportation operating assistance fund to the credit of the metropolitan mass transportation operating assistance account and the public transportation systems operating assistance account thereof in the manner provided by subdivision eleven of section one hundred eighty-two-a of this chapter. Provided, further that on or before the twenty-fifth day of each month commencing with April, two thousand one, the comptroller shall deduct the amount of six hundred twenty-five thousand dollars prior to any deposit or disposition of the taxes, interest, and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall deposit such amount in the dedicated fund accounts pursuant to subdivision (d) of section three hundred one-j of this article. Provided, further, that commencing January fifteenth, nineteen hundred ninety-one, and on or before the tenth day of March and the fifteenth day of June and September of such year, the commissioner shall, based on information supplied by taxpayers and other appropriate sources, estimate the amount of the utility credit authorized by section three hundred one-d of this article which has been accrued to reduce tax liability under section one hundred eighty-six-a of this chapter during the period covered by such estimate and certify to the state comptroller such estimated amount. The comptroller shall forthwith, after receiving such certificate, deduct the amount of such credit so certified by the commissioner prior to any deposit or disposition of the taxes, interest and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall pay such amount so certified and deducted into the state treasury to the credit of the general fund. Also, subsequently, during the fiscal year when the commissioner becomes aware of changes or modifications with respect to actual credit usage, the commissioner shall, as soon as practicable, issue a certification setting forth the amount of any required adjustment to the amount of actual credit usage previously certified. After receiving the certificate of the commissioner with respect to actual credit usage or modification of the same, the comptroller shall forthwith adjust general fund receipts and the revenues to be deposited or disposed of under this article to reflect the difference so certified by the commissioner. The commissioner shall not be liable for any overestimate or underestimate of the amount of the utility credit which has been accrued to reduce tax liability under such section one hundred eighty-six-a. Nor shall the commissioner be liable for any inaccuracy in any certificate with respect to the amount of such credit actually used or any required adjustment with respect to actual credit usage, but the commissioner shall as soon as practicable after discovery of any error adjust the next certification under this section to reflect any such error.

1 Prior to making deposits as provided in this section, the comptroller
2 shall retain such amount as the commissioner may determine to be neces-
3 sary, subject to the approval of the director of the budget, for reason-
4 able costs of the department in administering and collecting the taxes
5 deposited pursuant to this section and for refunds and reimbursements
6 with respect to such taxes, out of which the comptroller shall pay any
7 refunds or reimbursements of such taxes to which taxpayers shall be
8 entitled.

9 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL TAXES, INTEREST,
10 AND PENALTIES COLLECTED OR RECEIVED ON OR AFTER DECEMBER FIRST, TWO
11 THOUSAND SEVENTEEN FROM THE TAXES IMPOSED BY SECTION THREE HUNDRED ONE-E
12 OF THIS ARTICLE SHALL BE DEPOSITED IN THE AVIATION PURPOSE ACCOUNT OF
13 THE DEDICATED HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED BY SECTION
14 EIGHTY-NINE-B OF THE STATE FINANCE LAW.

15 S 4. Paragraph 1 of subdivision (a) of section 1102 of the tax law, as
16 amended by chapter 261 of the laws of 1988, is amended to read as
17 follows:

18 (1) Every distributor of motor fuel shall pay, as a prepayment on
19 account of the taxes imposed by this article and pursuant to the author-
20 ity of article twenty-nine of this chapter, a tax on each gallon of
21 motor fuel (i) which he imports or causes to be imported into this state
22 for use, distribution, storage or sale in the state or produces,
23 refines, manufactures or compounds in this state or (ii) if the tax has
24 not been imposed prior to its sale in this state, which he sells (which
25 acts shall in regard to motor fuel hereinafter in this article be encom-
26 passed by the phrase "imported, manufactured or sold"), except when
27 imported, manufactured or sold under circumstances which preclude the
28 collection of such tax by reason of the United States constitution and
29 of the laws of the United States enacted pursuant thereto or when
30 imported or manufactured by an organization described in paragraph one
31 or two of subdivision (a) of section eleven hundred sixteen of this
32 article or a hospital included in the organizations described in para-
33 graph four of such subdivision for its own use and consumption and
34 except kero-jet fuel when imported by an airline for use in its
35 airplanes, AND EXCEPT AVIATION GASOLINE SOLD FOR USE IN COMMERCIAL
36 AIRCRAFT AND GENERAL AVIATION AIRCRAFT.

37 S 5. Subparagraph (i) of paragraph 1 of subdivision (a) of section
38 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of
39 the laws of 2015, is amended to read as follows:

40 (i) Any local law, ordinance or resolution enacted by any city of less
41 than one million or by any county or school district, imposing the taxes
42 authorized by this subdivision, shall, notwithstanding any provision of
43 law to the contrary, exclude from the operation of such local taxes all
44 sales of tangible personal property for use or consumption directly and
45 predominantly in the production of tangible personal property, gas,
46 electricity, refrigeration or steam, for sale, by manufacturing, proc-
47 essing, generating, assembly, refining, mining or extracting; and all
48 sales of tangible personal property for use or consumption predominantly
49 either in the production of tangible personal property, for sale, by
50 farming or in a commercial horse boarding operation, or in both; AND ALL
51 SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION
52 AIRCRAFT; and, unless such city, county or school district elects other-
53 wise, shall omit the provision for credit or refund contained in clause
54 six of subdivision (a) or subdivision (d) of section eleven hundred
55 nineteen of this chapter.

1 S 6. Subparagraphs (xii) and (xiii) of paragraph 4 of subdivision (a)
2 of section 1210 of tax law, as amended by section 3 of part Z of chapter
3 59 of the laws of 2015, are amended and a new subparagraph (xiv) is
4 added to read as follows:

5 (xii) shall omit, unless such city elects otherwise, the exemption for
6 residential solar energy systems equipment and electricity provided in
7 subdivision (ee) of section eleven hundred fifteen of this chapter;
8 [and] (xiii) shall omit, unless such city elects otherwise, the
9 exemption for commercial solar energy systems equipment and electricity
10 provided in subdivision (ii) of section eleven hundred fifteen of this
11 chapter; AND (XIV) SHALL EXCLUDE FROM THE OPERATION OF SUCH LOCAL TAXES
12 ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL
13 AVIATION AIRCRAFT. Any reference in this chapter or in any local law,
14 ordinance or resolution enacted pursuant to the authority of this arti-
15 cle to former subdivisions (n) or (p) of this section shall be deemed to
16 be a reference to clauses (xii) or (xiii) of this paragraph, respective-
17 ly, and any such local law, ordinance or resolution that provides the
18 exemptions provided in such former subdivisions (n) and/or (p) shall be
19 deemed instead to provide the exemptions provided in clauses (xii)
20 and/or (xiii) of this paragraph.

21 S 7. Notwithstanding any law to the contrary, the comptroller is here-
22 by authorized and directed to transfer from the general fund for deposit
23 into the mass transportation operating assistance fund, pursuant to
24 section 88-a of the state finance law and the dedicated mass transporta-
25 tion trust fund, pursuant to section 89-c of the state finance law, upon
26 request of the director of the budget, on or before March 31 of each
27 year, an amount equal to the amount of revenue received by the commis-
28 sioner of taxation and finance during the state fiscal year from petro-
29 leum business taxes imposed pursuant to the authority of section 301-e
30 of the tax law that would have otherwise been directed to such funds
31 pursuant to section 312 of the tax law as such section was in effect on
32 the day before this act became a law.

33 S 8. Sections one, two and seven of this act shall take effect April
34 1, 2017; provided however that sections three, four, five and six of
35 this act shall take effect December 1, 2017; and provided further that
36 if section 19 of part W1 of chapter 109 of the laws of 2006 shall have
37 not expired on or before such date then section four of this act shall
38 take effect on the same date and in the same manner as such chapter of
39 the laws of 2006 takes effect.

40 PART AA

41 Intentionally Omitted

42 PART BB

43 Intentionally Omitted

44 PART CC

45 Section 1. Section 308 of the racing, pari-mutuel wagering and breed-
46 ing law, as amended by section 1 of part Y of chapter 58 of the laws of
47 2012, is amended to read as follows:

48 S 308. Officials at harness horse race meetings. 1. At all harness
49 race meetings licensed by the [state racing and wagering board] GAMING
50 COMMISSION in accordance with the provisions of sections two hundred

twenty-two through seven hundred five of this chapter qualified judges and starters shall be designated by the [state racing and wagering board] GAMING COMMISSION. Such officials shall enforce the rules and regulations of the [state racing and wagering board] GAMING COMMISSION and shall render regular written reports of the activities and conduct of such race meetings to the [state racing and wagering board] GAMING COMMISSION.

2. The licensed racing corporations shall reimburse the [state racing and wagering board] GAMING COMMISSION for the per diem cost to the [board] COMMISSION to employ one associate judge and the starter to serve at harness race meetings. The [board] COMMISSION shall notify EACH such licensed racing [corporations] CORPORATION of the per diem cost of the associate judge and the starter [prior to the beginning] AT THE TRACK OF SUCH LICENSED RACING CORPORATION WITHIN SIXTY DAYS OF THE END of each month. Payment of the reimbursement required by this section shall be made to the [board] COMMISSION by each entity required to make such payments [on the last business day of each month] WITHIN THIRTY DAYS OF SUCH NOTIFICATION BY THE COMMISSION and shall cover all the costs incurred during that month. A penalty of five percent of payment due, and interest at the rate of one percent per month calculated from such [last day of each month] DATE THAT PAYMENT IS DUE to the date of the payment of the per diem cost shall be payable in case any per diem cost imposed by this subdivision is not paid when due. The [board] COMMISSION shall promulgate rules and regulations to ensure the proper reimbursement of such costs.

3. The [board] COMMISSION shall pay into the racing regulation account, as defined in section ninety-nine-i of the state finance law, under the joint custody of the comptroller and the [board] COMMISSION, the total amount of the reimbursements collected pursuant to this section. With the approval of the director of the budget, monies [utilized] USED to pay the costs and expenses of the operations of the [board] COMMISSION shall be paid out of such account on the audit and warrant of the comptroller on vouchers, certified and approved by the director of the division of the budget or his or her duly designated official.

4. Any associate judge and starter whose per diem costs are reimbursed by a licensed racing corporation shall remain employees of the [state racing and wagering board] GAMING COMMISSION and shall retain all the rights and privileges of their current civil service jurisdictional classification and status and collective bargaining unit representation.

S 2. This act shall take effect immediately.

PART DD

Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding a new clause (G-2) to read as follows:

(G-2) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR TRACK IS LOCATED WITHIN REGION SIX OF DEVELOPMENT ZONE TWO AS DEFINED BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW AND IS LOCATED WITHIN ONTARIO COUNTY, SUCH VENDOR TRACK SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES;

1 AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE
2 VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID
3 ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR
4 WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE
5 RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH
6 ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR
7 TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR
8 WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIF-
9 ICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE
10 RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION
11 SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY
12 DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCU-
13 LATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

14 S 2. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612
15 of the tax law is amended by adding two new clauses (G-3) and (G-4) to
16 read as follows:

17 (G-3) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR
18 TRACK IS LOCATED WITHIN REGION FOUR OF DEVELOPMENT ZONE TWO AS DEFINED
19 BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND
20 BREEDING LAW AND IS LOCATED WITHIN ONEIDA COUNTY, SUCH VENDOR TRACK
21 SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE
22 OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT
23 TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF
24 THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY
25 THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES;
26 AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE
27 VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID
28 ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR
29 WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE
30 RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH
31 ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR
32 TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR
33 WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIF-
34 ICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE
35 RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION
36 SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY
37 DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCU-
38 LATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

39 (G-4) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR
40 TRACK IS LOCATED WITHIN REGION SIX OF DEVELOPMENT ZONE TWO AS DEFINED BY
41 SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND
42 BREEDING LAW AND IS LOCATED WITHIN GENESSEE COUNTY, SUCH VENDOR TRACK
43 SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE
44 OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT
45 TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF
46 THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY
47 THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES;
48 AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE
49 VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID
50 ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR
51 WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE
52 RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH
53 ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR
54 TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR
55 WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIF-
56 ICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE

RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCULATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2014.

PART EE

Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part WW of chapter 59 of the laws of 2015, is amended to read as follows:

(F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subparagraph, when a vendor track, is located in Sullivan county and within sixty miles from any gaming facility in a contiguous state such vendor fee shall, for a period of [eight] NINE years commencing April first, two thousand eight, be at a rate of forty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, after which time such rate shall be as for all tracks in clause (C) of this subparagraph.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2016.

PART FF

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand

1 sixteen and one thousand seventeen of this article; provided further
2 that the contract provisions or other simulcast arrangements for such
3 simulcast facility shall be no less favorable than those in effect on
4 January first, two thousand five; (ii) that each off-track betting
5 corporation having within its geographic boundaries such residences,
6 homes or other areas technically capable of receiving the simulcast
7 signal shall be a contracting party; (iii) the distribution of revenues
8 shall be subject to contractual agreement of the parties except that
9 statutory payments to non-contracting parties, if any, may not be
10 reduced; provided, however, that nothing herein to the contrary shall
11 prevent a track from televising its races on an irregular basis primari-
12 ly for promotional or marketing purposes as found by the commission. For
13 purposes of this paragraph, the provisions of section one thousand thir-
14 teen of this article shall not apply. Any agreement authorizing an
15 in-home simulcasting experiment commencing prior to May fifteenth, nine-
16 teen hundred ninety-five, may, and all its terms, be extended until June
17 thirtieth, two thousand [sixteen] SEVENTEEN; provided, however, that any
18 party to such agreement may elect to terminate such agreement upon
19 conveying written notice to all other parties of such agreement at least
20 forty-five days prior to the effective date of the termination, via
21 registered mail. Any party to an agreement receiving such notice of an
22 intent to terminate, may request the commission to mediate between the
23 parties new terms and conditions in a replacement agreement between the
24 parties as will permit continuation of an in-home experiment until June
25 thirtieth, two thousand [sixteen] SEVENTEEN; and (iv) no in-home simul-
26 casting in the thoroughbred special betting district shall occur without
27 the approval of the regional thoroughbred track.

28 S 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
29 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
30 section 2 of part NN of chapter 59 of the laws of 2015, is amended to
31 read as follows:

32 (iii) Of the sums retained by a receiving track located in Westchester
33 county on races received from a franchised corporation, for the period
34 commencing January first, two thousand eight and continuing through June
35 thirtieth, two thousand [sixteen] SEVENTEEN, the amount used exclusively
36 for purses to be awarded at races conducted by such receiving track
37 shall be computed as follows: of the sums so retained, two and one-half
38 percent of the total pools. Such amount shall be increased or decreased
39 in the amount of fifty percent of the difference in total commissions
40 determined by comparing the total commissions available after July twen-
41 ty-first, nineteen hundred ninety-five to the total commissions that
42 would have been available to such track prior to July twenty-first,
43 nineteen hundred ninety-five.

44 S 3. The opening paragraph of subdivision 1 of section 1014 of the
45 racing, pari-mutuel wagering and breeding law, as amended by section 3
46 of part NN of chapter 59 of the laws of 2015, is amended to read as
47 follows:

48 The provisions of this section shall govern the simulcasting of races
49 conducted at thoroughbred tracks located in another state or country on
50 any day during which a franchised corporation is conducting a race meet-
51 ing in Saratoga county at Saratoga thoroughbred racetrack until June
52 thirtieth, two thousand [sixteen] SEVENTEEN and on any day regardless of
53 whether or not a franchised corporation is conducting a race meeting in
54 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
55 two thousand [sixteen] SEVENTEEN. On any day on which a franchised
56 corporation has not scheduled a racing program but a thoroughbred racing

corporation located within the state is conducting racing, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that have entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

S 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

1. The provisions of this section shall govern the simulcasting of races conducted at harness tracks located in another state or country during the period July first, nineteen hundred ninety-four through June thirtieth, two thousand [sixteen] SEVENTEEN. This section shall supersede all inconsistent provisions of this chapter.

S 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [sixteen] SEVENTEEN. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article:

S 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

Notwithstanding any other provision of this chapter, for the period July twenty-fifth, two thousand one through September eighth, two thousand [fifteen] SIXTEEN, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races run at all in-state thoroughbred tracks which are conducting racing programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article.

1 S 7. Section 32 of chapter 281 of the laws of 1994, amending the
2 racing, pari-mutuel wagering and breeding law and other laws relating
3 to simulcasting, as amended by section 7 of part NN of chapter 59 of the
4 laws of 2015, is amended to read as follows:

5 S 32. This act shall take effect immediately and the pari-mutuel tax
6 reductions in section six of this act shall expire and be deemed
7 repealed on July 1, [2016] 2017; provided, however, that nothing
8 contained herein shall be deemed to affect the application, qualifica-
9 tion, expiration, or repeal of any provision of law amended by any
10 section of this act, and such provisions shall be applied or qualified
11 or shall expire or be deemed repealed in the same manner, to the same
12 extent and on the same date as the case may be as otherwise provided by
13 law; provided further, however, that sections twenty-three and twenty-
14 five of this act shall remain in full force and effect only until May 1,
15 1997 and at such time shall be deemed to be repealed.

16 S 8. Section 54 of chapter 346 of the laws of 1990, amending the
17 racing, pari-mutuel wagering and breeding law and other laws relating to
18 simulcasting and the imposition of certain taxes, as amended by section
19 8 of part NN of chapter 59 of the laws of 2015, is amended to read as
20 follows:

21 S 54. This act shall take effect immediately; provided, however,
22 sections three through twelve of this act shall take effect on January
23 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
24 ing law, as added by section thirty-eight of this act, shall expire and
25 be deemed repealed on July 1, [2016] 2017; and section eighteen of this
26 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
27 two of this act shall take effect as of the same date as chapter 772 of
28 the laws of 1989 took effect.

29 S 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
30 pari-mutuel wagering and breeding law, as amended by section 9 of part
31 NN of chapter 59 of the laws of 2015, is amended to read as follows:

32 (a) The franchised corporation authorized under this chapter to
33 conduct pari-mutuel betting at a race meeting or races run thereat shall
34 distribute all sums deposited in any pari-mutuel pool to the holders of
35 winning tickets therein, provided such tickets be presented for payment
36 before April first of the year following the year of their purchase,
37 less an amount which shall be established and retained by such fran-
38 chised corporation of between twelve to seventeen per centum of the
39 total deposits in pools resulting from on-track regular bets, and four-
40 teen to twenty-one per centum of the total deposits in pools resulting
41 from on-track multiple bets and fifteen to twenty-five per centum of the
42 total deposits in pools resulting from on-track exotic bets and fifteen
43 to thirty-six per centum of the total deposits in pools resulting from
44 on-track super exotic bets, plus the breaks. The retention rate to be
45 established is subject to the prior approval of the gaming commission.
46 Such rate may not be changed more than once per calendar quarter to be
47 effective on the first day of the calendar quarter. "Exotic bets" and
48 "multiple bets" shall have the meanings set forth in section five
49 hundred nineteen of this chapter. "Super exotic bets" shall have the
50 meaning set forth in section three hundred one of this chapter. For
51 purposes of this section, a "pick six bet" shall mean a single bet or
52 wager on the outcomes of six races. The breaks are hereby defined as the
53 odd cents over any multiple of five for payoffs greater than one dollar
54 five cents but less than five dollars, over any multiple of ten for
55 payoffs greater than five dollars but less than twenty-five dollars,
56 over any multiple of twenty-five for payoffs greater than twenty-five

dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [sixteen] SEVENTEEN, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April first, two thousand one through December thirty-first, two thousand [sixteen] SEVENTEEN, such payment shall be seven-tenths of one per centum of such pools.

S 10. This act shall take effect immediately.

PART GG

Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part MM of chapter 59 of the laws of 2015, is amended to read as follows:

(H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of this subparagraph, the track operator of a vendor track shall be eligible for a vendor's capital award of up to four percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which shall be used exclusively for capital project investments to improve the facilities of the vendor track which promote or encourage increased attendance at the video lottery gaming facility including, but not limited to hotels, other lodging facilities, entertainment facilities, retail facilities, dining facilities, events arenas, parking garages and other improvements that enhance facility amenities; provided that such capital investments shall be approved by the division, in consultation with the state racing and wagering board, and that such vendor track demonstrates that such capital expenditures will increase patronage at such vendor track's facilities and increase the amount of revenue generated to support state education programs. The annual amount of such vendor's capital awards that a vendor track shall be eligible to receive shall be limited to two million five hundred thousand dollars, except for Aqueduct racetrack, for which there shall

1 be no vendor's capital awards. Except for tracks having less than one
2 thousand one hundred video gaming machines, and except for a vendor
3 track located west of State Route 14 from Sodus Point to the Pennsylvana-
4 nia border within New York, each track operator shall be required to
5 co-invest an amount of capital expenditure equal to its cumulative
6 vendor's capital award. For all tracks, except for Aqueduct racetrack,
7 the amount of any vendor's capital award that is not used during any one
8 year period may be carried over into subsequent years ending before
9 April first, two thousand [sixteen] SEVENTEEN. Any amount attributable
10 to a capital expenditure approved prior to April first, two thousand
11 [sixteen]SEVENTEEN and completed before April first, two thousand [eigh-
12 teen] NINETEEN; or approved prior to April first, two thousand [twenty]
13 TWENTY-ONE and completed before April first, two thousand [twenty-two]
14 TWENTY-THREE for a vendor track located west of State Route 14 from
15 Sodus Point to the Pennsylvania border within New York, shall be eligi-
16 ble to receive the vendor's capital award. In the event that a vendor
17 track's capital expenditures, approved by the division prior to April
18 first, two thousand [sixteen] SEVENTEEN and completed prior to April
19 first, two thousand [eighteen] NINETEEN, exceed the vendor track's cumu-
20 lative capital award during the five year period ending April first, two
21 thousand [sixteen] SEVENTEEN, the vendor shall continue to receive the
22 capital award after April first, two thousand [sixteen] SEVENTEEN until
23 such approved capital expenditures are paid to the vendor track subject
24 to any required co-investment. In no event shall any vendor track that
25 receives a vendor fee pursuant to clause [(F) or] (G) of this subpara-
26 graph be eligible for a vendor's capital award under this section. Any
27 operator of a vendor track which has received a vendor's capital award,
28 choosing to divest the capital improvement toward which the award was
29 applied, prior to the full depreciation of the capital improvement in
30 accordance with generally accepted accounting principles, shall reim-
31 burse the state in amounts equal to the total of any such awards. Any
32 capital award not approved for a capital expenditure at a video lottery
33 gaming facility by April first, two thousand [sixteen] SEVENTEEN shall
34 be deposited into the state lottery fund for education aid; and
35 S 2. This act shall take effect immediately.

PART HH

37 Section 1. Paragraph b of subdivision 3 of section 97-nnnn of the
38 state finance law, as added by chapter 174 of the laws of 2013, is
39 amended to read as follows:
40 b. ten percent of the moneys in such fund, AS ATTRIBUTABLE TO A
41 SPECIFIC LICENSED GAMING FACILITY, shall be appropriated or transferred
42 from the commercial gaming revenue fund equally between the host munici-
43 pality and host county OF SUCH FACILITY.
44 S 2. Clause (G) of subparagraph (ii) of paragraph 1 of subdivision b
45 of section 1612 of the tax law, as added by chapter 174 of the laws of
46 2013, is amended to read as follows:
47 (G) Notwithstanding any provision to the contrary, when a vendor track
48 is located within regions one, two, or five of development zone two as
49 defined by section thirteen hundred ten of the racing, pari-mutuel
50 wagering and breeding law, such vendor track shall receive an additional
51 commission at a rate equal to the percentage of revenue wagered at the
52 vendor track after payout for prizes pursuant to this chapter, WHICH
53 PERCENTAGE SHALL BE ONE HUNDRED, less [ten percent] THE SUM OF THE
54 PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK retained by the

1 commission for operation, administration, and procurement purposes; and
2 [payment of] the vendor's fee, marketing allowance[,] and capital award
3 paid TO THE VENDOR TRACK pursuant to this chapter; and the effective tax
4 rate paid on all gross gaming revenue paid by a gaming facility within
5 the same region pursuant to section thirteen hundred fifty-one of the
6 racing, pari-mutuel wagering and breeding law, PROVIDED, HOWEVER, SUCH
7 ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR
8 TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN THE SAME
9 REGION IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE
10 ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING,
11 PARI-MUTUEL WAGERING AND BREEDING LAW. The additional commission SET
12 FORTH IN THIS CLAUSE shall be paid to the vendor track within sixty days
13 after the conclusion of the state fiscal year based on the calculated
14 percentage during the previous fiscal year.

15 S 3. This act shall take effect immediately and shall be deemed to
16 have been in full force and effect on and after January 1, 2014.

17

PART II

18 Section 1. Subdivision 1 of section 491 of the tax law, as added by
19 chapter 90 of the laws of 2014, is amended to read as follows:

20 1. Except in accordance with proper judicial order or as in this
21 section or otherwise provided by law, it shall be unlawful for the
22 commissioner, any officer or employee of the department, or any officer
23 or person who, pursuant to this section, is permitted to inspect any
24 return or report or to whom a copy, an abstract or a portion of any
25 return or report is furnished, or to whom any information contained in
26 any return or report is furnished, or any person engaged or retained by
27 such department on an independent contract basis or any person who in
28 any manner may acquire knowledge of the contents of a return or report
29 filed pursuant to this article to divulge or make known in any manner
30 the contents or any other information relating to the business of a
31 distributor, owner or other person contained in any return or report
32 required under this article. The officers charged with the custody of
33 such returns or reports shall not be required to produce any of them or
34 evidence of anything contained in them in any action or proceeding in
35 any court, except on behalf of the state, the state department of
36 health, or the commissioner in an action or proceeding under the
37 provisions of this chapter or on behalf of the state or the commissioner
38 in any other action or proceeding involving the collection of a tax due
39 under this chapter to which the state or the commissioner is a party or
40 a claimant or on behalf of any party to any action or proceeding under
41 the provisions of this article, when the returns or the reports or the
42 facts shown thereby are directly involved in such action or proceeding,
43 or in an action or proceeding relating to the regulation or taxation of
44 medical marihuana on behalf of officers to whom information shall have
45 been supplied as provided in subdivision two of this section, in any of
46 which events the court may require the production of, and may admit in
47 evidence so much of said returns or reports or of the facts shown there-
48 by as are pertinent to the action or proceeding and no more. Nothing
49 herein shall be construed to prohibit the commissioner, in his or her
50 discretion, from allowing the inspection or delivery of a certified copy
51 of any return or report filed under this article or of any information
52 contained in any such return or report by or to a duly authorized offi-
53 cer or employee of the state department of health; or by or to the
54 attorney general or other legal representatives of the state when an

1 action shall have been recommended or commenced pursuant to this chapter
2 in which such returns or reports or the facts shown thereby are directly
3 involved; or the inspection of the returns or reports required under
4 this article by the comptroller or duly designated officer or employee
5 of the state department of audit and control, for purposes of the audit
6 of a refund of any tax paid by a registered organization or other person
7 under this article; nor to prohibit the delivery to a registered organ-
8 ization, or a duly authorized representative of such registered organ-
9 ization, a certified copy of any return or report filed by such regis-
10 tered organization pursuant to this article, nor to prohibit the
11 publication of statistics so classified as to prevent the identification
12 of particular returns or reports and the items thereof. THIS SECTION
13 SHALL ALSO NOT BE CONSTRUED TO PROHIBIT THE DISCLOSURE, FOR TAX ADMINIS-
14 TRATION PURPOSES, TO THE DIVISION OF THE BUDGET AND THE OFFICE OF THE
15 STATE COMPTROLLER, OF INFORMATION AGGREGATED FROM THE RETURNS FILED BY
16 ALL THE REGISTERED ORGANIZATIONS MAKING SALES OF, OR MANUFACTURING,
17 MEDICAL MARIHUANA IN A SPECIFIED COUNTY, WHETHER THE NUMBER OF SUCH
18 REGISTERED ORGANIZATIONS IS ONE OR MORE. PROVIDED FURTHER THAT, NOTWITH-
19 STANDING THE PROVISIONS OF THIS SUBDIVISION, THE COMMISSIONER MAY, IN
20 HIS OR HER DISCRETION, PERMIT THE PROPER OFFICER OF ANY COUNTY ENTITLED
21 TO RECEIVE AN ALLOCATION, FOLLOWING APPROPRIATION BY THE LEGISLATURE,
22 PURSUANT TO THIS ARTICLE AND SECTION EIGHTY-NINE-H OF THE STATE FINANCE
23 LAW, OR THE AUTHORIZED REPRESENTATIVE OF SUCH OFFICER, TO INSPECT ANY
24 RETURN FILED UNDER THIS ARTICLE, OR MAY FURNISH TO SUCH OFFICER OR THE
25 OFFICER'S AUTHORIZED REPRESENTATIVE AN ABSTRACT OF ANY SUCH RETURN OR
26 SUPPLY SUCH OFFICER OR SUCH REPRESENTATIVE WITH INFORMATION CONCERNING
27 AN ITEM CONTAINED IN ANY SUCH RETURN, OR DISCLOSED BY ANY INVESTIGATION
28 OF TAX LIABILITY UNDER THIS ARTICLE.

29 S 2. This act shall take effect immediately; provided, however, that
30 the amendments to subdivision 1 of section 491 of the tax law made by
31 section one of this act shall be deemed to have been in full force and
32 effect on and after January 1, 2016, and shall not affect the repeal of
33 such section and shall be deemed to be repealed therewith.

34

PART JJ

35 Section 1. Subdivision 15 of section 425 of the real property tax law,
36 as added by section 1 of part E of chapter 59 of the laws of 2015, is
37 amended to read as follows:

38 15. Recoupment of exemptions by commissioner. (a) Generally. If the
39 commissioner should determine, based upon data collected under the STAR
40 registration program, that property improperly received the basic STAR
41 exemption [on] IN THE CURRENT SCHOOL YEAR OR one or more of the three
42 preceding [assessment rolls] SCHOOL YEARS, the commissioner shall treat
43 the exemption as an improperly granted exemption and proceed in the
44 manner provided by this subdivision; provided that final assessment
45 rolls that were filed prior to April first, two thousand eleven shall
46 not be subject to the provisions of this subdivision.

47 (b) Procedure. The tax savings attributable to each such improperly
48 granted exemption shall be collected from the owners whose property
49 improperly received the exemption for the applicable year, together with
50 interest as specified in this subdivision, by utilizing any of the
51 procedures for collection, levy, and lien of personal income tax set
52 forth in article twenty-two of the tax law, any other relevant proce-
53 dures referenced within the provisions of that article, and any other

law as may be applicable, so far as practicable when recouping the exemption amount pursuant to this subdivision, except that:

(i) IN ORDER FOR THE RECOUPMENT PROCEDURE TO BE CONSIDERED TIMELY, THE NOTICE REQUIRED BY SUBPARAGRAPH (II) OF THIS PARAGRAPH MUST BE MAILED NO LATER THAN THREE YEARS AFTER THE CONCLUSION OF THE SCHOOL YEAR FOR WHICH THE EXEMPTION IN QUESTION WAS GRANTED, OR IN THE CASE OF AN EXEMPTION THAT WAS GRANTED FOR THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN SCHOOL YEAR, NO LATER THAN SEPTEMBER THIRTIETH, TWO THOUSAND SIXTEEN;

(II) prior to directing that an improperly granted exemption be recouped pursuant to this subdivision, the commissioner shall provide the owners with notice and an opportunity to show the commissioner that the exemption was properly granted. If the owners fail to respond to such notice within forty-five days from the mailing thereof, or if their response does not show to the commissioner's satisfaction that the eligibility requirements were in fact satisfied, the commissioner shall proceed with the recoupment of the improperly granted exemption in accordance with the provisions of this subdivision; and

[(ii)] (III) notwithstanding the provisions of paragraph (b) of subdivision six of this section, neither an assessor nor a board of assessment review has the authority to consider an objection to the recoupment of an exemption pursuant to this subdivision, nor may such an action be reviewed in a proceeding to review an assessment pursuant to title one or one-A of article seven of this chapter. Such an action may only be challenged before the department. If an owner is dissatisfied with the department's final determination, the owner may appeal that determination to the board in a form and manner to be prescribed by the commissioner. Such appeal shall be filed within forty-five days from the issuance of the department's final determination. If dissatisfied with the board's determination, the owner may seek judicial review thereof pursuant to article seventy-eight of the civil practice law and rules. The owner shall otherwise have no right to challenge such final determination in a court action, administrative proceeding, including but not limited to an administrative proceeding pursuant to article forty of the tax law, or any other form of legal recourse against the commissioner, the department, the board, the assessor, or any other person, state agency, or local government.

(c) The amount to be recouped for each improperly received exemption shall have interest added at the rate prescribed by section nine hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereof since the levy of school taxes upon such assessment roll.

(d) In the event that a revocation of prior exemption pursuant to subdivision twelve of this section or a voluntary renunciation of the STAR exemption pursuant to section four hundred ninety-six of this [chapter] ARTICLE has occurred, the provisions of this subdivision shall not be applicable to the exemptions so revoked or voluntarily renounced.

S 2. This act shall take effect immediately.

PART KK

Section 1. Paragraphs a and b of subdivision 1 of section 502 of the tax law, paragraph a as amended by section 1 of part E of chapter 60 of the laws of 2007, and paragraph b as amended by section 1 of part T-1 of chapter 57 of the laws of 2009, are amended to read as follows:

a. Each carrier shall apply to the commissioner for a certificate of registration for each motor vehicle operated or to be operated by [him]

1 SUCH CARRIER on the public highways in this state. Application shall be
2 made upon a form prescribed by such commissioner and shall set forth the
3 gross and unloaded weight of each motor vehicle, license plate informa-
4 tion for each motor vehicle and such other information as the commis-
5 sioner may require. Such weights shall be subject to audit and approval
6 by the commissioner. [The application shall be accompanied by a fee of
7 fifteen dollars for each motor vehicle listed in the application.] The
8 commissioner shall issue [without further charge] a certificate of
9 registration for each motor vehicle or a consolidated certificate of
10 registration for all or any portion of such vehicles of such carrier
11 which shall contain such information and be in such form as the commis-
12 sioner shall prescribe. In the case of the loss, mutilation or
13 destruction of a certificate of registration, the commissioner shall
14 issue a duplicate thereof [upon payment of a fee of two dollars]. Any
15 such certificate of registration shall not be transferable, except as
16 hereinafter provided, and shall be valid until revoked, suspended or
17 surrendered. Such certificate of registration shall be maintained in the
18 carrier's regular place of business. In the event of an increase in the
19 gross or unloaded weight of any motor vehicle subject to this article,
20 application for a corrected certificate of registration shall be made
21 upon a form prescribed by such commissioner setting forth the previous
22 gross or unloaded weight, the new gross or unloaded weight and such
23 other information as the commissioner may require. In the event of a
24 decrease in the gross or unloaded weight of any motor vehicle subject to
25 this article, application may be made for a corrected certificate of
26 registration in a similar manner, provided that any such application on
27 the basis of a decrease in the gross or unloaded weight of any motor
28 vehicle may be made only during the month of January. In the event of a
29 decrease in the gross or unloaded weight of any motor vehicle subject to
30 this article, an application to cancel a certificate of registration on
31 the basis of such decrease may be made during any month. The corrected
32 gross or unloaded weight shall be subject to audit and approval by the
33 commissioner. In the event of a change to the license plate information
34 of any motor vehicle subject to this article, an application for a
35 corrected certificate of registration shall be made upon a form
36 prescribed by the commissioner setting forth the previous license plate
37 information, the new license plate information and such other informa-
38 tion as the commissioner may require. Upon surrendering the certificate
39 of registration previously issued, the commissioner shall[, without
40 further charge,] issue a corrected certificate of registration.

41 b. Every automotive fuel carrier shall apply to the commissioner for a
42 special certificate of registration, in place of the certificate of
43 registration described in paragraph a of this subdivision, for each
44 motor vehicle operated or to be operated by [him] SUCH CARRIER on the
45 public highways in this state to transport automotive fuel. Provided,
46 however, a special certificate of registration shall not be required
47 under this paragraph for a tractor or other self-propelled device which,
48 except with respect to the fuel in the ordinary fuel tank intended for
49 its propulsion, transports automotive fuel solely by means of a trailer,
50 dolly or other device drawn by such tractor or other self-propelled
51 device if a certificate of registration prescribed by paragraph a of
52 this subdivision has been issued for the self-propelled device. Applica-
53 tion shall be made upon an application form prescribed by the commis-
54 sioner. [The application shall be accompanied by a fee of fifteen
55 dollars for each trailer, semi-trailer, dolly or other device listed in
56 the application.] The commissioner shall issue [without further charge]

1 such special certificate of registration for each motor vehicle listed
2 in the application or a consolidated certificate of registration for all
3 or any portion of such vehicles of such carrier. All of the provisions
4 of this article with respect to certificates of registration shall be
5 applicable to the special certificates of registration issued to automo-
6 tive fuel carriers under this paragraph as if those provisions had been
7 set forth in full in this paragraph and expressly referred to the
8 special certificates of registration required by this paragraph except
9 to the extent that any such provision is either inconsistent with a
10 provision of this paragraph or not relevant to the certificates of
11 registration required by this paragraph. Any certificate of registration
12 shall not be transferable, and shall be valid until revoked, suspended
13 or surrendered. Such special certificate of registration shall be main-
14 tained in the carrier's regular place of business. Nothing contained in
15 this paragraph shall in any way exempt an automotive fuel carrier from
16 payment of the taxes imposed pursuant to this article.

17 S 2. Paragraphs a and b of subdivision 6 of section 502 of the tax
18 law, as added by section 1 of part K-1 of chapter 57 of the laws of
19 2009, are amended to read as follows:

20 a. The commissioner may require the use of decals as evidence that a
21 carrier has a valid certificate of registration for each motor vehicle
22 operated or to be operated on the public highways of this state as
23 required by paragraph a of subdivision one of this section. If the
24 commissioner requires the use of decals, the commissioner shall issue
25 for each motor vehicle with a valid certificate of registration a decal
26 that shall be of a size and design and containing such information as
27 the commissioner prescribes. [The fee for any decal issued pursuant to
28 this paragraph is four dollars.] In the case of the loss, mutilation, or
29 destruction of a decal, the commissioner shall issue a new decal upon
30 proof of the facts [and payment of four dollars]. The decal shall be
31 firmly and conspicuously affixed upon the motor vehicle for which it is
32 issued as closely as practical to the registration or license plates and
33 at all times be visible and legible. No decal is transferable. A decal
34 shall be valid until it expires or is revoked, suspended, or surren-
35 dered.

36 b. The commissioner may require the use of special decals as evidence
37 that an automotive fuel carrier has a valid special certificate of
38 registration for each motor vehicle operated or to be operated on the
39 public highways of this state to transport automotive fuel as required
40 by paragraph b of subdivision one of this section. If the commissioner
41 requires the use of special decals, the commissioner shall issue for
42 each motor vehicle with a valid special certificate of registration a
43 special decal that shall be distinctively colored and of a size and
44 design and containing such information as the commissioner prescribes.
45 [The fee for any special decal issued pursuant to this paragraph is four
46 dollars.] In the case of the loss, mutilation, or destruction of a
47 special decal, the commissioner shall issue a new special decal upon
48 proof of the facts [and payment of four dollars]. The special decal
49 shall be firmly and conspicuously affixed upon the motor vehicle for
50 which it is issued pursuant to the rules and regulations prescribed by
51 the commissioner to enable the easy identification of the automotive
52 fuel carrier certificate of registration number and at all times be
53 visible and legible. No special decal is transferable and shall be valid
54 until it expires or is revoked, suspended, or surrendered.

55 S 3. The tax law is amended by adding a new section 502-a to read as
56 follows:

1 S 502-A. CERTIFICATE OF REGISTRATION AND DECAL FEES. THE APPLICATION
2 FOR A CERTIFICATE OF REGISTRATION AND DECAL DESCRIBED IN PARAGRAPH A OF
3 SUBDIVISION ONE AND PARAGRAPH A OF SUBDIVISION SIX OF SECTION FIVE
4 HUNDRED TWO OF THIS ARTICLE, OR A SPECIAL CERTIFICATE OF REGISTRATION
5 AND SPECIAL DECAL AS DESCRIBED IN PARAGRAPH B OF SUBDIVISION ONE AND
6 PARAGRAPH B OF SUBDIVISION SIX OF SUCH SECTION, SHALL BE ACCOMPANIED BY
7 A FEE OF ONE DOLLAR AND FIFTY CENTS. IN THE CASE OF THE LOSS, MUTILA-
8 TION OR DESTRUCTION OF ANY SUCH DOCUMENTS, THE COMMISSIONER SHALL ISSUE
9 A DUPLICATE SET THEREOF UPON PAYMENT OF A FEE OF ONE DOLLAR AND FIFTY
10 CENTS. PROVIDED, HOWEVER, THERE SHALL BE NO ADDITIONAL CHARGE FOR THE
11 ISSUANCE OF A CORRECTED CERTIFICATE OF REGISTRATION PURSUANT TO PARA-
12 GRAPH A OF SUBDIVISION ONE OF SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

13 S 4. Subdivision 8 of section 509 of the tax law, as separately
14 amended by section 3 of part K-1 and section 2 of part T-1 of chapter 57
15 of the laws of 2009, is amended to read as follows:

16 8. To issue replacement certificates of registration or decals at such
17 times as the commissioner may deem necessary for the proper and effi-
18 cient enforcement of the provisions of this article, but not more often
19 than once every year and to require the surrender of the then outstand-
20 ing certificates of registration and decals. All of the provisions of
21 this article with respect to certificates of registration and decals
22 shall be applicable to replacement certificates of registration and
23 decals issued hereunder, except that the replacement certificate of
24 registration or decal shall be issued upon payment of a fee of [fifteen
25 dollars] ONE DOLLAR AND FIFTY CENTS for each motor vehicle and for any
26 trailer, semi-trailer, dolly or other device drawn thereby for which a
27 certificate of registration or decal is required to be issued under this
28 article;

29 S 5. Section 515 of the tax law, as added by chapter 329 of the laws
30 of 1991, is amended to read as follows:

31 S 515. Disposition of revenues. All taxes, interest, penalties and
32 fees collected or received pursuant to this article shall be deposited
33 daily in one account with such responsible banks, banking houses or
34 trust companies as may be designated by the comptroller, and to the
35 credit of the comptroller on account of the dedicated highway and bridge
36 trust fund established pursuant to section eighty-nine-b of the state
37 finance law. Such an account may be established in one or more of such
38 depositories and such deposits shall be kept separate and apart from all
39 other moneys in the possession of the comptroller. The comptroller shall
40 require adequate security from all such depositories.

41 Of the revenues so deposited, the comptroller shall retain in his
42 hands such amount as the commissioner of taxation and finance may deter-
43 mine to be necessary for refunds or reimbursements of the taxes
44 collected or received pursuant to this article to which taxpayers shall
45 be entitled under the provisions of this article, out of which amount
46 the comptroller shall pay any refunds or reimbursements of the taxes
47 collected or received pursuant to this article to which taxpayers shall
48 be entitled under such provisions. The comptroller, after reserving the
49 amount to pay such refunds or reimbursements, shall, on or before the
50 last day of each month, pay the balance of the revenue so deposited
51 during such month into the dedicated highway and bridge trust fund
52 established pursuant to section eighty-nine-b of the state finance law.

53 NOTWITHSTANDING THE FOREGOING OR ANY OTHER LAW TO THE CONTRARY, THE
54 COMPTROLLER SHALL DEPOSIT ALL MONIES COLLECTED ON ACCOUNT OF THE REGIS-
55 TRATION FEES IMPOSED PURSUANT TO SECTION FIVE HUNDRED TWO-A AND SUBDIVI-
56 SION EIGHT OF SECTION FIVE HUNDRED NINE OF THIS ARTICLE INTO THE HIGHWAY

USE TAX ADMINISTRATION ACCOUNT ESTABLISHED PURSUANT TO SECTION NINETY-NINE-Y OF THE STATE FINANCE LAW. THE MONIES DEPOSITED IN SUCH ACCOUNT SHALL BE AVAILABLE TO THE COMMISSIONER FOR THE COSTS OF ISSUING THE CERTIFICATES OF REGISTRATION AND HIGHWAY USE TAX DECALS REQUIRED BY THIS ARTICLE AND FOR ANY OTHER COSTS OF ADMINISTERING THE PROVISIONS OF SECTIONS FIVE HUNDRED TWO, FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THIS ARTICLE. ANY MONEYS NOT USED IN A GIVEN YEAR SHALL BE RETURNED TO SUCH ACCOUNT AND BE ADDED TO THE TOTAL FUNDS AVAILABLE FOR DISBURSEMENT IN THE SUCCEEDING YEAR.

S 6. The state finance law is amended by adding a new section 99-y to read as follows:

S 99-Y. HIGHWAY USE TAX ADMINISTRATION ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF THE DEPARTMENT OF TAXATION AND FINANCE A SPECIAL ACCOUNT TO BE KNOWN AS THE "HIGHWAY USE TAX ADMINISTRATION ACCOUNT".

2. THE HIGHWAY USE TAX ADMINISTRATION ACCOUNT SHALL CONSIST OF ALL MONIES COLLECTED FROM THE HIGHWAY USE TAX REGISTRATION AND DECAL FEES COLLECTED PURSUANT TO SECTIONS FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THE TAX LAW, AND ANY OTHER MONIES DEPOSITED INTO THE ACCOUNT PURSUANT TO LAW.

3. MONIES OF THE ACCOUNT, FOLLOWING APPROPRIATION BY THE LEGISLATURE, SHALL BE USED FOR THE COSTS OF THE COMMISSIONER OF TAXATION AND FINANCE IN ADMINISTERING SECTIONS FIVE HUNDRED TWO, FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THE TAX LAW, AND EXPENDED FOR THE PURPOSES SET FORTH IN SECTION FIVE HUNDRED FIFTEEN OF THE TAX LAW.

S 7. This act shall take effect immediately.

PART LL

Section 1. Subparagraph (B) of paragraph 2 of subsection (c) of section 952 of the tax law, as added by section 2 of part X of chapter 59 of the laws of 2014, is amended to read as follows:

(B) In the case of any decedent dying in a calendar year beginning on or after January first, two thousand nineteen, OR IN THE CASE OF A DECEDENT DYING ON AND AFTER APRIL FIRST, TWO THOUSAND SIXTEEN, WHERE THE ESTATE INCLUDES A FARM OPERATION, AS DEFINED IN SECTION THREE HUNDRED ONE OF THE AGRICULTURE AND MARKETS LAW, OR A BUSINESS, AND THE VALUE OF THE FARM OPERATION OR THE BUSINESS OR ANY COMBINATION THEREOF IS MORE THAN FIFTY PERCENT OF THE VALUE OF THE ENTIRE ESTATE AT THE TIME OF DEATH the basic exclusion amount shall be equal to:

(i) five million dollars, multiplied by
(ii) one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand ten.

S 2. This act shall take effect immediately.

PART MM

Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax law, as amended by section 3 of part I of chapter 59 of the laws of 2015, is amended to read as follows:

(3-a) Pensions and annuities received by an individual who has attained the age of fifty-nine and one-half, not otherwise excluded pursuant to paragraph three of this subsection, to the extent includible in gross income for federal income tax purposes, but not in excess of

[twenty] TWENTY-SEVEN THOUSAND DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, THIRTY-FOUR THOUSAND DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, AND FORTY thousand dollars IN EACH SUBSEQUENT YEAR, which are periodic payments attributable to personal services performed by such individual prior to his retirement from employment, which arise (i) from an employer-employee relationship or (ii) from contributions to a retirement plan which are deductible for federal income tax purposes. However, the term "pensions and annuities" shall also include distributions received by an individual who has attained the age of fifty-nine and one-half from an individual retirement account or an individual retirement annuity, as defined in section four hundred eight of the internal revenue code, and distributions received by an individual who has attained the age of fifty-nine and one-half from self-employed individual and owner-employee retirement plans which qualify under section four hundred one of the internal revenue code, whether or not the payments are periodic in nature. Nevertheless, the term "pensions and annuities" shall not include any lump sum distribution, as defined in subparagraph (D) of paragraph four of subsection (e) of section four hundred two of the internal revenue code and taxed under section six hundred three of this article. Where a husband and wife file a joint state personal income tax return, the modification provided for in this paragraph shall be computed as if they were filing separate state personal income tax returns. Where a payment would otherwise come within the meaning of the term "pensions and annuities" as set forth in this paragraph, except that such individual is deceased, such payment shall, nevertheless, be treated as a pension or annuity for purposes of this paragraph if such payment is received by such individual's beneficiary.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after the first of January of the year in which it shall have become a law.

PART NN

Section 1. Subsection (a) of section 601-a of the tax law, as amended by section 10 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(a) For tax year two thousand thirteen, the commissioner, not later than September first, two thousand twelve, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand twelve by one plus the cost of living adjustment described in subsection (c) of this section. For tax year two thousand fourteen, the commissioner, not later than September first, two thousand thirteen, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand thirteen by one plus the cost of living adjustment. For each succeeding tax year after tax year two thousand fourteen [and before tax year two thousand eighteen], the commissioner, not later than September first of such tax year, shall multiply the amounts specified in subsection (b) of this section for such tax year by one plus the cost of living adjustment described in subsection (c) of this section for such tax year.

S 2. This act shall take effect immediately.

PART OO

1 Section 1. Subsection (i) of section 601 of the tax law is relettered
2 subsection (j) and a new subsection (i) is added to read as follows:

3 (I) REDUCTIONS. (1) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A)
4 OF THIS SECTION, FOR EVERY ELIGIBLE RESIDENT MARRIED INDIVIDUAL WHO
5 MAKES A SINGLE RETURN JOINTLY WITH HIS SPOUSE UNDER SUBSECTION (B) OF
6 SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, AND EVERY ELIGIBLE RESI-
7 DENT SURVIVING SPOUSE, ANY TAX RATE UNDER SUBSECTION (A) OF THIS SECTION
8 APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME THAT IS GREATER THAN OR
9 EQUAL TO \$40,000 AND LESS THAN \$300,000, AS ADJUSTED BY THE COST OF
10 LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART,
11 SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

12 FOR TAX YEAR 2018 BY 0.4%
13 FOR TAX YEAR 2019 BY 0.5875%
14 FOR TAX YEAR 2020 BY 0.775%
15 FOR TAX YEAR 2021 BY 0.9625%
16 FOR TAX YEAR 2022 BY 1.15%
17 FOR TAX YEAR 2023 BY 1.3375%
18 FOR TAX YEAR 2024 BY 1.525%
19 FOR TAX YEAR 2025 AND AFTER BY 1.7125%

20 PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A
21 TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS
22 REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS
23 REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO
24 EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

25 (2) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION,
26 FOR EVERY ELIGIBLE RESIDENT HEAD OF A HOUSEHOLD, ANY TAX RATE UNDER
27 SUBSECTION (B) OF THIS SECTION APPLICABLE TO TAXPAYERS WITH A TAXABLE
28 INCOME THAT IS GREATER THAN OR EQUAL TO \$30,000 AND LESS THAN \$225,000,
29 AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX
30 HUNDRED ONE-A OF THIS PART, SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

31 FOR TAX YEAR 2018 BY 0.4%
32 FOR TAX YEAR 2019 BY 0.5875%
33 FOR TAX YEAR 2020 BY 0.775%
34 FOR TAX YEAR 2021 BY 0.9625%
35 FOR TAX YEAR 2022 BY 1.15%
36 FOR TAX YEAR 2023 BY 1.3375%
37 FOR TAX YEAR 2024 BY 1.525%
38 FOR TAX YEAR 2025 AND AFTER BY 1.7125%

39 PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A
40 TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS
41 REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS
42 REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO
43 EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

44 (3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION,
45 FOR EVERY ELIGIBLE RESIDENT INDIVIDUAL WHO IS NOT A MARRIED INDIVIDUAL
46 WHO MAKES A SINGLE RETURN JOINTLY WITH HIS SPOUSE UNDER SUBSECTION (B)
47 OF SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, OR A RESIDENT HEAD OF
48 A HOUSEHOLD OR A RESIDENT SURVIVING SPOUSE, ANY TAX RATE UNDER
49 SUBSECTION (C) OF THIS SECTION APPLICABLE TO TAXPAYERS WITH A TAXABLE
50 INCOME THAT IS GREATER THAN OR EQUAL TO \$20K AND LESS THAN \$150K, AS
51 ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX
52 HUNDRED ONE-A OF THIS PART, SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

53 FOR TAX YEAR 2018 BY 0.4%
54 FOR TAX YEAR 2019 BY 0.5875%
55 FOR TAX YEAR 2020 BY 0.775%
56 FOR TAX YEAR 2021 BY 0.9625%

FOR TAX YEAR 2022 BY 1.15%
FOR TAX YEAR 2023 BY 1.3375%
FOR TAX YEAR 2024 BY 1.525%
FOR TAX YEAR 2025 AND AFTER BY 1.7125%

PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

S 2. Paragraph 2 of subsection (e) of section 601 of the tax law, as amended by chapter 2 of the laws of 1995, is amended to read as follows:

(2) Tax base. The tax base is the tax computed under subsections (a) through (d) AND (I) of this section, as the case may be, reduced by the credits permitted under subsections (b), (c), (d) and (m) of section six hundred six, as if such nonresident or part-year resident individual, estate or trust were a resident subject to the provisions of part II of this article.

S 3. This act shall take effect immediately.

PART PP

Section 1. Paragraph (b) of subdivision 6 of section 18-a of the public service law, as amended by section 1 of part S of chapter 57 of the laws of 2014, is amended to read as follows:

(b) The temporary state energy and utility service conservation assessment shall be based upon the following percentum of the utility entity's gross operating revenues derived from intrastate utility operations in the last preceding calendar year, minus the amount, if any, that such utility entity is assessed pursuant to subdivisions one and two of this section for the corresponding state fiscal year period: (1) two percentum for the state fiscal year beginning April first, two thousand thirteen; (2) 1.63 percentum for the state fiscal year beginning April first, two thousand fourteen; AND (3) 1.00 percentum for the state fiscal year beginning April first, two thousand fifteen[; and (4) .73 percentum for the state fiscal year beginning April first, two thousand sixteen]. With respect to the temporary state energy and utility service conservation assessment to be paid for the state fiscal year beginning April first, two thousand [seventeen] SIXTEEN and notwithstanding clause (i) of paragraph (d) of this subdivision, on or before March tenth, two thousand [seventeen] SIXTEEN, utility entities shall make a payment equal to [one-half] THREE HUNDRED SIXTY-FIVE THOUSANDTHS (.365) of the assessment paid by such entities pursuant to this paragraph for the state fiscal year beginning on April first, two thousand [sixteen] FIFTEEN; provided, further that such assessment for state fiscal year beginning April first, two thousand [seventeen] SIXTEEN shall not be reflected in a customer's rate after December thirty-first, two thousand [seventeen] SIXTEEN. With respect to the Long Island power authority, the temporary state energy and utility service conservation assessment shall be based upon the following percentum of such authority's gross operating revenues derived from intrastate utility operations in the last preceding calendar year, minus the amount, if any, that such authority is assessed pursuant to subdivisions one-a and two of this section for the corresponding state fiscal year period: (1) one percentum for the state fiscal year beginning April first, two thousand thirteen; (2) .84 percentum for the state fiscal year beginning April first, two thousand fourteen; AND (3) .50 percentum for the state fiscal year

beginning April first, two thousand fifteen; [and (4) .34 percentum for the state fiscal year beginning April first, two thousand sixteen;] provided, however, that should the amount assessed by the department for costs and expenses pursuant to such subdivisions equal or exceed such authority's temporary state energy and utility service conservation assessment for a particular fiscal year, the amount to be paid under this subdivision by such authority shall be zero. With respect to the temporary state energy and utility service conservation assessment to be paid for the state fiscal year beginning April first, two thousand [seventeen] SIXTEEN and notwithstanding clause (i) of paragraph (d) of this subdivision, on or before March tenth, two thousand [seventeen] SIXTEEN, the Long Island power authority shall make a payment equal to [one-half] THIRTY-FOUR HUNDREDTHS (.34) of the assessment it paid for the state fiscal year beginning on April first, two thousand [sixteen] FIFTEEN; provided, further that such assessment for state fiscal year beginning April first, two thousand [seventeen] SIXTEEN shall not be reflected in a customer's rate after December thirty-first, two thousand [seventeen] SIXTEEN. No corporation or person subject to the jurisdiction of the commission only with respect to safety, or the power authority of the state of New York, shall be subject to the temporary state energy and utility service conservation assessment provided for under this subdivision. Utility entities whose gross operating revenues from intrastate utility operations are five hundred thousand dollars or less in the preceding calendar year shall not be subject to the temporary state energy and utility service conservation assessment. The minimum temporary state energy and utility service conservation assessment to be billed to any utility entity whose gross revenues from intrastate utility operations are in excess of five hundred thousand dollars in the preceding calendar year shall be two hundred dollars.

S 2. This act shall take effect immediately; provided, however, that the amendments to subdivision 6 of section 18-a of the public service law made by section one of this act shall not affect the repeal of such subdivision and shall be deemed repealed therewith.

34

PART QQ

Section 1. Subsection (n-1) of section 606 of the tax law, as added by section 1 of subpart B of part C of chapter 20 of the laws of 2015, is amended to read as follows:

(n-1) Property tax relief credit. (1) An individual taxpayer who meets the eligibility standards in paragraph two of this subsection shall be allowed a credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax years two thousand sixteen, two thousand seventeen, two thousand eighteen, [and] two thousand nineteen AND EACH TAXABLE YEAR THEREAFTER.

(2) (a) To be eligible for the credit, the taxpayer (or taxpayers filing joint returns) on the personal income tax return filed for the taxable year two years prior, must have (i) been a resident, (ii) owned and primarily resided in real property receiving the STAR exemption authorized by section four hundred twenty-five of the real property tax law, and (iii) had qualified gross income no greater than two hundred seventy-five thousand dollars. Provided, however, that no credit shall be allowed if any of the following apply:

(i) Such property is located in an independent school district that is subject to the provisions of section two thousand twenty-three-a of the education law and that has adopted a budget in excess of the tax levy

limit prescribed by that section. To render its taxpayers eligible for the credit authorized by this subsection, the school district must certify its compliance with such tax levy limit in the manner prescribed by subdivision two of section two thousand twenty-three-b of the education law.

(ii) Such property is located in a city with a dependent school district that is subject to the provisions of section three-c of the general municipal law and that has adopted a budget in excess of the tax levy limit prescribed by that section. To render its taxpayers eligible for the credit authorized by this subsection, the city must certify its compliance with such tax levy limit in the manner prescribed by subdivision two of section three-d of the general municipal law.

(iii) Such property is located in the city of New York.

(3) Amount of credit. (a) For the two thousand sixteen taxable year (i) for a taxpayer residing in real property located within the metropolitan commuter transportation district (MCTD) and outside the city of New York, the amount of the credit shall be \$130; (ii) for a taxpayer residing in real property located outside the MCTD, the amount of the credit shall be \$185.

(b) For the two thousand seventeen, two thousand eighteen and two thousand nineteen taxable years [(i) For] AND EACH TAXABLE YEAR THEREAFTER FOR a taxpayer who owned and primarily resided in real property receiving the basic STAR exemption, the amount of the credit shall equal the STAR tax savings associated with such basic STAR exemption, multiplied by the following percentage:

(A) for the two thousand seventeen taxable year:

Qualified Gross Income	Percentage
Not over \$75,000	28%
Over \$75,000 but not over \$150,000	20.5%
Over \$150,000 but not over \$200,000	13%
Over \$200,000 but not over \$275,000	5.5%
Over \$275,000	No credit

(B) for the two thousand eighteen taxable year:

Qualified Gross Income	Percentage
Not over \$75,000	60%
Over \$75,000 but not over \$150,000	42.5%
Over \$150,000 but not over \$200,000	25%
Over \$200,000 but not over \$275,000	7.5%
Over \$275,000	No credit

(C) for the two thousand nineteen taxable year AND EACH TAXABLE YEAR THEREAFTER:

Qualified Gross Income	Percentage
Not over \$75,000	85%
Over \$75,000 but not over \$150,000	60%
Over \$150,000 but not over \$200,000	35%
Over \$200,000 but not over \$275,000	10%
Over \$275,000	No credit

(c) For a taxpayer who owned and primarily resided in real property receiving the enhanced STAR exemption, the amount of the credit shall equal the STAR tax savings associated with such enhanced STAR exemption, multiplied by the following percentage:

Taxable Year	Percentage
two thousand seventeen	12%
two thousand eighteen	26%
two thousand nineteen AND EACH TAXABLE YEAR THEREAFTER	34%

(d) In no case may the amount of the credit allowed under this subsection exceed the school district taxes due with respect to the residence for that school year.

(4) For purposes of this subsection:

(a) "Qualified gross income" means the adjusted gross income of the qualified taxpayer for the taxable year as reported for federal income tax purposes, or which would be reported as adjusted gross income if a federal income tax return were required to be filed. In computing qualified gross income, the net amount of loss reported on Federal Schedule C, D, E, or F shall not exceed three thousand dollars per schedule. In addition, the net amount of any other separate category of loss shall not exceed three thousand dollars. The aggregate amount of all losses included in computing qualified gross income shall not exceed fifteen thousand dollars.

(b) "STAR tax savings" means the tax savings attributable to the basic or enhanced STAR exemption, whichever is applicable, within a portion of a school district, as determined by the commissioner pursuant to subdivision two of section thirteen hundred six-a of the real property tax law.

(c) "Metropolitan commuter transportation district" or "MCTD" means the metropolitan commuter transportation district as defined in section twelve hundred sixty-two of the public authorities law.

(5) If the amount of the credit allowed under this subsection shall exceed the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon. For each year this credit is allowed, on or before October fifteenth of such year, or as soon thereafter as is practicable, the commissioner shall determine the taxpayer's eligibility for this credit utilizing the information available to the commissioner on the taxpayer's personal income tax return filed for the taxable year two years prior to the taxable year in which the credit is allowed. For those taxpayers whom the commissioner has determined eligible for this credit, the commissioner shall advance a payment in the amount specified in paragraph three of this subsection, which payment shall be issued, to the greatest extent practicable, by October thirty-first of each year the credit is allowed. A taxpayer who has failed to receive an advance payment that he or she believes was due to him or her, or who has received an advance payment that he or she believes is less than the amount that was due to him or her, may request payment of the claimed deficiency in a manner prescribed by the commissioner.

(6) A taxpayer shall not be eligible for the credit allowed under this subsection if the school district taxes levied upon the residence during the taxable year remain unpaid sixty days after the last date on which they could have been paid without interest, or in the case of a school district where such taxes are payable in installments, if such taxes remain unpaid sixty days after the last date on which the final installment could have been paid without interest. If the taxes remain unpaid on such sixtieth day, the amount of credit claimed by the taxpayer under this subsection or the amount of advance payment of credit received by the taxpayer pursuant to paragraph five of this subsection shall be added back as tax on the income tax return for the taxable year in which such sixtieth day occurs.

(7) Only one credit per residence shall be allowed per taxable year under this subsection. When two or more members of a residence are able

to meet the qualifications for a qualified taxpayer, the credit shall be equally divided between or among such individuals. In the case of spouses who file a joint federal return but who are required to determine their New York taxes separately, the credit allowed pursuant to this subsection may be applied against the tax of either or divided between them as they may elect.

S 2. This act shall take effect immediately.

PART RR

Section 1. Subparagraph (A) of paragraph 2 of subsection (t) of section 606 of the tax law, as amended by section 1 of part N of chapter 85 of the laws of 2002, is amended to read as follows:

(A) The term "allowable college tuition expenses" shall mean the amount of qualified college tuition expenses of eligible students paid by the taxpayer during the taxable year[,]. THE AMOUNT OF QUALIFIED COLLEGE TUITION EXPENSES SHALL BE limited [to] AS FOLLOWS: FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND EIGHTEEN, ten thousand dollars for each such student; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND EIGHTEEN, TWELVE THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN, FOURTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY, SIXTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY-ONE, EIGHTEEN THOUSAND DOLLARS FOR EACH STUDENT; AND FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND TWENTY-ONE, TWENTY THOUSAND DOLLARS PER STUDENT;

S 2. Paragraph 4 of subsection (t) of section 606 of the tax law, as added by section 1 of part DD of chapter 63 of the laws of 2000, is amended to read as follows:

(4) Amount of credit. [If allowable college tuition expenses are less than five thousand dollars, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars. If allowable college tuition expenses are five thousand dollars or more, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the allowable college tuition expenses multiplied by four percent.]

THE AMOUNT OF THE CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULES:

(A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND EIGHTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN FIVE THOUSAND DOLLARS	THE APPLICABLE PERCENTAGE OF THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED DOLLARS
FIVE THOUSAND DOLLARS OR MORE	THE APPLICABLE PERCENTAGE OF ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(B) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND EIGHTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
--	-----------------------------

LESS THAN SIX THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED FORTY DOLLARS
SIX THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION

1 EXPENSES MULTIPLIED BY FOUR PERCENT
2 (C) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN:
3 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:
4 EXPENSES ARE:
5 LESS THAN SEVEN THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE
6 TUITION EXPENSES OR TWO HUNDRED
7 EIGHTY DOLLARS
8 SEVEN THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION
9 EXPENSES MULTIPLIED BY FOUR PERCENT
10 (D) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY:
11 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:
12 EXPENSES ARE:
13 LESS THAN EIGHT THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE
14 TUITION EXPENSES OR THREE HUNDRED
15 TWENTY DOLLARS
16 EIGHT THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION
17 EXPENSES MULTIPLIED BY FOUR PERCENT
18 (E) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY-ONE:
19 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:
20 EXPENSES ARE:
21 LESS THAN NINE THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE
22 TUITION EXPENSES OR THREE HUNDRED
23 SIXTY DOLLARS
24 NINE THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION
25 EXPENSES MULTIPLIED BY FOUR PERCENT
26 (F) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND TWENTY-ONE:
27 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:
28 EXPENSES ARE:
29 LESS THAN TEN THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE
30 TUITION EXPENSES OR FOUR HUNDRED
31 DOLLARS
32 TEN THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION
33 EXPENSES MULTIPLIED BY FOUR PERCENT
34 Such applicable percentage shall be twenty-five percent for taxable
35 years beginning in two thousand one, fifty percent for taxable years
36 beginning in two thousand two, seventy-five percent for taxable years
37 beginning in two thousand three and one hundred percent for taxable
38 years beginning after two thousand three.
39 S 3. This act shall take effect immediately and shall apply to taxable
40 years beginning on or after January 1, 2018.

41 PART SS

42 Section 1. Paragraph 32 of subsection (c) of section 612 of the tax
43 law, as amended by chapter 81 of the laws of 2008, is amended to read as
44 follows:
45 (32) Contributions made during the taxable year by an account owner to
46 one or more family tuition accounts established under the New York state
47 college choice tuition savings program provided for under article four-
48 teen-A of the education law, to the extent not deductible or eligible
49 for credit for federal income tax purposes, provided, however, the
50 exclusion provided for in this paragraph shall not exceed [five] TEN
51 thousand dollars for an individual or head of household, and for married
52 couples who file joint tax returns, shall not exceed [ten] TWENTY thou-
53 sand dollars; provided, further, that such exclusion shall be available
54 only to the account owner and not to any other person.

1 S 2. This act shall take effect immediately, and shall apply to taxa-
2 ble years beginning on and after January 1, 2017.

3 PART TT

4 Section 1. Subsection (c) of section 612 of the tax law is amended by
5 adding a new paragraph 44 to read as follows:

6 (44) INTEREST ON INDEBTEDNESS INCURRED BY THE TAXPAYER SOLELY TO PAY
7 QUALIFIED HIGHER EDUCATION EXPENSES TO THE EXTENT SUCH INTEREST IS
8 DEDUCTIBLE, IN ACCORDANCE WITH TITLE 26 U.S.C. S 221, FOR FEDERAL TAX
9 PURPOSES, BUT NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS.

10 S 2. This act shall take effect immediately and shall apply to taxable
11 years beginning on and after January 1, 2017.

12 PART UU

13 Section 1. Section 282 of the tax law is amended by adding a new
14 subdivision 27 to read as follows:

15 27. "WHOLESALE OF MOTOR FUEL" MEANS ANY PERSON, FIRM, ASSOCIATION OR
16 CORPORATION WHO OR WHICH: (1) IS NOT A DISTRIBUTOR OF MOTOR FUEL; (2)
17 MAKES A SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN
18 BULK; AND (3)(A) MAKES ANY PURCHASES OF MOTOR FUEL FOR RESALE WITHIN THE
19 REGION SET FORTH IN SUBPARAGRAPH (I) OR (II) OF PARAGRAPH ONE OF SUBDI-
20 VISION (E) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS CHAPTER; OR (B)
21 MAKES ANY SALES OF MOTOR FUEL, OTHER THAN RETAIL SALES NOT IN BULK,
22 WITHIN THE REGION SET FORTH IN SUBPARAGRAPH (I) OR (II) OF PARAGRAPH ONE
23 OF SUBDIVISION (E) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS CHAPTER.
24 FOR THE PURPOSES OF THIS ARTICLE WHEN USED WITH RESPECT TO MOTOR FUEL, A
25 "RETAIL SALE NOT IN BULK" MEANS THE MAKING OR OFFERING TO MAKE ANY SALE
26 OF MOTOR FUEL TO A CONSUMER OF SUCH FUEL WHICH IS DELIVERED DIRECTLY
27 INTO A MOTOR VEHICLE FOR USE IN THE OPERATION OF SUCH VEHICLE. A "RETAIL
28 SALE IN BULK" MEANS THE MAKING OR OFFERING TO MAKE ANY SALE OF MOTOR
29 FUEL TO A CONSUMER WHICH IS OTHER THAN A "RETAIL SALE NOT IN BULK".

30 S 2. The tax law is amended by adding a new section 283-d to read as
31 follows:

32 S 283-D. REGISTRATION OF WHOLESALERS OF MOTOR FUEL. (A) REGISTRATION
33 REQUIRED. EACH WHOLESALE OF MOTOR FUEL MUST BE REGISTERED WITH THE
34 DEPARTMENT UNDER THIS SECTION. NO WHOLESALE OF MOTOR FUEL SHALL MAKE A
35 SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK
36 UNLESS SUCH WHOLESALE IS SO REGISTERED. THE DEPARTMENT, UPON THE
37 APPLICATION OF A PERSON, SHALL REGISTER SUCH PERSON AS A WHOLESALE OF
38 MOTOR FUEL EXCEPT THAT THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLI-
39 CANT FOR ANY OF THE GROUNDS SPECIFIED IN SUBDIVISION TWO OR FIVE OF
40 SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE OR IN SUBDIVISION (C)
41 OF THIS SECTION. THE APPLICATION SHALL BE IN SUCH FORM AND CONTAIN SUCH
42 INFORMATION AS THE COMMISSIONER SHALL PRESCRIBE. ALL OF THE PROVISIONS
43 OF SUBDIVISIONS TWO, FOUR, FIVE, SIX, SEVEN, EIGHT, NINE AND TEN OF
44 SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE RELATING TO REGISTRA-
45 TION OF DISTRIBUTORS SHALL BE APPLICABLE TO THE REGISTRATION OF WHOLE-
46 SALERS OF MOTOR FUEL UNDER THIS SECTION WITH THE SAME FORCE AND EFFECT
47 AS IF THE LANGUAGE OF SUCH SUBDIVISIONS HAD BEEN INCORPORATED IN FULL IN
48 THIS SECTION AND HAD EXPRESSLY REFERRED TO THE REGISTRATION OF WHOLE-
49 SALERS OF MOTOR FUEL, WITH SUCH MODIFICATION AS MAY BE NECESSARY IN
50 ORDER TO ADAPT THE LANGUAGE OF SUCH PROVISIONS TO THE PROVISIONS OF THIS
51 SECTION, PROVIDED, SPECIFICALLY, THAT THE TERM "DISTRIBUTOR" SHALL BE
52 READ AS "WHOLESALE OF MOTOR FUEL." PROVIDED, HOWEVER, THAT IF THE

1 COMMISSIONER IS SATISFIED THAT THE REQUIREMENTS OF SUCH PROVISIONS FOR
2 REGISTRATION ARE NOT NECESSARY IN ORDER TO PROTECT TAX REVENUES, THE
3 COMMISSIONER MAY LIMIT OR MODIFY SUCH REQUIREMENTS WITH RESPECT TO ANY
4 PERSON NOT REQUIRED TO BE REGISTERED AS A DISTRIBUTOR OF MOTOR FUEL.

5 (B) BOND OR OTHER SECURITY. THE COMMISSIONER MAY REQUIRE A WHOLESALER
6 OF MOTOR FUEL SEEKING A REGISTRATION TO FILE WITH THE DEPARTMENT A BOND
7 ISSUED BY A SURETY COMPANY APPROVED BY THE SUPERINTENDENT OF FINANCIAL
8 SERVICES AS TO SOLVENCY AND RESPONSIBILITY AND AUTHORIZED TO TRANSACT
9 BUSINESS IN THIS STATE OR OTHER SECURITY ACCEPTABLE TO THE COMMISSIONER,
10 IN SUCH AMOUNT AS THE COMMISSIONER MAY FIX TO SECURE THE PERFORMANCE BY
11 SUCH WHOLESALER OF MOTOR FUEL OF THE DUTIES AND RESPONSIBILITIES
12 REQUIRED (I) PURSUANT TO THIS ARTICLE AND (II) PURSUANT TO ARTICLES
13 TWENTY-EIGHT AND TWENTY-NINE OF THIS CHAPTER WITH RESPECT TO MOTOR FUEL.
14 THE COMMISSIONER MAY REQUIRE THAT SUCH A BOND OR OTHER SECURITY BE FILED
15 BEFORE A WHOLESALER OF MOTOR FUEL IS REGISTERED, AND THE AMOUNT THEREOF
16 MAY BE INCREASED AT ANY TIME WHEN IN THE COMMISSIONER'S JUDGMENT THE
17 SAME IS NECESSARY. IF SECURITIES ARE DEPOSITED AS SECURITY UNDER THIS
18 SUBDIVISION, SUCH SECURITIES SHALL BE KEPT IN THE JOINT CUSTODY OF THE
19 COMPTROLLER AND THE COMMISSIONER AND MAY BE SOLD BY THE COMMISSIONER IF
20 IT BECOMES NECESSARY SO TO DO IN ORDER TO RECOVER AGAINST SUCH WHOLE-
21 SALER OF MOTOR FUEL BUT NO SUCH SALE SHALL BE HAD UNTIL AFTER SUCH
22 WHOLESALER OF MOTOR FUEL SHALL HAVE HAD OPPORTUNITY TO LITIGATE THE
23 VALIDITY OF THE LIABILITY IF IT ELECTS TO DO SO. UPON ANY SUCH SALE THE
24 SURPLUS, IF ANY, ABOVE THE SUMS DUE SHALL BE RETURNED TO SUCH WHOLESALER
25 OF MOTOR FUEL. THE DEPARTMENT, WHEN AUTHORIZED BY THE WHOLESALER OF
26 MOTOR FUEL, SHALL FURNISH INFORMATION REGARDING THE REGISTRATION OF THE
27 WHOLESALER OF MOTOR FUEL AND ANY OTHER INFORMATION WHICH THE WHOLESALER
28 OF MOTOR FUEL AUTHORIZES IT TO DISCLOSE.

29 (C) REFUSAL TO REGISTER. FOR THE PURPOSES OF DETERMINING WHETHER TO
30 REFUSE AN APPLICATION FOR REGISTRATION UNDER THIS SECTION, THE REFER-
31 ENCES IN SUBDIVISION TWO OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS
32 ARTICLE TO EMPLOYEES OR SHAREHOLDERS UNDER A DUTY TO FILE A RETURN UNDER
33 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY
34 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE APPLICANT
35 OR ANOTHER PERSON SHALL BE DEEMED TO ALSO INCLUDE AN EMPLOYEE UNDER A
36 DUTY TO FILE A RETURN OR PAY TAXES UNDER OR PURSUANT TO THE AUTHORITY OF
37 THIS ARTICLE ON BEHALF OF SUCH APPLICANT OR OTHER PERSON. IN ADDITION TO
38 THE GROUNDS SPECIFIED IN SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTI-
39 CLE, THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLICANT WHERE THE
40 COMMISSIONER ASCERTAINS THAT THE APPLICANT, AN OFFICER, DIRECTOR OR
41 PARTNER OF THE APPLICANT, A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING
42 MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF SUCH APPLICANT
43 (WHERE SUCH APPLICANT IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO
44 VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR AN EMPLOYEE OR SHARE-
45 HOLDER OF SUCH APPLICANT WHO, AS SUCH EMPLOYEE OR SHAREHOLDER IS UNDER A
46 DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE
47 OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS
48 ARTICLE ON BEHALF OF THE APPLICANT; (1) HAS COMMITTED ANY OF THE ACTS OR
49 OMISSIONS WHICH ARE, OR WAS CONVICTED AS, SPECIFIED IN SUBDIVISION (D)
50 OF THIS SECTION WITHIN THE PRECEDING FIVE YEARS; OR (2) WAS AN OFFICER,
51 DIRECTOR OR PARTNER OF ANOTHER PERSON, OR WHO DIRECTLY OR INDIRECTLY
52 OWNED MORE THAN TEN PERCENT OF THE SHARES OF STOCK OF ANOTHER PERSON
53 (WHERE SUCH OTHER PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF
54 TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR WHO WAS AN EMPLOY-
55 EE OR SHAREHOLDER OF ANOTHER PERSON UNDER A DUTY TO FILE A RETURN UNDER
56 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY

1 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF SUCH OTHER
2 PERSON AT THE TIME SUCH OTHER PERSON COMMITTED ANY OF THE ACTS OR OMIS-
3 SIONS WHICH ARE, OR WAS CONVICTED AS, SPECIFIED IN SUBDIVISION (D) OF
4 THIS SECTION WITHIN THE PRECEDING FIVE YEARS.

5 (D) CANCELLATION OR SUSPENSION OF REGISTRATION. THE GROUNDS FOR A
6 CANCELLATION OR SUSPENSION OF A REGISTRATION UNDER THIS SECTION AS A
7 WHOLESALE OF MOTOR FUEL ARE THE SAME AS THOSE GROUNDS SPECIFIED IN
8 SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE AND, IN ADDITION TO
9 SUCH GROUNDS, THE FOLLOWING GROUNDS RELATING TO THIS ARTICLE SHALL
10 APPLY:

11 (1) A REGISTRATION AS A WHOLESALE OF MOTOR FUEL MAY BE CANCELLED OR
12 SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFI-
13 CER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR
14 INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK
15 OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING
16 THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR
17 AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A
18 RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE
19 TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF
20 OF THE REGISTRANT

21 (A) FAILS TO FILE OR MAINTAIN IN FULL FORCE AND EFFECT A BOND OR OTHER
22 SECURITY WHEN REQUIRED PURSUANT TO SUBDIVISION (B) OF THIS SECTION OR
23 WHEN THE AMOUNT THEREOF IS INCREASED,

24 (B) FAILS TO COMPLY WITH ANY OF THE PROVISIONS OF THIS ARTICLE OR ANY
25 RULE OR REGULATION ADOPTED PURSUANT TO THIS ARTICLE BY THE COMMISSIONER,

26 (C) KNOWINGLY AIDS AND ABETS ANOTHER PERSON IN VIOLATING ANY OF THE
27 PROVISIONS OF THIS ARTICLE OR ANY RULE OR REGULATION ADOPTED PURSUANT TO
28 THIS ARTICLE BY THE COMMISSIONER,

29 (D) TRANSFERS ITS REGISTRATION AS A WHOLESALE OF MOTOR FUEL WITHOUT
30 THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER,

31 (E) WITH RESPECT TO A WHOLESALE OF MOTOR FUEL WHICH IS A CORPORATION,
32 HAS BEEN DISSOLVED PURSUANT TO SECTION TWO HUNDRED THREE-A AND SUBDIVI-
33 SION (D) OF SECTION THREE HUNDRED TEN OF THIS CHAPTER,

34 (F) COMMITS FRAUD OR DECEIT IN HIS, HER OR ITS OPERATIONS AS A WHOLE-
35 SALE OF MOTOR FUEL OR HAS COMMITTED FRAUD OR DECEIT IN PROCURING HIS,
36 HER OR ITS REGISTRATION,

37 (G) HAS IMPERSONATED ANY PERSON REPRESENTED TO BE A WHOLESALE OF
38 MOTOR FUEL UNDER THIS ARTICLE BUT NOT IN FACT REGISTERED AS A WHOLESALE
39 OF MOTOR FUEL, OR

40 (H) HAS KNOWINGLY AIDED AND ABETTED THE DISTRIBUTION OF MOTOR FUEL, BY
41 ANY PERSON WHICH SUCH REGISTRANT OR SUCH OTHER PERSON KNOWS HAS NOT BEEN
42 REGISTERED BY THE COMMISSIONER AS REQUIRED UNDER THIS ARTICLE.

43 (2) A REGISTRATION AS A WHOLESALE OF MOTOR FUEL MAY BE CANCELLED OR
44 SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFI-
45 CER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR
46 INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK
47 OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING
48 THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR
49 AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A
50 RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE
51 TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF
52 OF THE REGISTRANT, WAS AN OFFICER, DIRECTOR OR PARTNER OF ANOTHER PERSON
53 OR WAS A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT
54 OF THE NUMBER OF SHARES OF STOCK OF ANOTHER PERSON (WHERE SUCH OTHER
55 PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE
56 ELECTION OF DIRECTORS OR TRUSTEES, OR WAS AN EMPLOYEE OR SHAREHOLDER OF

1 ANOTHER PERSON UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE
2 AUTHORITY OF THIS ARTICLE OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO
3 THE AUTHORITY OF THIS ARTICLE ON BEHALF OF SUCH OTHER PERSON AT THE TIME
4 SUCH OTHER PERSON COMMITTED ANY OF THE ACTS SPECIFIED IN PARAGRAPH ONE
5 OF THIS SUBDIVISION WITHIN THE PRECEDING FIVE YEARS.

6 (E) CANCELLATION OR SUSPENSION OF REGISTRATION PRIOR TO A HEARING.
7 THE GROUNDS FOR CANCELLING OR SUSPENDING A REGISTRATION AS A WHOLESALER
8 OF MOTOR FUEL PRIOR TO A HEARING SHALL BE THE SAME AS THOSE SPECIFIED IN
9 SUBDIVISION FIVE OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE
10 AND, IN ADDITION TO SUCH GROUNDS, THE FOLLOWING GROUNDS RELATING TO THIS
11 ARTICLE SHALL APPLY:

12 (1) THE FAILURE TO FILE A RETURN WITHIN TEN DAYS OF THE DATE
13 PRESCRIBED FOR FILING A RETURN UNDER THIS ARTICLE IF THE REGISTRANT
14 SHALL HAVE FAILED TO FILE SUCH RETURN WITHIN TEN DAYS AFTER THE DATE THE
15 DEMAND THEREFOR IS SENT BY REGISTERED OR CERTIFIED MAIL TO THE ADDRESS
16 OF THE WHOLESALER OF MOTOR FUEL GIVEN IN ITS APPLICATION, OR AN ADDRESS
17 SUBSTITUTED THEREFOR AS PROVIDED IN SUBDIVISION FIVE OF SECTION TWO
18 HUNDRED EIGHTY-THREE OF THIS ARTICLE,

19 (2) THE FAILURE TO CONTINUE TO MAINTAIN IN FULL FORCE AND EFFECT AT
20 ALL TIMES THE BOND OR OTHER SECURITY REQUIRED TO BE FILED PURSUANT TO
21 SUBDIVISION (B) OF THIS SECTION, PROVIDED, HOWEVER, THAT IF A SURETY
22 BOND IS CANCELLED PRIOR TO EXPIRATION, THE COMMISSIONER MAY AFTER
23 CONSIDERING ALL THE RELEVANT CIRCUMSTANCES MAKE SUCH OTHER ARRANGEMENTS,
24 AND MAY REQUIRE THE FILING OF SUCH OTHER BOND OR OTHER SECURITY AS IT
25 DEEMS APPROPRIATE,

26 (3) THE TRANSFER OF A REGISTRATION AS A WHOLESALER OF MOTOR FUEL WITH-
27 OUT THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER, OR

28 (4) WITH RESPECT TO A WHOLESALER OF MOTOR FUEL WHICH IS A CORPORATION,
29 THE DISSOLUTION OR ANNULMENT OF SUCH CORPORATION PURSUANT TO SECTION
30 THREE HUNDRED TEN OF THIS CHAPTER.

31 S 3. Section 287 of the tax law is amended by adding a new subdivision
32 3 to read as follows:

33 3. EVERY WHOLESALER OF MOTOR FUEL SHALL, ON OR BEFORE THE TWENTIETH
34 DAY OF EACH MONTH, FILE WITH THE DEPARTMENT A RETURN, ON FORMS
35 PRESCRIBED BY THE COMMISSIONER STATING THE NUMBER OF GALLONS OF MOTOR
36 FUEL PURCHASED AND SOLD BY SUCH WHOLESALER IN THE STATE DURING THE
37 PRECEDING CALENDAR MONTH. FOR EACH PURCHASE AND SALE, THE DATE, NUMBER
38 OF GALLONS OF MOTOR FUEL PURCHASED OR SOLD, AND THE NAME OF THE SELLER
39 OR PURCHASER SHALL BE SET FORTH ON THE RETURN. SUCH RETURNS SHALL
40 CONTAIN SUCH FURTHER INFORMATION AS THE COMMISSIONER SHALL REQUIRE. THE
41 FACT THAT A WHOLESALER'S NAME IS SIGNED TO A FILED RETURN SHALL BE PRIMA
42 FACIE EVIDENCE FOR ALL PURPOSES THAT THE RETURN WAS ACTUALLY SIGNED BY
43 SUCH WHOLESALER OF MOTOR FUEL.

44 S 4. Section 1102 of the tax law is amended by adding a new subdivi-
45 sion (f) to read as follows:

46 (F) EVERY WHOLESALER OF MOTOR FUEL, AS SUCH TERM IS DEFINED BY SUBDI-
47 VISION TWENTY-SEVEN OF SECTION TWO HUNDRED EIGHTY-TWO OF THIS CHAPTER,
48 SHALL PAY OR BE ENTITLED TO A CREDIT OR REFUND OF THE TAX IMPOSED BY
49 THIS SECTION ON GALLONS OF MOTOR FUEL UNDER THE CIRCUMSTANCES SET FORTH
50 IN PARAGRAPH THREE OF SUBDIVISION (E) OF SECTION ELEVEN HUNDRED ELEVEN
51 OF THIS ARTICLE.

52 S 5. Subdivision (e) of section 1111 of the tax law is amended by
53 adding a new paragraph 3 to read as follows:

54 (3) WHEN A WHOLESALER OF MOTOR FUEL SELLS MOTOR FUEL IN A REGION, AS
55 DEFINED IN PARAGRAPH ONE OF THIS SUBDIVISION, DIFFERENT FROM THE REGION
56 IN WHICH SUCH MOTOR FUEL WAS PURCHASED:

(I) IF THE REGION IN WHICH IT SELLS THE MOTOR FUEL HAS A HIGHER PREPAID RATE AS SET FORTH IN THIS SUBDIVISION THAN THE REGION IN WHICH THE WHOLESALER PURCHASED THE MOTOR FUEL IN, THE WHOLESALER SHALL PAY TO THE DEPARTMENT THE DIFFERENCE IN THE RATES FOR THE GALLONAGE SOLD.

(II) IF THE REGION IN WHICH IT SELLS THE MOTOR FUEL HAS A LOWER PREPAID RATE AS SET FORTH IN THIS SUBDIVISION THAN THE REGION IN WHICH THE WHOLESALER PURCHASED THE MOTOR FUEL, THE WHOLESALER SHALL BE ENTITLED TO A CREDIT OR REFUND FOR THE DIFFERENCE IN THE RATES FOR THE GALLONAGE SOLD.

S 6. The tax law is amended by adding a new section 1812-g to read as follows:

S 1812-G. PERSON NOT REGISTERED AS A WHOLESALER OF MOTOR FUEL. ANY PERSON WHO, WHILE NOT REGISTERED AS A WHOLESALER OF MOTOR FUEL PURSUANT TO THE PROVISIONS OF ARTICLE TWELVE-A OF THIS CHAPTER, MAKES A SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK, SHALL BE GUILTY OF A CLASS E FELONY.

S 7. This act shall take effect immediately; provided, however, that sections two, three, four, five and six of this act shall take effect December 1, 2016. Effective immediately, any rules, regulations and agreements necessary to implement the provisions of this act on its effective date are authorized and directed to be completed on or before such date.

PART VV

Section 1. Section 1115 of the tax law is amended by adding a new subdivision (kk) to read as follows:

(KK) THE FOLLOWING SHALL BE EXEMPT FROM TAX UNDER THIS ARTICLE: (1) RECEIPTS FROM THE RETAIL SALE OF, AND CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND THE SERVICE OF INSTALLING AND MAINTAINING SUCH SYSTEMS. FOR THE PURPOSES OF THIS SUBDIVISION, "FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT" SHALL MEAN AN ELECTRIC GENERATING ARRANGEMENT OR COMBINATION OF COMPONENTS INSTALLED UPON NON-RESIDENTIAL PREMISES THAT UTILIZE SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL, OR FOR THE PURPOSES OF THIS SECTION ONLY, LINEAR GENERATOR, THAT IS INSTALLED, OPERATED AND LOCATED IN THIS STATE.

(2) RECEIPTS FROM THE SALE OF HYDROGEN GAS OR ELECTRICITY BY A PERSON PRIMARILY ENGAGED IN THE SALE OF FUEL CELL ELECTRICITY GENERATING SYSTEM EQUIPMENT AND/OR ELECTRICITY GENERATED BY SUCH EQUIPMENT PURSUANT TO A WRITTEN AGREEMENT UNDER WHICH THE ELECTRICITY IS GENERATED BY COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEM EQUIPMENT THAT IS: (A) OWNED BY A PERSON OTHER THAN THE PURCHASER OF SUCH ELECTRICITY; (B) INSTALLED ON THE NON-RESIDENTIAL PREMISES OF THE PURCHASER OF SUCH ELECTRICITY; (C) PLACED IN SERVICE; AND (D) LOCATED IN THIS STATE TO PROVIDE HEATING, COOLING, HOT WATER OR ELECTRICITY TO SUCH PREMISES.

S 2. Paragraphs 1 and 4 of subdivision (a) of section 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, are amended to read as follows:

(1) Either, all of the taxes described in article twenty-eight of this chapter, at the same uniform rate, as to which taxes all provisions of the local laws, ordinances or resolutions imposing such taxes shall be identical, except as to rate and except as otherwise provided, with the corresponding provisions in such article twenty-eight, including the definition and exemption provisions of such article, so far as the

1 provisions of such article twenty-eight can be made applicable to the
2 taxes imposed by such city or county and with such limitations and
3 special provisions as are set forth in this article. The taxes author-
4 ized under this subdivision may not be imposed by a city or county
5 unless the local law, ordinance or resolution imposes such taxes so as
6 to include all portions and all types of receipts, charges or rents,
7 subject to state tax under sections eleven hundred five and eleven
8 hundred ten of this chapter, except as otherwise provided. (i) Any local
9 law, ordinance or resolution enacted by any city of less than one
10 million or by any county or school district, imposing the taxes author-
11 ized by this subdivision, shall, notwithstanding any provision of law to
12 the contrary, exclude from the operation of such local taxes all sales
13 of tangible personal property for use or consumption directly and
14 predominantly in the production of tangible personal property, gas,
15 electricity, refrigeration or steam, for sale, by manufacturing, proc-
16 essing, generating, assembly, refining, mining or extracting; and all
17 sales of tangible personal property for use or consumption predominantly
18 either in the production of tangible personal property, for sale, by
19 farming or in a commercial horse boarding operation, or in both; and,
20 unless such city, county or school district elects otherwise, shall omit
21 the provision for credit or refund contained in clause six of subdivi-
22 sion (a) or subdivision (d) of section eleven hundred nineteen of this
23 chapter. (ii) Any local law, ordinance or resolution enacted by any
24 city, county or school district, imposing the taxes authorized by this
25 subdivision, shall omit the residential solar energy systems equipment
26 and electricity exemption provided for in subdivision (ee), the commer-
27 cial solar energy systems equipment and electricity exemption provided
28 for in subdivision (ii), THE COMMERCIAL FUEL CELL ELECTRICITY GENERATING
29 SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT EXEMPTION
30 PROVIDED FOR IN SUBDIVISION (KK) and the clothing and footwear exemption
31 provided for in paragraph thirty of subdivision (a) of section eleven
32 hundred fifteen of this chapter, unless such city, county or school
33 district elects otherwise as to [either] such residential solar energy
34 systems equipment and electricity exemption, such commercial solar ener-
35 gy systems equipment and electricity exemption, COMMERCIAL FUEL CELL
36 ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY
37 SUCH EQUIPMENT EXEMPTION or such clothing and footwear exemption.

38 (4) Notwithstanding any other provision of law to the contrary, any
39 local law enacted by any city of one million or more that imposes the
40 taxes authorized by this subdivision (i) may omit the exception provided
41 in subparagraph (ii) of paragraph three of subdivision (c) of section
42 eleven hundred five of this chapter for receipts from laundering, dry-
43 cleaning, tailoring, weaving, pressing, shoe repairing and shoe shining;
44 (ii) may impose the tax described in paragraph six of subdivision (c) of
45 section eleven hundred five of this chapter at a rate in addition to the
46 rate prescribed by this section not to exceed two percent in multiples
47 of one-half of one percent; (iii) shall provide that the tax described
48 in paragraph six of subdivision (c) of section eleven hundred five of
49 this chapter does not apply to facilities owned and operated by the city
50 or an agency or instrumentality of the city or a public corporation the
51 majority of whose members are appointed by the chief executive officer
52 of the city or the legislative body of the city or both of them; (iv)
53 shall not include any tax on receipts from, or the use of, the services
54 described in paragraph seven of subdivision (c) of section eleven
55 hundred five of this chapter; (v) shall provide that, for purposes of
56 the tax described in subdivision (e) of section eleven hundred five of

1 this chapter, "permanent resident" means any occupant of any room or
2 rooms in a hotel for at least one hundred eighty consecutive days with
3 regard to the period of such occupancy; (vi) may omit the exception
4 provided in paragraph one of subdivision (f) of section eleven hundred
5 five of this chapter for charges to a patron for admission to, or use
6 of, facilities for sporting activities in which the patron is to be a
7 participant, such as bowling alleys and swimming pools; (vii) may
8 provide the clothing and footwear exemption in paragraph thirty of
9 subdivision (a) of section eleven hundred fifteen of this chapter, and,
10 notwithstanding any provision of subdivision (d) of this section to the
11 contrary, any local law providing for such exemption or repealing such
12 exemption, may go into effect on any one of the following dates: March
13 first, June first, September first or December first; (viii) shall omit
14 the exemption provided in paragraph forty-one of subdivision (a) of
15 section eleven hundred fifteen of this chapter; (ix) shall omit the
16 exemption provided in subdivision (c) of section eleven hundred fifteen
17 of this chapter insofar as it applies to fuel, gas, electricity, refriger-
18 eration and steam, and gas, electric, refrigeration and steam service of
19 whatever nature for use or consumption directly and exclusively in the
20 production of gas, electricity, refrigeration or steam; (x) shall omit,
21 unless such city elects otherwise, the provision for refund or credit
22 contained in clause six of subdivision (a) or in subdivision (d) of
23 section eleven hundred nineteen of this chapter; (xi) shall provide that
24 section eleven hundred five-C of this chapter does not apply to such
25 taxes, and shall tax receipts from every sale, other than sales for
26 resale, of gas service or electric service of whatever nature, including
27 the transportation, transmission or distribution of gas or electricity,
28 even if sold separately, at the rate set forth in clause one of subpara-
29 graph (i) of the opening paragraph of this section; (xii) shall omit,
30 unless such city elects otherwise, the exemption for residential solar
31 energy systems equipment and electricity provided in subdivision (ee) of
32 section eleven hundred fifteen of this chapter; [and] (xiii) shall omit,
33 unless such city elects otherwise, the exemption for commercial solar
34 energy systems equipment and electricity provided in subdivision (ii) of
35 section eleven hundred fifteen of this chapter; AND (XIV) SHALL OMIT,
36 UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR COMMERCIAL FUEL
37 CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED
38 BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED
39 FIFTEEN OF THIS CHAPTER. Any reference in this chapter or in any local
40 law, ordinance or resolution enacted pursuant to the authority of this
41 article to former subdivisions (n) or (p) of this section shall be
42 deemed to be a reference to clauses (xii) [or], (xiii) OR (XIV) of this
43 paragraph, respectively, and any such local law, ordinance or resolution
44 that provides the exemptions provided in such former subdivisions (n)
45 and/or (p) shall be deemed instead to provide the exemptions provided in
46 clauses (xii) [and/or], (xiii) AND/OR (XIV) of this paragraph.

47 S 3. Paragraph 1 of subdivision (b) of section 1210 of the tax law,
48 as amended by section 4 of part Z of chapter 59 of the laws of 2015, is
49 amended to read as follows:

50 (1) Or, one or more of the taxes described in subdivisions (b), (d),
51 (e) and (f) of section eleven hundred five of this chapter, at the same
52 uniform rate, including the transitional provisions in section eleven
53 hundred six of this chapter covering such taxes, but not the taxes
54 described in subdivisions (a) and (c) of section eleven hundred five of
55 this chapter. Provided, further, that where the tax described in subdi-
56 vision (b) of section eleven hundred five of this chapter is imposed,

1 the compensating use taxes described in clauses (E), (G) and (H) of
2 subdivision (a) of section eleven hundred ten of this chapter shall also
3 be imposed. Provided, further, that where the taxes described in subdivi-
4 sion (b) of section eleven hundred five are imposed, such taxes shall
5 omit: (A) the provision for refund or credit contained in subdivision
6 (d) of section eleven hundred nineteen of this chapter with respect to
7 such taxes described in such subdivision (b) of section eleven hundred
8 five unless such city or county elects to provide such provision or, if
9 so elected, to repeal such provision; (B) the exemption provided in
10 paragraph two of subdivision (ee) of section eleven hundred fifteen of
11 this chapter unless such county or city elects otherwise; [and] (C) the
12 exemption provided in paragraph two of subdivision (ii) of section elev-
13 en hundred fifteen of this chapter, unless such county or city elects
14 otherwise; AND (D) THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVI-
15 SION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, UNLESS SUCH
16 COUNTY OR CITY ELECTS OTHERWISE.

17 S 4. Subdivision (d) of section 1210 of the tax law, as amended by
18 section 4-a of part Z of chapter 59 of the laws of 2015, is amended to
19 read as follows:

20 (d) A local law, ordinance or resolution imposing any tax pursuant to
21 this section, increasing or decreasing the rate of such tax, repealing
22 or suspending such tax, exempting from such tax the energy sources and
23 services described in paragraph three of subdivision (a) or of subdivi-
24 sion (b) of this section or changing the rate of tax imposed on such
25 energy sources and services or providing for the credit or refund
26 described in clause six of subdivision (a) of section eleven hundred
27 nineteen of this chapter, or electing or repealing the exemption for
28 residential solar equipment and electricity in subdivision (ee) of
29 section eleven hundred fifteen of this article, or the exemption for
30 commercial solar equipment and electricity in subdivision (ii) of
31 section eleven hundred fifteen of this article, OR ELECTING OR REPEALING
32 THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS
33 EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT IN SUBDIVISION
34 (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE must go into
35 effect only on one of the following dates: March first, June first,
36 September first or December first; provided, that a local law, ordinance
37 or resolution providing for the exemption described in paragraph thirty
38 of subdivision (a) of section eleven hundred fifteen of this chapter or
39 repealing any such exemption or a local law, ordinance or resolution
40 providing for a refund or credit described in subdivision (d) of section
41 eleven hundred nineteen of this chapter or repealing such provision so
42 provided must go into effect only on March first. No such local law,
43 ordinance or resolution shall be effective unless a certified copy of
44 such law, ordinance or resolution is mailed by registered or certified
45 mail to the commissioner at the commissioner's office in Albany at least
46 ninety days prior to the date it is to become effective. However, the
47 commissioner may waive and reduce such ninety-day minimum notice
48 requirement to a mailing of such certified copy by registered or certi-
49 fied mail within a period of not less than thirty days prior to such
50 effective date if the commissioner deems such action to be consistent
51 with the commissioner's duties under section twelve hundred fifty of
52 this article and the commissioner acts by resolution. Where the
53 restriction provided for in section twelve hundred twenty-three of this
54 article as to the effective date of a tax and the notice requirement
55 provided for therein are applicable and have not been waived, the

1 restriction and notice requirement in section twelve hundred twenty-
2 three of this article shall also apply.

3 S 5. Subdivision (a) of section 1212 of the tax law, as amended by
4 section 6 of part Z of chapter 59 of the laws of 2015, is amended to
5 read as follows:

6 (a) Any school district which is coterminous with, partly within or
7 wholly within a city having a population of less than one hundred twen-
8 ty-five thousand, is hereby authorized and empowered, by majority vote
9 of the whole number of its school authorities, to impose for school
10 district purposes, within the territorial limits of such school district
11 and without discrimination between residents and nonresidents thereof,
12 the taxes described in subdivision (b) of section eleven hundred five
13 (but excluding the tax on prepaid telephone calling services) and the
14 taxes described in clauses (E) and (H) of subdivision (a) of section
15 eleven hundred ten, including the transitional provisions in subdivision
16 (b) of section eleven hundred six of this chapter, so far as such
17 provisions can be made applicable to the taxes imposed by such school
18 district and with such limitations and special provisions as are set
19 forth in this article, such taxes to be imposed at the rate of one-half,
20 one, one and one-half, two, two and one-half or three percent which rate
21 shall be uniform for all portions and all types of receipts and uses
22 subject to such taxes. In respect to such taxes, all provisions of the
23 resolution imposing them, except as to rate and except as otherwise
24 provided herein, shall be identical with the corresponding provisions in
25 such article twenty-eight of this chapter, including the applicable
26 definition and exemption provisions of such article, so far as the
27 provisions of such article twenty-eight of this chapter can be made
28 applicable to the taxes imposed by such school district and with such
29 limitations and special provisions as are set forth in this article. The
30 taxes described in subdivision (b) of section eleven hundred five (but
31 excluding the tax on prepaid telephone calling service) and clauses (E)
32 and (H) of subdivision (a) of section eleven hundred ten, including the
33 transitional provision in subdivision (b) of such section eleven hundred
34 six of this chapter, may not be imposed by such school district unless
35 the resolution imposes such taxes so as to include all portions and all
36 types of receipts and uses subject to tax under such subdivision (but
37 excluding the tax on prepaid telephone calling service) and clauses.
38 Provided, however, that, where a school district imposes such taxes,
39 such taxes shall omit the provision for refund or credit contained in
40 subdivision (d) of section eleven hundred nineteen of this chapter with
41 respect to such taxes described in such subdivision (b) of section elev-
42 en hundred five unless such school district elects to provide such
43 provision or, if so elected, to repeal such provision, and shall omit
44 the exemptions provided in paragraph two of subdivision (ee) and para-
45 graph two of subdivision (ii) of section eleven hundred fifteen of this
46 chapter unless such school district elects otherwise, AND SHALL OMIT THE
47 EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (KK) OF SECTION ELEV-
48 EN HUNDRED FIFTEEN OF THIS CHAPTER UNLESS SUCH SCHOOL DISTRICT ELECTS
49 OTHERWISE.

50 S 6. Section 1224 of the tax law is amended by adding a new subdivi-
51 sion (c-2) to read as follows:

52 (C-2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW: (1) WHERE A COUNTY
53 CONTAINING ONE OR MORE CITIES WITH A POPULATION OF LESS THAN ONE MILLION
54 HAS ELECTED THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERAT-
55 ING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT
56 PROVIDED IN SUBDIVISION (KK) OF SUCH SECTION ELEVEN HUNDRED FIFTEEN, A

CITY WITHIN SUCH COUNTY SHALL HAVE THE PRIOR RIGHT TO IMPOSE TAX ON SUCH EXEMPT EQUIPMENT AND/OR ELECTRICITY TO THE EXTENT OF ONE HALF OF THE MAXIMUM RATES AUTHORIZED UNDER SUBDIVISION (A) OF SECTION TWELVE HUNDRED TEN OF THIS ARTICLE;

(2) WHERE A CITY OF LESS THAN ONE MILLION HAS ELECTED THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) OF SUCH SECTION ELEVEN HUNDRED FIFTEEN, THE COUNTY IN WHICH SUCH CITY IS LOCATED SHALL HAVE THE PRIOR RIGHT TO IMPOSE TAX ON SUCH EXEMPT EQUIPMENT AND/OR ELECTRICITY TO THE EXTENT OF ONE HALF OF THE MAXIMUM RATES AUTHORIZED UNDER SUBDIVISION (A) OF SECTION TWELVE HUNDRED TEN OF THIS ARTICLE.

S 7. This act shall take effect June 1, 2016 and shall apply in accordance with the applicable transitional provisions in sections 1106 and 1217 of the tax law.

PART WW

Section 1. Subdivision 1 of section 472 of the tax law, as amended by chapter 629 of the laws of 1996, and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

1. The commissioner shall prescribe, prepare and furnish stamps of such denominations and quantities as may be necessary for the payment of the tax on cigarettes imposed by this article, PLUS THE PAYMENT BY THE AGENT OF A CONCURRENT EXPENSE ALLOWANCE FOR THE CIGARETTE TAX ENFORCEMENT FUND ESTABLISHED PURSUANT TO SECTION NINETY-SEVEN-XXXX OF THE STATE FINANCE LAW OF FOUR CENTS PER STAMP WHICH SHALL BE DEPOSITED PURSUANT TO SUBDIVISION (C) OF SECTION FOUR HUNDRED EIGHTY-TWO OF THIS ARTICLE, and may from time to time and as often as he deems advisable provide for the issuance and exclusive use of stamps of a new design and forbid the use of stamps of any other design, in the manner and with the effect provided in section two hundred seventy-four of this chapter. The commissioner shall make provisions for the sale of such stamps at such places and at such times as he may deem necessary and may license agents for such purpose. The commissioner may license dealers in cigarettes, who maintain separate warehousing facilities for the purpose of receiving and distributing cigarettes and conducting their business, who have received commitments from at least two cigarette manufacturers whose aggregate market share is at least forty percent of the New York state cigarette market, and importers, exporters and manufacturers of cigarettes, and other persons within or without the state as agents to buy or affix stamps to be used in paying the tax herein imposed, but an agent shall at all times have the right to appoint the person in his employ who is to affix the stamps to any cigarettes under the agent's control. The fee for filing such application for an agent's license shall be one thousand five hundred dollars, unless such fee has been paid during the preceding twelve months, in which case, the fee for a new license shall be one thousand dollars. All of the provisions of section four hundred eighty OF THIS ARTICLE relating to wholesale dealers' licenses, including the procedure for suspension, revocation, refusal to license and for hearings, except for paragraphs (c) and (g) of subdivision one of such section, shall be applicable to agents' licenses applied for or granted pursuant to this section, as if such provisions had been set forth in full in this subdivision and had expressly referred to the applicant for, or the holder of, an agent's

1 license. Whenever the commissioner shall sell and deliver to any such
2 agent any such stamps, such agent shall be entitled to receive as
3 compensation for his services and expenses as such agent in selling or
4 affixing such stamps, and to retain out of the moneys to be paid by him
5 for such stamps, a commission on the par value thereof. The commissioner
6 is hereby authorized to prescribe a schedule of commissions, not exceed-
7 ing five per centum, allowable to such agent for buying and affixing
8 such stamps. Such schedule shall be uniform with respect to the differ-
9 ent types of stamps used, and may be on a graduated scale with respect
10 to the number of stamps purchased. The commissioner may, in his
11 discretion, permit an agent to pay for such stamps within thirty days
12 after the date of purchase and may require any such agent to file with
13 the department [of taxation and finance] a bond issued by a surety
14 company approved by the superintendent of financial services as to
15 solvency and responsibility and authorized to transact business in the
16 state or other security acceptable to the commissioner, in such amount
17 as the commissioner may fix, to secure the payment of any sums due from
18 such agent pursuant to this article. If securities are deposited as
19 security under this subdivision, such securities shall be kept in the
20 custody of the commissioner and may be sold by the commissioner if it
21 becomes necessary so to do in order to recover any sums due from such
22 agent pursuant to this article, but no such sale shall be had until
23 after such agent shall have had opportunity to litigate the validity of
24 any tax if it elects so to do. Upon any such sale, the surplus, if any,
25 above the sums due under this article shall be returned to such agent.

26 S 2. Section 482 of the tax law is amended by adding a new subdivision
27 (c) to read as follows:

28 (C) FROM THE AMOUNTS RECEIVED PURSUANT TO SUBDIVISION ONE OF SECTION
29 FOUR HUNDRED SEVENTY-TWO OF THIS ARTICLE, THE COMMISSIONER SHALL DEPOSIT
30 IN THE CIGARETTE TAX ENFORCEMENT FUND ESTABLISHED PURSUANT TO SECTION
31 NINETY-SEVEN-XXXX OF THE STATE FINANCE LAW THE CONCURRENT EXPENSE ALLOW-
32 ANCE FOR THE CIGARETTE TAX ENFORCEMENT FUND OF FOUR CENTS PER STAMP.

33 S 3. The state finance law is amended by adding a new section 97-xxxx
34 to read as follows:

35 S 97-XXXX. CIGARETTE TAX ENFORCEMENT FUND. 1. THERE IS HEREBY CREATED
36 IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF
37 TAXATION AND FINANCE AN ACCOUNT OF THE MISCELLANEOUS SPECIAL REVENUE
38 FUND TO BE KNOWN AS THE "CIGARETTE TAX ENFORCEMENT FUND".

39 2. NOTWITHSTANDING ANY OTHER LAW, RULE OR REGULATION TO THE CONTRARY,
40 THE STATE COMPTROLLER IS HEREBY AUTHORIZED AND DIRECTED TO RECEIVE FOR
41 DEPOSIT TO THE CREDIT OF THE CIGARETTE TAX ENFORCEMENT FUND MONIES
42 RECEIVED FROM THE COMMISSIONER OF TAXATION AND FINANCE FROM THE CONCUR-
43 RENT EXPENSE ALLOWANCE PAID PURSUANT TO SUBDIVISION ONE OF SECTION FOUR
44 HUNDRED SEVENTY-TWO OF THE TAX LAW, MONIES RECEIVED FROM THE COMMISSION-
45 ER OF TAXATION AND FINANCE FROM THE SALE OF FORFEITED CIGARETTES AUTHOR-
46 IZED PURSUANT TO SECTION EIGHTEEN HUNDRED FORTY-SIX OF THE TAX LAW, AND
47 OTHER MONIES APPROPRIATED, CREDITED OR TRANSFERRED THERETO FROM ANY
48 OTHER FUND OR SOURCE.

49 3. THE PROCEEDS OF THE CIGARETTE TAX ENFORCEMENT FUND SHALL BE USED
50 SOLELY TO ENFORCE (I) THE COLLECTION OF THE CIGARETTE TAX IMPOSED BY
51 ARTICLE TWENTY OF THE TAX LAW OR (II) THE CIGARETTE MARKETING STANDARDS
52 ACT, AS ESTABLISHED BY ARTICLE TWENTY-A OF THE TAX LAW.

53 4. MONIES IN THE CIGARETTE TAX ENFORCEMENT FUND SHALL BE KEPT SEPARATE
54 AND APART AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEYS IN THE
55 CUSTODY OF THE COMPTROLLER AND SHALL ONLY BE EXPENDED AS PROVIDED HERE-
56 IN.

1 5. MONIES OF THE FUND SHALL BE AVAILABLE TO THE COMMISSIONER OF TAXA-
2 TION AND FINANCE FOR PURPOSES OF CARRYING OUT THE PROVISIONS OF SUBDIVI-
3 SION (J) OF SECTION EIGHTEEN HUNDRED FOURTEEN OF THE TAX LAW AND SHALL
4 BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT OF THE COMPTROLLER ON
5 VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER OF TAXATION AND
6 FINANCE.

7 6. IN THE MONTH IMMEDIATELY FOLLOWING THE MONTH IN WHICH THE BALANCE
8 OF THE FUND EXCEEDS SIX MILLION FIVE HUNDRED THOUSAND DOLLARS, THE COMP-
9 TROLLER SHALL, UPON RECEIPT OF A CERTIFICATE OF ALLOCATION ISSUED BY THE
10 DIRECTOR OF THE DIVISION OF THE BUDGET, TRANSFER SIX MILLION DOLLARS TO
11 THE DIVISION OF STATE POLICE TO SUPPORT THE DIVISION'S CIGARETTE TAX, AS
12 IMPOSED BY ARTICLE TWENTY OF THE TAX LAW, AND THE CIGARETTE MARKETING
13 STANDARDS ACT, AS ESTABLISHED BY ARTICLE TWENTY-A OF THE TAX LAW,
14 ENFORCEMENT ACTIVITIES. THESE FUNDS MAY BE APPORTIONED TO EITHER THE
15 PATROL ACTIVITIES OR CRIMINAL INVESTIGATION ACTIVITIES PROGRAMS OF THE
16 DIVISION OF STATE POLICE, MAY BE TRANSFERRED OR SUBALLOCATED TO ANY
17 OTHER STATE AGENCY OR PUBLIC AUTHORITY FOR THEIR COSTS ASSOCIATED WITH
18 THE ENFORCEMENT OF THE CIGARETTE TAX OR THE CIGARETTE MARKETING STAND-
19 ARDS ACT, AND MAY BE USED TO CONTRACT WITH LOCAL ENFORCEMENT AGENCIES
20 FOR CIGARETTE TAX AND/OR CIGARETTE MARKETING STANDARDS ACT ENFORCEMENT
21 ACTIVITIES.

22 S 4. Subdivisions (a), (b) and (c) of section 1846 of the tax law, as
23 amended by chapter 556 of the laws of 2011, are amended to read as
24 follows:

25 (a) Whenever a police officer designated in section 1.20 of the crimi-
26 nal procedure law or a peace officer designated in subdivision four of
27 section 2.10 of such law, acting pursuant to his or her special duties,
28 shall discover any cigarettes subject to tax provided by article twenty
29 of this chapter or by chapter thirteen of title eleven of the adminis-
30 trative code of the city of New York, and upon which the tax has not
31 been paid or the stamps not affixed as required by such article or such
32 chapter thirteen, they are hereby authorized and empowered forthwith to
33 seize and take possession of such cigarettes, together with any vending
34 machine or receptacle in which they are held for sale. Such cigarettes,
35 vending machine or receptacle seized by a police officer or such peace
36 officer shall be turned over to the commissioner. Such seized ciga-
37 rettes, vending machine or receptacle, not including money contained in
38 such vending machine or receptacle, shall be forfeited to the state. The
39 commissioner may, within a reasonable time thereafter, upon publication
40 of a notice to such effect for at least five successive days, before the
41 day of sale, in a newspaper published or circulated in the county where
42 the seizure was made, sell such forfeited vending machines or recepta-
43 cles at public sale and pay the proceeds into the state treasury to the
44 credit of the general fund. Notwithstanding any other provision of this
45 section, the commissioner may enter into an agreement with any city of
46 this state which is authorized to impose a tax similar to that imposed
47 by article twenty of this chapter to provide for the disposition between
48 the state and any such city of the proceeds from any such sale. All
49 cigarettes forfeited to the state [shall be destroyed or used for law
50 enforcement purposes], except [that] cigarettes that violate, or are
51 suspected of violating, federal trademark laws or import laws shall [not
52 be used for law enforcement purposes. If the commissioner determines the
53 cigarettes may not be used for law enforcement purposes], UPON PUBLICA-
54 TION IN THE STATE REGISTRY, BE AVAILABLE FOR INSPECTION BY THE MANUFAC-
55 Turer WHO SHALL DETERMINE WHETHER SUCH CIGARETTES ARE OF SALEABLE QUALI-
56 TY AND SUCH CIGARETTES SHALL BE OFFERED FOR SALE TO SUCH MANUFACTURERS.

1 ANY CIGARETTES THAT ARE EITHER NOT INSPECTED BY THE MANUFACTURER WITHIN
2 FIVE DAYS OF THE PUBLICATION IN THE STATE REGISTRY OR ARE NOT PURCHASED
3 BY THE MANUFACTURER AFTER BEING DETERMINED TO BE OF SALEABLE QUALITY
4 SHALL, UPON PUBLICATION IN THE STATE REGISTRY, BE OFFERED FOR SALE TO
5 AGENTS, AS SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF SECTION FOUR
6 HUNDRED SEVENTY OF THIS CHAPTER, TO A PRICE EQUALING TWO DOLLARS AND
7 TWENTY CENTS PER PACK OF TWENTY CIGARETTES. ANY SUCH CIGARETTES THAT ARE
8 EITHER NOT SOLD WITHIN A REASONABLE PERIOD OF TIME AFTER BEING OFFERED
9 FOR SALE TO AGENTS OR DEEMED UNSALEABLE BY THE MANUFACTURER SHALL, UPON
10 PUBLICATION IN THE STATE REGISTRY, BE DESTROYED OR USED FOR LAW ENFORCE-
11 MENT PURPOSES. IF THE COMMISSIONER DETERMINES THE CIGARETTES MAY NOT BE
12 OFFERED FOR SALE TO THE MANUFACTURERS OR AGENTS, OR USED FOR LAW
13 ENFORCEMENT PURPOSES BECAUSE SUCH CIGARETTES VIOLATE, OR ARE SUSPECTED
14 OF VIOLATING, FEDERAL TRADEMARK LAWS OR IMPORT LAWS, the commissioner
15 must, within a reasonable time after the forfeiture of such cigarettes,
16 upon publication in the state registry, destroy such forfeited ciga-
17 rettes. The commissioner may, prior to any destruction of cigarettes,
18 permit the true holder of the trademark rights in the cigarettes to
19 inspect such forfeited cigarettes in order to assist in any investi-
20 gation regarding such cigarettes. THE REVENUE FROM ALL SALES OF CIGA-
21 RETTES MADE PURSUANT TO THIS SUBDIVISION SHALL BE DEPOSITED IN THE CIGA-
22 RETTE TAX ENFORCEMENT FUND, AS ESTABLISHED IN SECTION NINETY-SEVEN-XXXX
23 OF THE STATE FINANCE LAW.

24 (b) [In the alternative] PRIOR TO MAKING FORFEITED CIGARETTES AVAIL-
25 ABLE FOR INSPECTION OR PURCHASE BY THE MANUFACTURER, OFFERING SUCH CIGA-
26 RETTES FOR SALE TO AGENTS, OR USING SUCH CIGARETTES FOR LAW ENFORCEMENT
27 PURPOSES IN ACCORDANCE WITH SUBDIVISION (A) OF THIS SECTION, the tax
28 commission, on reasonable notice by mail or otherwise, may permit the
29 person from whom said cigarettes were seized to redeem the said ciga-
30 rettes, and any vending machine or receptacle seized therewith, by the
31 payment of the tax due, plus a penalty of fifty per centum thereof, plus
32 interest on the amount of tax due for each month or fraction thereof
33 after such tax became due (determined without regard to any extension of
34 time for filing or paying) at the rate applicable under subparagraph
35 (ii) of paragraph (a) of subdivision one of section four hundred eight-
36 y-one of this chapter and the costs incurred in such proceeding, which
37 total payment shall not be less than five dollars; provided, however,
38 that such seizure and sale or redemption shall not be deemed to relieve
39 any person from fine or imprisonment provided for in this article for
40 violation of any provision of article twenty of this chapter.

41 (c) [In the alternative] AFTER MAKING FORFEITED CIGARETTES AVAILABLE
42 FOR INSPECTION OR PURCHASE BY THE MANUFACTURER AND OFFERING SUCH CIGA-
43 RETTES FOR SALE TO AGENTS IN ACCORDANCE WITH SUBDIVISION (A) OF THIS
44 SECTION, the tax commission may dispose of any cigarettes seized pursu-
45 ant to this section, except those that violate, or are suspected of
46 violating, federal trademark laws or import laws, by transferring them
47 to the department of corrections and community supervision for sale to
48 or use by inmates in such institutions.

49 S 5. Subdivision (b) of section 483 of the tax law, as amended by
50 chapter 860 of the laws of 1987, subparagraph (A) of paragraph 1 and
51 subparagraph (B) of paragraph 3 as amended by chapter 744 of the laws of
52 1990, subparagraph (B) of paragraph 1 as amended by chapter 1 of the
53 laws of 1999 and subparagraph (B) of paragraph 2 as amended by chapter 4
54 of the laws of 1988, is amended to read as follows:

55 (b) 1. (A) The term "cost of the agent" shall mean the basic cost of
56 cigarettes plus the cost of doing business by the agent as evidenced by

1 the accounting standards and methods regularly employed by said agent in
2 his determination of costs for the purpose of federal income tax report-
3 ing for the total operation of his establishment, and must include,
4 without limitation, labor, including salaries of executives and offi-
5 cers, rent, depreciation, selling costs, maintenance of equipment,
6 delivery costs, interest payable, all types of licenses, taxes, insur-
7 ance and advertising expressed as a percentage and applied to the basic
8 cost of cigarettes. Any fractional part of a cent in the cost to the
9 agent per carton of cigarettes shall be rounded off to the next higher
10 cent. In the case of sales at retail by an agent, the "cost of the
11 agent" shall be the same as the "cost of the retail dealer". In the case
12 of sales of cigarettes to a chain store having fifteen or more retail
13 outlets, excluding vending machine operators, which are delivered to a
14 central warehouse owned and operated by such chain store and which are
15 delivered to its retail outlets by the chain store, the "cost of the
16 agent" shall be presumed to be the basic cost of cigarettes. There shall
17 be determined a separate cost of the agent for sales to wholesale deal-
18 ers and for sales to retail dealers.

19 (B) In the absence of the filing with the commissioner of satisfactory
20 proof of a lesser cost of doing business of the agent making the sale,
21 the cost of doing business by the agent shall be presumed to be [seven-
22 eighths of one] TWO AND ONE-QUARTER percent of the basic cost of ciga-
23 rettes for sales to wholesale dealers plus one cent per package of ten
24 cigarettes, two cents per package of twenty cigarettes and in the case
25 of a package containing more than twenty cigarettes, two cents and one-
26 half of a cent for each five cigarettes in excess of twenty cigarettes,
27 [one and one-half] FIVE AND THREE-QUARTER percent of the basic cost of
28 cigarettes for sales to chain stores plus one cent per package of ten
29 cigarettes, two cents per package of twenty cigarettes and in the case
30 of a package containing more than twenty cigarettes, two cents and one-
31 half of a cent for each five cigarettes in excess of twenty cigarettes
32 and [three and seven-eighths] FIVE AND THREE-QUARTER percent of the
33 basic cost of cigarettes with respect to sales to retail dealers plus
34 one cent per package of ten cigarettes, two cents per package of twenty
35 cigarettes and in the case of a package containing more than twenty
36 cigarettes, two cents and one-half of a cent for each five cigarettes in
37 excess of twenty cigarettes and the foregoing cents per pack shall be
38 included in the "cost of doing business by the agent" referred to in
39 paragraphs two and three of this subdivision.

40 2. (A) The term "cost of the wholesale dealer" shall mean the basic
41 cost of cigarettes plus the cost of doing business by the wholesale
42 dealer as evidenced by the accounting standards and methods regularly
43 employed by said wholesale dealer in his determination of costs for the
44 purpose of federal income tax reporting for the total operation of his
45 establishment, and must include, without limitation, labor, including
46 salaries of executives and officers, rent, depreciation, selling costs,
47 maintenance of equipment, delivery costs, interest payable, all types of
48 licenses, taxes, insurance and advertising expressed as a percentage and
49 applied to the basic cost of cigarettes, plus the cost of doing business
50 by the agent with respect to sales of cigarettes to wholesale dealers.
51 Any fractional part of a cent in the cost to the wholesale dealer per
52 carton of cigarettes shall be rounded off to the next higher cent. In
53 the case of sales at retail by a wholesale dealer, the "cost of the
54 wholesale dealer" shall be the same as the "cost of the retail dealer".
55 There shall be determined a separate cost of the wholesale dealer for
56 sales to chain stores and for sales to retail dealers.

(B) In the absence of the filing with the tax commission of satisfactory proof of a lesser cost of doing business of the wholesale dealer making the sale, the cost of doing business by the wholesale dealer with respect to sales to retail dealers shall be presumed to be three AND ONE-HALF per centum of the basic cost of cigarettes, and with respect to sales to chain stores, [five-eighths of one] THREE AND ONE-HALF percent of the basic cost of cigarettes.

3. (A) The term "cost of the retail dealer" shall mean the basic cost of cigarettes plus the cost of doing business by the retail dealer as evidenced by the accounting standards and methods regularly employed by said retail dealer in his determination of costs for the purpose of federal income tax reporting for the total operation of his establishment, and shall include, without limitation, labor, including salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, interest payable, all types of licenses, taxes, insurance and advertising expressed as a percentage and applied to the basic cost of cigarettes, plus the cost of doing business by the agent with respect to sales of cigarettes to retail dealers. Any fractional part of a cent in the cost to the retail dealer per package or per carton shall be rounded off to the next higher cent.

(B) In the absence of the filing with the commissioner of taxation and finance of satisfactory proof of a lesser cost of doing business by the retail dealer making the sale, the cost of doing business by the retail dealer shall be presumed to be [seven] TEN per centum of the sum of the basic cost of cigarettes plus the cost of doing business by the agent with respect to cigarettes sold to retail dealers.

S 6. Section 1814 of the tax law is amended by adding a new subdivision (j) to read as follows:

(J) REWARDS. (1) NOTWITHSTANDING ANY PROVISION OF LAW, RULE OR REGULATION TO THE CONTRARY, THE COMMISSIONER SHALL ESTABLISH A PROGRAM TO ALLOW INDIVIDUALS TO SUBMIT A SWORN STATEMENT AFFIRMING THE OBSERVATION OF A VIOLATION OF ARTICLE TWENTY OF THIS CHAPTER AND, WHERE THE COMMISSIONER DEEMS IT APPROPRIATE, ALLOW FOR A REWARD FOR ANY SUCH SWORN STATEMENT. WHERE ENFORCEMENT ACTION IS TAKEN PURSUANT TO THIS ARTICLE OR ARTICLE TWENTY OF THIS CHAPTER BASED UPON A SWORN STATEMENT BY ONE OR MORE INDIVIDUALS AND WHERE THE COMMISSIONER DETERMINES, IN THE EXERCISE OF HIS OR HER DISCRETION, THAT SUCH SWORN STATEMENT, EITHER ALONE OR IN CONJUNCTION WITH THE TESTIMONY OF THE PERSON SUBMITTING SUCH SWORN STATEMENT CONTRIBUTES TO THE IMPOSITION OF A CIVIL OR CRIMINAL PENALTY UPON ANY PERSON FOR A VIOLATION OF THIS ARTICLE, OR ARTICLE TWENTY OF THIS CHAPTER, THE COMMISSIONER SHALL OFFER AS A REWARD TO SUCH INDIVIDUAL OR INDIVIDUALS AN AMOUNT THAT, IN THE AGGREGATE, IS FIVE DOLLARS. NO PEACE OFFICER, POLICE OFFICER OR EMPLOYEE OF THE DEPARTMENT, EMPLOYEE OF ANY COMPANY UNDER CONTRACT WITH THE DEPARTMENT, OR EMPLOYEE OF ANY GOVERNMENTAL ENTITY THAT, IN CONJUNCTION WITH THE DEPARTMENT, CONDUCTS ENFORCEMENT ACTIVITY RELATING TO A VIOLATION OF THIS ARTICLE OR ARTICLE TWENTY OF THIS CHAPTER, SHALL BE ENTITLED TO OBTAIN THE BENEFIT OF ANY SUCH REWARD WHEN ACTING IN THE DISCHARGE OF HIS OR HER OFFICIAL DUTIES.

(2) ALL REWARDS PAID PURSUANT TO THIS SECTION SHALL BE PAID FROM THE CIGARETTE TAX ENFORCEMENT FUND, AS ESTABLISHED IN SECTION NINETY-SEVEN-0000 OF THE STATE FINANCE LAW.

S 7. Beginning the month immediately following the month in which the cigarette tax enforcement fund, as established in section 97-0000 of the state finance law, is established, there is hereby appropriated to the division of state police the amount of six million dollars (\$6,000,000) from the cigarette tax enforcement fund to support cigarette tax, as

1 imposed by article 20 of the tax law, and cigarette marketing standards
2 act, as established by article 20-A of the tax law, enforcement activ-
3 ities. This appropriation may be apportioned to either the patrol activ-
4 ities or criminal investigation activities programs of the division of
5 state police, may be transferred or suballocated to any other state
6 agency or public authority for their costs associated with the enforce-
7 ment of the cigarette tax or the cigarette marketing standards act, and
8 may be used to contract with local enforcement agencies for cigarette
9 tax and/or cigarette marketing standards act enforcement activities. No
10 monies shall be available from this appropriation absent a certificate
11 of allocation from the director of the budget.

12 S 8. This act shall take effect on the first day of the sales tax
13 quarterly period, as described in subdivision (b) of section 1136 of the
14 tax law, next succeeding the thirtieth day after it shall have become a
15 law and shall apply in accordance with the applicable transitional
16 provisions of sections 1106 and 1217 of the tax law.

17 PART XX

18 Section 1. Section 2 of part EE of chapter 60 of the laws of 2011,
19 amending the New York state urban development corporation act relating
20 to the new markets tax credits, is amended to read as follows:

21 S 2. This act shall take effect immediately and shall expire and be
22 deemed repealed [5] 10 years after such effective date.

23 S 2. This act shall take effect immediately.

24 PART YY

25 Section 1. Subdivision 1 of section 190 of the tax law, as amended by
26 section 102 of part A of chapter 59 of the laws of 2014, is amended to
27 read as follows:

28 1. General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO
29 THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax
30 imposed by this article equal to twenty percent of the premium paid
31 during the taxable year for long-term care insurance, AND FOR TAXABLE
32 YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A
33 TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-
34 CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR
35 FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE
36 INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER
37 APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE
38 AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT
39 OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order
40 to qualify for such credit, the taxpayer's premium payment must be for
41 the purchase of or for continuing coverage under a long-term care insur-
42 ance policy that qualifies for such credit pursuant to section one thou-
43 sand one hundred seventeen of the insurance law.

44 S 2. Paragraph (a) of subdivision 14 of section 210-B of the tax law,
45 as added by section 17 of part A of chapter 59 of the laws of 2014, is
46 amended to read as follows:

47 (a) General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO
48 THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax
49 imposed by this article equal to twenty percent of the premium paid
50 during the taxable year for long-term care insurance, AND FOR TAXABLE
51 YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A
52 TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-

1 CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR
2 FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE
3 INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER
4 APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE
5 AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT
6 OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In
7 order to qualify for such credit, the taxpayer's premium payment must be
8 for the purchase of or for continuing coverage under a long-term care
9 insurance policy that qualifies for such credit pursuant to section one
10 thousand one hundred seventeen of the insurance law.

11 S 3. Paragraph 1 of subsection (aa) of section 606 of the tax law, as
12 amended by section 1 of part P of chapter 61 of the laws of 2005, is
13 amended to read as follows:

14 (1) Residents. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST,
15 TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the
16 tax imposed by this article equal to twenty percent of the premium paid
17 during the taxable year for long-term care insurance, AND FOR TAXABLE
18 YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A
19 TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-
20 CLE IN AN AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE OF THE PREMIUM PAID
21 FOR SUCH LONG-TERM CARE INSURANCE. THE APPLICABLE PERCENTAGE SHALL BE
22 BASED UPON THE TAXPAYER'S AGE WHEN HE OR SHE PURCHASED THE LONG-TERM
23 CARE INSURANCE POLICY FOR WHICH CREDIT IS CLAIMED AND SHALL BE AS
24 FOLLOWS: (A) FOR POLICIES PURCHASED PRIOR TO THE AGE OF THIRTY, FIFTY
25 PERCENT, (B) FOR POLICIES PURCHASED AFTER THE AGE OF TWENTY-NINE BUT
26 PRIOR TO THE AGE OF THIRTY-FIVE, FORTY-FIVE PERCENT, (C) FOR POLICIES
27 PURCHASED AFTER THE AGE OF THIRTY-FOUR BUT PRIOR TO THE AGE OF FORTY,
28 FORTY PERCENT, (D) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-NINE
29 BUT PRIOR TO THE AGE OF FORTY-FIVE, THIRTY-FIVE PERCENT, (E) FOR POLI-
30 CIES PURCHASED AFTER THE AGE OF FORTY-FOUR BUT PRIOR TO THE AGE OF
31 FIFTY, THIRTY PERCENT, (F) FOR POLICIES PURCHASED AFTER THE AGE OF
32 FORTY-NINE BUT PRIOR TO THE AGE OF FIFTY-FIVE, TWENTY-FIVE PERCENT, AND
33 (G) FOR POLICIES PURCHASED AFTER THE AGE OF FIFTY-FIVE, TWENTY PERCENT.
34 In order to qualify for such credit, the taxpayer's premium payment must
35 be for the purchase of or for continuing coverage under a long-term care
36 insurance policy that qualifies for such credit pursuant to section one
37 thousand one hundred seventeen of the insurance law. If the amount of
38 the credit allowable under this subsection for any taxable year shall
39 exceed the taxpayer's tax for such year, the excess may be carried over
40 to the following year or years and may be deducted from the taxpayer's
41 tax for such year or years.

42 S 4. Paragraph 1 of subdivision (m) of section 1511 of the tax law, as
43 amended by section 21 of part B of chapter 58 of the laws of 2004, is
44 amended to read as follows:

45 (1) [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND
46 SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by
47 this article equal to twenty percent of the premium paid during the
48 taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGIN-
49 NING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL
50 BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO
51 TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM
52 CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING
53 THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND
54 BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT
55 ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM
56 PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order to qualify for

1 such credit, the taxpayer's premium payment must be for the purchase of
2 or for continuing coverage under a long-term care insurance policy that
3 qualifies for such credit pursuant to section one thousand one hundred
4 seventeen of the insurance law.

5 S 5. The insurance law is amended by adding a new section 3216-a to
6 read as follows:

7 S 3216-A. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLD-
8 ERS. (A) ALL AUTHORIZED INSURERS ISSUING INSURANCE POLICIES SUBJECT TO
9 THE PROVISIONS OF SECTION ONE THOUSAND ONE HUNDRED SEVENTEEN OF THIS
10 CHAPTER SHALL ISSUE TO EACH POLICY HOLDER AN ANNUAL STATEMENT THAT
11 INCLUDES THE FOLLOWING INFORMATION:

12 (1) THE DATE SUCH POLICY TOOK EFFECT;
13 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;
14 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;
15 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH
16 INCREASE;

17 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-
18 LY PRIOR CALENDAR YEAR; AND

19 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-
20 CY.

21 (B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN
22 ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH
23 THE ANNUAL STATEMENT IS ISSUED.

24 (C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED
25 WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS
26 AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF
27 JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

28 S 6. The insurance law is amended by adding a new section 4306-h to
29 read as follows:

30 S 4306-H. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLD-
31 ERS. (A) ALL INSURERS ISSUING POLICIES PURSUANT TO THE PROVISIONS OF
32 SECTION FOUR THOUSAND THREE HUNDRED FOUR OF THIS ARTICLE AND SUBJECT TO
33 THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED SIX OF THIS ARTI-
34 CLE THAT ARE FOR OR INCLUDE LONG-TERM CARE BENEFITS SHALL ISSUE TO EACH
35 POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMA-
36 TION:

37 (1) THE DATE SUCH POLICY TOOK EFFECT;
38 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;
39 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;
40 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH
41 INCREASE;

42 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-
43 LY PRIOR CALENDAR YEAR; AND

44 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-
45 CY.

46 (B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN
47 ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH
48 THE ANNUAL STATEMENT IS ISSUED.

49 (C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED
50 WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS
51 AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF
52 JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

53 S 7. This act shall take effect immediately.

1 Section 1. Subdivision 3 of section 99-h of the state finance law, as
2 amended by section 7 of chapter 174 of the laws of 2013, is amended to
3 read as follows:

4 3. Moneys of the account, following the segregation of appropriations
5 enacted by the legislature, shall be available for purposes including
6 but not limited to: (a) reimbursements or payments to municipal govern-
7 ments that host tribal casinos pursuant to a tribal-state compact for
8 costs incurred in connection with services provided to such casinos or
9 arising as a result thereof, for economic development opportunities and
10 job expansion programs authorized by the executive law; provided, howev-
11 er, that for any gaming facility located in the city of Buffalo, the
12 city of Buffalo shall receive a minimum of twenty-five percent of the
13 negotiated percentage of the net drop from electronic gaming devices the
14 state receives pursuant to the compact, and provided further that for
15 any gaming facility located in the city of Niagara Falls, county of
16 Niagara a minimum of [twenty-five] SEVENTY-FIVE percent of the negoti-
17 ated percentage of the net drop from electronic gaming devices the state
18 receives pursuant to the compact shall be distributed in accordance with
19 subdivision four of this section, and provided further that for any
20 gaming facility located in the county or counties of Cattaraugus, Chau-
21 tauqua or Allegany, the municipal governments of the state hosting the
22 facility shall collectively receive a minimum of twenty-five percent of
23 the negotiated percentage of the net drop from electronic gaming devices
24 the state receives pursuant to the compact; and provided further that
25 pursuant to chapter five hundred ninety of the laws of two thousand
26 four, a minimum of twenty-five percent of the revenues received by the
27 state pursuant to the state's compact with the St. Regis Mohawk tribe
28 shall be made available to the counties of Franklin and St. Lawrence,
29 and affected towns in such counties. Each such county and its affected
30 towns shall receive fifty percent of the moneys made available by the
31 state; and provided further that the state shall annually make twenty-
32 five percent of the negotiated percentage of the net drop from all
33 gaming devices the state actually receives pursuant to the Oneida
34 Settlement Agreement confirmed by section eleven of the executive law as
35 available to the county of Oneida, and a sum of three and one-half
36 million dollars to the county of Madison. Additionally, the state shall
37 distribute for a period of nineteen and one-quarter years, an additional
38 annual sum of two and one-half million dollars to the county of Oneida.
39 Additionally, the state shall distribute the one-time eleven million
40 dollar payment received by the state pursuant to such agreement with the
41 Oneida Nation of New York to the county of Madison by wire transfer upon
42 receipt of such payment by the state; and (b) support and services of
43 treatment programs for persons suffering from gambling addictions.
44 Moneys not segregated for such purposes shall be transferred to the
45 general fund for the support of government during the fiscal year in
46 which they are received.

47 S 2. Subdivision 3 of section 99-h of the state finance law, as
48 amended by section 7-a of chapter 174 of the laws of 2013, is amended to
49 read as follows:

50 3. Moneys of the account, following appropriation by the legislature,
51 shall be available for purposes including but not limited to: (a)
52 reimbursements or payments to municipal governments that host tribal
53 casinos pursuant to a tribal-state compact for costs incurred in
54 connection with services provided to such casinos or arising as a result
55 thereof, for economic development opportunities and job expansion
56 programs authorized by the executive law; provided, however, that for

1 any gaming facility located in the city of Buffalo, the city of Buffalo
2 shall receive a minimum of twenty-five percent of the negotiated
3 percentage of the net drop from electronic gaming devices the state
4 receives pursuant to the compact, and provided further that for any
5 gaming facility located in the city of Niagara Falls, county of Niagara
6 a minimum of [twenty-five] SEVENTY-FIVE percent of the negotiated
7 percentage of the net drop from electronic gaming devices the state
8 receives pursuant to the compact shall be distributed in accordance with
9 subdivision four of this section, and provided further that for any
10 gaming facility located in the county or counties of Cattaraugus, Chau-
11 tauqua or Allegany, the municipal governments of the state hosting the
12 facility shall collectively receive a minimum of twenty-five percent of
13 the negotiated percentage of the net drop from electronic gaming devices
14 the state receives pursuant to the compact; and provided further that
15 pursuant to chapter five hundred ninety of the laws of two thousand
16 four, a minimum of twenty-five percent of the revenues received by the
17 state pursuant to the state's compact with the St. Regis Mohawk tribe
18 shall be made available to the counties of Franklin and St. Lawrence,
19 and affected towns in such counties. Each such county and its affected
20 towns shall receive fifty percent of the moneys made available by the
21 state; and provided further that the state shall annually make twenty-
22 five percent of the negotiated percentage of the net drop from all
23 gaming devices the state actually receives pursuant to the Oneida
24 Settlement Agreement as confirmed by section eleven of the executive law
25 as available to the county of Oneida, and a sum of three and one-half
26 million dollars to the county of Madison. Additionally, the state shall
27 distribute for a period of nineteen and one-quarter years, an additional
28 annual sum of two and one-half million dollars to the county of Oneida.
29 Additionally, the state shall distribute the one-time eleven million
30 dollar payment received by the state pursuant to such agreement with the
31 Oneida Nation of New York to the county of Madison by wire transfer upon
32 receipt of such payment by the state; and (b) support and services of
33 treatment programs for persons suffering from gambling addictions.
34 Moneys not appropriated for such purposes shall be transferred to the
35 general fund for the support of government during the fiscal year in
36 which they are received.

37 S 3. Subdivision 3 of section 99-h of the state finance law, as
38 amended by section 8 of chapter 174 of the laws of 2013, is amended to
39 read as follows:

40 3. Moneys of the account, following the segregation of appropriations
41 enacted by the legislature, shall be available for purposes including
42 but not limited to: (a) reimbursements or payments to municipal govern-
43 ments that host tribal casinos pursuant to a tribal-state compact for
44 costs incurred in connection with services provided to such casinos or
45 arising as a result thereof, for economic development opportunities and
46 job expansion programs authorized by the executive law; provided, howev-
47 er, that for any gaming facility located in the county of Erie [or
48 Niagara], the municipal governments hosting the facility shall collec-
49 tively receive a minimum of twenty-five percent of the negotiated
50 percentage of the net drop from electronic gaming devices the state
51 receives pursuant to the compact, AND FOR ANY GAMING FACILITY LOCATED IN
52 THE COUNTY OF NIAGARA THE MUNICIPAL GOVERNMENT HOSTING THE FACILITY
53 SHALL COLLECTIVELY RECEIVE A MINIMUM OF SEVENTY-FIVE PERCENT OF THE
54 NEGOTIATED PERCENTAGE OF THE NET DROP FOR ELECTRONIC GAMING DEVICES THE
55 STATE RECEIVES PURSUANT TO THE COMPACT, and provided further that for
56 any gaming facility located in the county or counties of Cattaraugus,

1 Chautauqua or Allegany, the municipal governments of the state hosting
2 the facility shall collectively receive a minimum of twenty-five percent
3 of the negotiated percentage of the net drop from electronic gaming
4 devices the state receives pursuant to the compact; and provided further
5 that pursuant to chapter five hundred ninety of the laws of two thousand
6 four, a minimum of twenty-five percent of the revenues received by the
7 state pursuant to the state's compact with the St. Regis Mohawk tribe
8 shall be made available to the counties of Franklin and St. Lawrence,
9 and affected towns in such counties. Each such county and its affected
10 towns shall receive fifty percent of the moneys made available by the
11 state; and provided further that the state shall annually make twenty-
12 five percent of the negotiated percentage of the net drop from all
13 gaming devices the state actually receives pursuant to the Oneida
14 Settlement Agreement confirmed by section eleven of the executive law
15 available to the county of Oneida, and a sum of three and one-half
16 million dollars to the county of Madison. Additionally, the state shall
17 distribute, for a period of nineteen and one-quarter years, an addi-
18 tional annual sum of two and one-half million dollars to the county of
19 Oneida. Additionally, the state shall distribute the one-time eleven
20 million dollar payment actually received by the state pursuant to the
21 Oneida Settlement Agreement to the county of Madison by wire transfer
22 upon receipt of such payment by the state; and (b) support and services
23 of treatment programs for persons suffering from gambling addictions.
24 Moneys not segregated for such purposes shall be transferred to the
25 general fund for the support of government during the fiscal year in
26 which they are received.

27 S 4. Paragraph (a) of subdivision 4 of section 99-h of the state
28 finance law, as amended by section 2 of part W of chapter 60 of the laws
29 of 2011, is amended to read as follows:

30 (a) Monies which are appropriated and received each year by the state
31 as a portion of the negotiated percentage of the net drop from electron-
32 ic gaming devices the state receives in relation to the operation of a
33 gaming facility in the city of Niagara Falls, county of Niagara which
34 subdivision three of this section requires to be a minimum of [twenty-
35 five] SEVENTY-FIVE percent, shall be budgeted and disbursed by the city
36 of Niagara Falls in the following manner:

37 (i) [seventy-three] FIFTY-EIGHT and one-half percent of the total
38 annual amount received shall be available for expenditure by the city of
39 Niagara Falls for such public purposes as are determined, by the city,
40 to be necessary and desirable to accommodate and enhance economic devel-
41 opment, neighborhood revitalization, public health and safety, and
42 infrastructure improvement in the city, shall be deposited into the
43 tribal revenue account of the city and any and all interest and income
44 derived from the deposit and investment of such monies shall be deposit-
45 ed into the general operating fund of the city; provided however, that
46 [any amount allocated to the Niagara Falls Underground Railroad Heritage
47 Commission, to the extent that its share pursuant to the formula estab-
48 lished in clause five of subparagraph (ii) of this paragraph exceeds one
49 percent, such amounts shall be distributed from the funds available to
50 the city for its public purposes pursuant to this paragraph] FORTY
51 PERCENT OF SUCH AMOUNT SHALL BE USED TO FUND DOWNTOWN ECONOMIC DEVELOP-
52 MENT AND JOB CREATION TO BE ALLOCATED BY THE DOWNTOWN NIAGARA FALLS
53 ECONOMIC DEVELOPMENT ADVISORY GROUP. THE ADVISORY GROUP SHALL BE MADE UP
54 OF NINE MEMBERS APPOINTED AS FOLLOWS: ONE BY THE GOVERNOR, ONE BY THE
55 SENATE MAJORITY LEADER, ONE BY THE SPEAKER OF THE ASSEMBLY, ONE BY THE
56 SENECA NATION OF INDIANS, ONE BY THE MAYOR OF THE CITY OF NIAGARA FALLS,

1 ONE BY THE NIAGARA COUNTY LEGISLATURE, ONE BY THE NIAGARA USA CHAMBER,
2 ONE BY THE NIAGARA COUNTY BUILDING TRADES COUNCIL, AND ONE BY THE
3 NIAGARA FRONTIER TRANSPORTATION AUTHORITY. THE DOWNTOWN NIAGARA FALLS
4 ECONOMIC DEVELOPMENT ADVISORY GROUP SHALL ALLOCATE FUNDS FOR THE PURPOSE
5 OF ASSISTING BUSINESSES LOCATED IN DOWNTOWN NIAGARA FALLS TO CREATE NEW
6 JOB OPPORTUNITIES AND TO INCENTIVIZE NEW BUSINESSES TO LOCATE WITHIN
7 DOWNTOWN NIAGARA FALLS. FUNDS MAY BE USED FOR, BUT NOT LIMITED TO, THE
8 REHABILITATION OF BUILDINGS, INSTALLATION OF SIGNAGE, TRAINING OF EXIST-
9 ING OR NEW EMPLOYEES IN TECHNIQUES RELATED TO THEIR INDUSTRY, AND
10 INSTALLATION OF APPROPRIATE INDUSTRY RELATED MACHINERY. NO FUNDS SHALL
11 BE ALLOCATED FOR GENERAL OBLIGATIONS AND RESPONSIBILITIES TRADITIONALLY
12 PROVIDED BY THE CITY OF NIAGARA FALLS; and

13 (ii) the remaining [twenty-six] FORTY-ONE and one-half percent of the
14 total annual amount received shall be allocated for the city of Niagara
15 Falls to be available for expenditure in the following manner:

16 (1) within thirty-five days upon receipt of such funds by such city,
17 five and one-half percent of the total annual amount received in each
18 year, not to exceed [seven] TWO MILLION TWO hundred fifty thousand
19 dollars annually AND NOT LESS THAN THE AMOUNT RECEIVED BY SUCH ENTITY IN
20 FISCAL YEAR TWO THOUSAND FOURTEEN, shall be transferred to Niagara Falls
21 memorial medical center to be used for capital construction projects;
22 and

23 (2) within thirty-five days upon receipt of such funds by such city,
24 five and one-half percent of the total annual amount received in each
25 year, not to exceed [seven] TWO MILLION TWO hundred fifty thousand
26 dollars annually AND NOT LESS THAN THE AMOUNT RECEIVED BY SUCH ENTITY IN
27 FISCAL YEAR TWO THOUSAND FOURTEEN, shall be transferred to the Niagara
28 Falls city school district for capital construction projects; and

29 (3) within thirty-five days upon receipt of such funds by such city,
30 seven percent OF THE TOTAL AMOUNT RECEIVED in each year NOT TO EXCEED
31 TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS shall be transferred to
32 the Niagara tourism and convention center corporation for marketing and
33 tourism promotion in the county of Niagara including the city of Niagara
34 Falls; and

35 (4) an amount equal to the lesser of one million dollars or seven
36 percent of the total amount in each year shall be transferred to the
37 city of Niagara Falls and held in an escrow account maintained by the
38 city of Niagara Falls and, if additional funding has been secured by the
39 Niagara frontier transportation authority to finance construction of a
40 new terminal at Niagara Falls, such amount held in escrow shall be
41 transferred to the Niagara frontier transportation authority for such
42 purpose provided however that if such additional funding has not been
43 secured or construction of a new terminal has not commenced within two
44 years of the date which such monies were received by the city of Niagara
45 Falls such amounts held in escrow by the city of Niagara Falls shall be
46 distributed pursuant to subparagraph (iii) of this paragraph; and

47 (5) [within thirty-five days upon receipt of such funds by such city,
48 one percent or three hundred fifty thousand dollars, whichever is great-
49 er, of the total annual amount received in each year shall be trans-
50 ferred to the Niagara Falls Underground Railroad Heritage Commission,
51 established pursuant to article forty-three of the parks, recreation and
52 historic preservation law to be used for, but not limited to, develop-
53 ment, capital improvements, acquisition of real property, and acquisi-
54 tion of personal property within the heritage area in the city of
55 Niagara Falls as established pursuant to the commission; provided in the
56 event the distribution available pursuant to this clause exceeds one

1 percent, it shall be distributed from the moneys available pursuant to
2 subparagraph (i) of this paragraph] WITHIN THIRTY-FIVE DAYS UPON RECEIPT
3 OF SUCH FUNDS BY SUCH CITY, ONE AND ONE-HALF PERCENT OF THE TOTAL
4 AMOUNTS RECEIVED IN EACH YEAR, NOT TO EXCEED TWO MILLION TWO HUNDRED
5 FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO THE NIAGARA FALLS HOUSING
6 AUTHORITY; AND

7 (6) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY,
8 SEVEN PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO EXCEED
9 TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO
10 THE NIAGARA FALLS AQUARIUM; AND

11 (7) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY,
12 SEVEN PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO EXCEED
13 TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLAR SHALL BE TRANSFERRED TO
14 THE WESTERN NEW YORK STATE FIRST RESPONSE AND PREPAREDNESS CENTER; AND

15 (8) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY,
16 ONE PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO BE LESS
17 THAN ONE HUNDRED FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO MOUNT
18 SAINT MARY'S NEIGHBORHOOD HEALTH CENTER; and

19 (iii) all other monies appropriated or received for distribution
20 pursuant to this subdivision after the transfer of money pursuant to
21 this subparagraph and subparagraphs (i) and (ii) of this paragraph in
22 each year shall be allocated to the city of Niagara Falls for infras-
23 tructure and road improvement projects.

24 S 5. Section 2 of chapter 747 of the laws of 2006 amending the state
25 finance law, relating to the tribal-state compact revenue account, is
26 amended to read as follows:

27 S 2. This act shall take effect immediately, and shall expire and be
28 deemed repealed December 31, [2016] 2026.

29 S 6. This act shall take effect immediately, provided that:

30 1. the amendments to subdivision 3 of section 99-h of the state
31 finance law made by section one of this act shall take effect January 1,
32 2017 and shall be subject to the expiration and reversion of such subdi-
33 vision as provided in section 3 of part W of chapter 60 of the laws of
34 2011, as amended when upon such date the provisions of section two of
35 this act shall take effect;

36 2. the amendments to subdivision 3 of section 99-h of the state
37 finance law made by section two of this act shall be subject to the
38 expiration and reversion of such section as provided in section 2 of
39 chapter 747 of the laws of 2006, as amended when upon such date the
40 provisions of section three of this act shall take effect; and

41 3. the amendments to paragraph (a) of subdivision 4 of section 99-h of
42 the state finance law made by section four of this act shall be subject
43 to the expiration of such subdivision as provided in chapter 747 of the
44 laws of 2006, as amended and shall be deemed expired and repealed there-
45 with.

46 PART AAA

47 Section 1. Paragraphs c, d and e of subdivision 2 of section 221-a of
48 the racing, pari-mutuel wagering and breeding law, as added by section 3
49 of part OO of chapter 59 of the laws of 2014, are amended to read as
50 follows:

51 c. NOTWITHSTANDING THE CONDITIONS SET FORTH IN PARAGRAPHS A AND B OF
52 THIS SUBDIVISION, A MEMORANDUM OF UNDERSTANDING WITH THE JOCKEYS ORGAN-
53 IZATION THAT REPRESENTS AT LEAST FIFTY-ONE PERCENT OF THE ELIGIBLE
54 ACTIVE JOCKEYS MAY BE APPROVED BY THE COMMISSION THAT CREATES A JOCKEY

HEALTH TRUST THAT IS ADMINISTERED BY THE FRANCHISED CORPORATION TO OBTAIN JOCKEY HEALTH BENEFITS FROM A HEALTH INSURANCE PROVIDER THAT COVERS JOCKEYS AND THEIR DEPENDENTS WITH A HEALTH INSURANCE POLICY THAT IS NOT PURCHASED ON AN AMERICAN HEALTH BENEFIT EXCHANGE ESTABLISHED PURSUANT TO 42 U.S.C. S 18031(B) BUT DOES PROVIDE SILVER LEVEL OF COVERAGE OR LOWER AS DEFINED BY 42 U.S.C. S 18022(D).

D. the payment of premiums shall be made on behalf of eligible jockeys pursuant to paragraph [d] E of this subdivision by the franchised corporation from monies in the account established in subdivision one of this section directly to the health plan selected pursuant to paragraph b of this subdivision;

[d.] E. to be eligible to receive health insurance through this program, an individual must meet one of the following requirements:

(i) have ridden in at least two hundred fifty races conducted by the franchised corporation during the prior calendar year or in at least one hundred fifty races conducted by any other corporation or association licensed pursuant to this article during the prior calendar year; provided, however, if an individual qualified for coverage in any prior year and fails to meet the qualification due to an injury not resulting in a permanent disability, that individual shall be deemed to have met the qualification; or

(ii) have retired from racing on or after January first, two thousand ten after having ridden in at least seventy-five hundred races conducted by any corporation or association licensed pursuant to this article. For the purposes of this section, an individual shall be considered retired from racing if they have ridden in fewer than fifty races at any track in the nation licensed to conduct thoroughbred racing during the calendar year; or

(iii) have become permanently disabled due to a racing accident while eligible to receive benefits or would become eligible to receive benefits in the following year pursuant to subparagraph (i) of this paragraph; provided, however, if an individual fails to meet the qualification of such subparagraph (i) due to an injury resulting in a permanent disability, that individual shall be deemed to have met the qualification; and

[e.] F. the gaming commission shall have the following powers:

(i) to rule on eligibility in the event of a denial of coverage pursuant to paragraph d of this subdivision. In the event of a denial of coverage, such individual denied eligibility may appeal to the gaming commission;

(ii) to make a determination if an individual would have qualified pursuant to subparagraph (i) of paragraph d of this subdivision in the event that the individual suffers an injury and contends that he or she would have qualified had they not suffered such injury; and

(iii) to audit the books and records of the program.

S 2. This act shall take effect immediately.

PART BBB

Section 1. The opening paragraph of subdivision 7 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part VV of chapter 59 of the laws of 2015, is amended to read as follows:

In order to pay the costs of the insurance required by this section and by the workers' compensation law and to carry out its other powers and duties and to pay for any of its liabilities under section four-

1 teen-a of the workers' compensation law, the New York Jockey Injury
2 Compensation Fund, Inc. shall ascertain the total funding necessary and
3 establish the sums that are to be paid by all owners and trainers
4 licensed or required to be licensed under section two hundred twenty of
5 this article, to obtain the total funding amount required annually. In
6 order to provide that any sum required to be paid by an owner or trainer
7 is equitable, the fund shall establish payment schedules which reflect
8 such factors as are appropriate, including where applicable, the
9 geographic location of the racing corporation at which the owner or
10 trainer participates, the duration of such participation, the amount of
11 any purse earnings, the number of horses involved, or such other factors
12 as the fund shall determine to be fair, equitable and in the best inter-
13 ests of racing. In no event shall the amount deducted from an owner's
14 share of purses exceed two per centum; PROVIDED, HOWEVER, FOR TWO THOU-
15 SAND SIXTEEN, THE NEW YORK JOCKEY INJURY COMPENSATION FUND, INC. MAY USE
16 UP TO TWO MILLION DOLLARS FROM THE ACCOUNT ESTABLISHED PURSUANT TO
17 SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE TO PAY THE
18 ANNUAL COSTS REQUIRED BY THIS SECTION AND THE FUNDS FROM SUCH ACCOUNT
19 SHALL NOT COUNT AGAINST THE TWO PER CENTUM OF PURSES DEDUCTED FROM AN
20 OWNER'S SHARE OF PURSES. The amount deducted from an owner's share of
21 purses shall not exceed one per centum after April first, two thousand
22 seventeen. In the cases of multiple ownerships and limited racing
23 appearances, the fund shall equitably adjust the sum required.

24 S 2. Paragraph (a) of subdivision 9 of section 208 of the racing,
25 pari-mutuel wagering and breeding law, as added by chapter 18 of the
26 laws of 2008, is amended to read as follows:

27 (a) The franchised corporation shall maintain a separate account for
28 all funds held on deposit in trust by the corporation for individual
29 horsemen's accounts. Purse funds shall be paid by the corporation as
30 required to meet its purse payment obligations. Funds held in horsemen's
31 accounts shall only be released or applied as requested and directed by
32 the individual horseman. FOR TWO THOUSAND SIXTEEN THE NEW YORK JOCKEY
33 INJURY COMPENSATION FUND, INC. MAY USE UP TO TWO MILLION DOLLARS FROM
34 THE ACCOUNT ESTABLISHED PURSUANT TO THIS SUBDIVISION TO PAY THE ANNUAL
35 COSTS REQUIRED BY SECTION TWO HUNDRED TWENTY-ONE OF THIS ARTICLE.

36 S 3. This act shall take effect immediately.

37

PART CCC

38 Section 1. The racing, pari-mutuel wagering and breeding law is
39 amended by adding a new section 103-a to read as follows:

40 S 103-A. RACING FAN ADVISORY COUNCIL. THERE IS HEREBY ESTABLISHED A
41 RACING FAN ADVISORY COUNCIL WITHIN THE COMMISSION WHICH WILL OPERATE AS
42 FOLLOWS:

43 1. THE COUNCIL SHALL BE COMPOSED OF FIVE MEMBERS. NONE OF THE MEMBERS
44 OF THE COUNCIL SHALL BE EMPLOYEES OR OFFICERS OF THE COMMISSION OR BE
45 PAID EMPLOYEES, LOBBYISTS, OR OFFICERS OF ANY LICENSED OR FRANCHISED
46 RACETRACK OR OFF-TRACK BETTING CORPORATION OR ANY NONPROFIT CORPORATION
47 WHICH REPRESENTS BREEDERS OR HORSEMEN. MEMBERS SHALL BE SELECTED BASED
48 ON THEIR LONG-TERM INVOLVEMENT AND INTEREST IN, KNOWLEDGE OF, AND
49 DEVOTION TO THE SPORT OF HORSE RACING AS FANS OF THE SPORT. FIVE PERSONS
50 SHALL BE APPOINTED BY THE CHAIRPERSON OF THE COMMISSION. ONE PERSON
51 SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE CHAIRPERSON OF THE
52 SENATE COMMITTEE ON RACING, GAMING AND WAGERING, AND ONE PERSON SHALL BE
53 APPOINTED BY THE CHAIRPERSON OF THE ASSEMBLY COMMITTEE ON RACING AND
54 WAGERING.

2. THE CHAIRPERSON AND THE DEPUTY CHAIRPERSON OF THE COUNCIL SHALL BE SELECTED BY THE CHAIRPERSON OF THE COMMISSION. THE DEPUTY CHAIRPERSON SHALL BE SELECTED FROM AMONG THE PERSONS APPOINTED BY THE CHAIRPERSONS OF THE DESIGNATED LEGISLATIVE COMMITTEES.

3. THE MEMBERS OF THE COUNCIL SHALL SERVE FOR A PERIOD OF FIVE YEARS. IN THE EVENT OF A VACANCY OCCURRING DURING A TERM OF APPOINTMENT BY REASON OF DEATH, RESIGNATION, DISQUALIFICATION OR OTHERWISE, SUCH VACANCY SHALL BE FILLED FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

4. THE RACING FAN ADVISORY COUNCIL SHALL REQUEST AND SHALL RECEIVE THE ASSISTANCE AND COOPERATION OF THE COMMISSION IN REGARD TO RECEIPT OF INFORMATION RELATING TO HORSE RACING AND WAGERING IN THIS STATE.

5. THE RACING FAN ADVISORY COUNCIL SHALL:

(A) HAVE AS ITS MISSION THE GROWTH OF THE FAN BASE RELATED TO THE SPORT OF HORSE RACING;

(B) RECOMMEND PROCEDURES TO ENSURE THAT THE OPINION OF THE FAN IS A CENTRAL PART OF THE REGULATION OF HORSE RACING;

(C) ADVISE THE COMMISSION ON ISSUES RELATED TO HORSE RACING AND WAGERING;

(D) PREPARE AN ANNUAL REPORT, AND ANY OTHER REPORTS IT DEEMS NECESSARY, TO THE COMMISSION REGARDING THE OPERATION OF THE STATE'S THOROUGHBRED AND HARNESS RACETRACKS AND THE STATE'S OFF-TRACK BETTING CORPORATIONS;

(E) ADVISE THE COMMISSION ON APPROPRIATE ACTIONS TO ENCOURAGE FAN ATTENDANCE AND WAGERING AT THE STATE'S THOROUGHBRED AND HARNESS RACETRACKS AND THE STATE'S OFF-TRACK BETTING CORPORATIONS;

(F) BE AUTHORIZED BY THE COMMISSION TO ENTER UPON THE RACETRACKS AND THEIR FACILITIES REGULATED OR CONTROLLED BY THE BOARD DURING RACE TIMES, AND DURING PERIODS OF HORSE WORKOUTS, AND DURING HOURS WHEN MEMBERS OF THE MEDIA ARE PERMITTED TO BE PRESENT AT THE FACILITIES;

(G) ADVISE THE COMMISSION ON THE CREATION AND DEVELOPMENT OF AN I LOVE NY RACING PROMOTION;

(H) GIVE AN ANNUAL, NON-MONETARY AWARD TO A NEW YORK STATE THOROUGHBRED BREEDING FARM, IN CONJUNCTION WITH THE STATEWIDE THOROUGHBRED BREEDERS ASSOCIATION REPRESENTING THE MAJORITY OF BREEDERS OF REGISTERED THOROUGHBREDS IN NEW YORK STATE, WHICH HAS WORKED TO PROMOTE HORSE RACING IN THIS STATE;

(I) GIVE AN ANNUAL, NON-MONETARY AWARD TO A NEW YORK STATE STANDARD BREEDING FARM, IN CONJUNCTION WITH THE STATEWIDE STANDARDBRED BREEDERS ASSOCIATION REPRESENTING THE MAJORITY OF BREEDERS OF REGISTERED STANDARDBRED IN NEW YORK STATE, WHICH HAS WORKED TO PROMOTE HORSE RACING IN THIS STATE;

(J) RECOMMEND CHANGES TO THE RULES OF THE COMMISSION AND TO THE LAWS AFFECTING HORSE RACING; AND

(K) PERFORM SUCH OTHER DUTIES AS MAY BE INCREASED BY ORDER OF THE COMMISSION.

S 2. This act shall take effect immediately; provided, however, that the members of the racing fan advisory council as created by resolution adopted by the New York state racing and wagering board on June 29, 2011, shall be the initial members of the racing fan advisory council as established by this act.

PART DDD

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new article 15 to read as follows:

ARTICLE 15

INTERACTIVE FANTASY SPORTS

SECTION 1500. LEGISLATIVE FINDINGS AND PURPOSE.

1501. DEFINITIONS.

1502. REGISTRATION.

1503. REQUIRED SAFEGUARDS/MINIMUM STANDARDS.

1504. SCOPE OF REGISTRATION REVIEW.

1505. STATE TAX.

S 1500. LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE HEREBY FINDS AND DECLARES THAT:

1. UNDER THE NEW YORK PENAL LAW A PERSON ENGAGES IN GAMBLING WHEN HE OR SHE STAKES OR RISKS SOMETHING OF VALUE UPON THE OUTCOME OF A CONTEST OF CHANCE OR A FUTURE CONTINGENT EVENT NOT UNDER HIS OR HER CONTROL OR INFLUENCE, UPON AN AGREEMENT OR UNDERSTANDING THAT HE OR SHE WILL RECEIVE SOMETHING OF VALUE IN THE EVENT OF A CERTAIN OUTCOME;

2. INTERACTIVE FANTASY SPORTS IN MANY INSTANCES HAVE BEEN DEFINED AS A GAME OF SKILL AND WERE EXEMPTED FROM THE DEFINITION OF UNLAWFUL INTERNET GAMBLING UNDER THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006 (31 U.S.C. S 5362);

3. INTERACTIVE FANTASY SPORTS CONSIST OF FANTASY OR SIMULATION SPORTS GAMES OR EDUCATIONAL GAMES OR CONTESTS IN WHICH THE FANTASY OR SIMULATION SPORTS TEAMS ARE SELECTED BASED UPON THE SKILL AND KNOWLEDGE OF THE PARTICIPANTS AND NOT BASED ON THE CURRENT MEMBERSHIP OF AN ACTUAL TEAM THAT IS A MEMBER OF AN AMATEUR OR PROFESSIONAL SPORTS ORGANIZATION. AS GAMES OF SKILL, INTERACTIVE FANTASY SPORTS CONTESTS DO NOT FALL UNDER THE DEFINITION OF GAMBLING AS PROHIBITED BY THE PENAL LAW; AND

4. THE LEGISLATURE FURTHER FINDS THAT AS THE INTERNET HAS BECOME AN INTEGRAL PART OF SOCIETY, AND INTERACTIVE FANTASY SPORTS A MAJOR FORM OF ENTERTAINMENT FOR MANY CONSUMERS, ANY INTERACTIVE FANTASY SPORTS ENFORCEMENT AND REGULATORY STRUCTURE MUST BEGIN FROM THE BEDROCK PREMISE THAT PARTICIPATION IN A LAWFUL AND LICENSED INTERACTIVE FANTASY SPORTS INDUSTRY IS A PRIVILEGE AND NOT A RIGHT, AND THAT REGULATORY OVERSIGHT IS INTENDED TO SAFEGUARD THE INTEGRITY OF THE GAMES AND PARTICIPANTS AND TO ENSURE ACCOUNTABILITY AND THE PUBLIC TRUST.

S 1501. DEFINITIONS. AS USED IN THIS ARTICLE THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "COLLEGIATE SPORT OR ATHLETIC EVENT" MEANS A SPORT OR ATHLETIC EVENT OFFERED OR SPONSORED BY OR PLAYED IN CONNECTION WITH A PUBLIC OR PRIVATE INSTITUTION THAT OFFERS EDUCATION SERVICES BEYOND THE SECONDARY LEVEL.

2. "DIVISION" MEANS THE FANTASY SPORTS CONTESTS DIVISION WITHIN THE FINANCIAL FRAUDS AND CONSUMER PROTECTION UNIT ESTABLISHED UNDER SECTION FOUR HUNDRED THREE OF THE FINANCIAL SERVICES LAW.

3. "ENTRY FEE" MEANS CASH OR CASH EQUIVALENT THAT IS REQUIRED TO BE PAID BY A FANTASY CONTEST PLAYER TO A REGISTRANT TO PARTICIPATE IN A FANTASY CONTEST.

4. "HORSE RACING EVENT" MEANS ANY ATHLETIC OR SPORTING EVENT CONDUCTED IN NEW YORK STATE SUBJECT TO THE PROVISIONS OF THIS CHAPTER, OR ANY ATHLETIC OR SPORTING EVENT CONDUCTED OUTSIDE OF NEW YORK STATE, WHICH WOULD IF CONDUCTED IN NEW YORK STATE WOULD BE SUBJECT TO THE PROVISIONS OF THIS CHAPTER.

5. "INTERACTIVE FANTASY SPORTS" MEANS ANY FANTASY OR SIMULATED GAME OR CONTEST, IN WHICH:

(A) THE VALUE OF ALL PRIZES AND AWARDS OFFERED TO WINNING PARTICIPANTS ARE ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS IN ADVANCE OF THE

1 CONTEST AND SUCH VALUE IS NOT DETERMINED BY THE NUMBER OF PARTICIPANTS
2 OR THE AMOUNT OF ANY FEES PAID BY THOSE PARTICIPANTS;

3 (B) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE AND SKILL OF
4 THE PARTICIPANTS AND SHALL BE DETERMINED PREDOMINANTLY BY ACCUMULATED
5 STATISTICAL RESULTS OF THE PERFORMANCE OF INDIVIDUALS, INCLUDING
6 ATHLETES IN THE CASE OF SPORTS EVENTS; AND

7 (C) NO WINNING OUTCOME IS BASED ON THE SCORE, POINT SPREAD, OR ANY
8 PERFORMANCE OR PERFORMANCES OF ANY SINGLE ACTUAL TEAM OR COMBINATION OF
9 SUCH TEAMS OR SOLELY ON ANY SINGLE PERFORMANCE OF AN INDIVIDUAL ATHLETE
10 OR PLAYER IN ANY SINGLE ACTUAL EVENT.

11 NO INTERACTIVE FANTASY SPORTS GAME OR CONTEST SHALL BE OFFERED INVOLV-
12 ING FANTASY OR SIMULATION SPORTS TEAMS BASED UPON A PROHIBITED SPORTS
13 EVENT.

14 6. "INTERACTIVE FANTASY SPORTS GROSS REVENUE" MEANS THE TOTAL OF ALL
15 SUMS PAID TO A REGISTRANT FROM INTERACTIVE FANTASY SPORTS INVOLVING
16 AUTHORIZED PARTICIPANTS, LESS ONLY THE TOTAL OF ALL CASH, CASH EQUIV-
17 ALENTS, AND PROMOTIONAL FANTASY SPORTS CREDITS PAID OUT TO PATRONS.

18 7. "INTERACTIVE FANTASY SPORTS PLATFORM" MEANS THE COMBINATION OF
19 HARDWARE, SOFTWARE AND DATA NETWORKS USED TO MANAGE, ADMINISTER OR
20 CONTROL ENTRY FEES ON INTERACTIVE FANTASY SPORTS OR THE CONTESTS WITH
21 WHICH THOSE ENTRY FEES ARE ASSOCIATED.

22 8. "INTERNET" MEANS A COMPUTER NETWORK OF INTEROPERABLE
23 PACKET-SWITCHED DATA NETWORKS.

24 9. "REGISTRANT" MEANS A PERSON WHO IS LICENSED BY THE DIVISION TO
25 OFFER INTERACTIVE FANTASY SPORTS, USING AN INTERACTIVE FANTASY SPORTS
26 PLATFORM TO AUTHORIZED PARTICIPANTS. A REGISTRANT MAY UTILIZE MULTIPLE
27 INTERACTIVE FANTASY SPORTS PLATFORMS PROVIDED THAT EACH PLATFORM IS
28 APPROVED BY THE DIVISION.

29 10. "NONCOMMERCIAL CONTEST OPERATOR" MEANS A PERSON WHO ORGANIZES AND
30 CONDUCTS AN INTERACTIVE FANTASY SPORTS CONTEST, OR WHO MAKES AVAILABLE
31 AN INTERACTIVE FANTASY SPORTS PLATFORM, WHEREBY CONTEST PARTICIPANTS MAY
32 BE CHARGED ENTRY FEES FOR THE RIGHT TO PARTICIPATE THEREIN AND THE ENTRY
33 FEES ARE COLLECTED, MAINTAINED AND DISTRIBUTED BY THE SAME PERSON,
34 PROVIDED ALL ENTRY FEES ARE RETURNED TO THE PLAYERS IN THE FORM OF
35 PRIZES OR OTHER EQUIVALENT.

36 11. "PROHIBITED PARTICIPANTS" MEANS: EMPLOYEES OF INTERACTIVE FANTASY
37 SPORTS REGISTRANTS; OR INDIVIDUALS WHO HAVE ACCESS TO NON-PUBLIC CONFI-
38 DENTIAL INFORMATION ABOUT INTERACTIVE FANTASY SPORTS CONTESTS; OR ANY
39 PROFESSIONAL OR AMATEUR ATHLETE WHOSE PERFORMANCE MAY BE USED TO DETER-
40 MINE THE OUTCOME OF A FANTASY SPORTS CONTEST; OR ANY SPORTS AGENT, TEAM
41 EMPLOYEE, REFEREE, OR LEAGUE OFFICIAL ASSOCIATED WITH ANY SPORT UTILIZED
42 FOR INTERACTIVE FANTASY SPORTS CONTESTS; OR INDIVIDUALS IN STATES WHERE
43 THE CONDUCT OF INTERACTIVE FANTASY SPORTS IS PROHIBITED.

44 12. "PROHIBITED SPORTS EVENT" MEANS ANY COLLEGIATE SPORT OR ATHLETIC
45 EVENT OR ANY HORSE RACING EVENT.

46 S 1502. REGISTRATION. 1. THE DIVISION SHALL, WITHIN ONE HUNDRED EIGHTY
47 DAYS OF THE DATE THIS ARTICLE BECOMES LAW, PROMULGATE REGULATIONS TO
48 IMPLEMENT INTERACTIVE FANTASY SPORTS IN THIS STATE AND SHALL PERMIT
49 APPLICANTS TO OPERATE INTERACTIVE FANTASY SPORTS INVOLVING AUTHORIZED
50 PARTICIPANTS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE AND OTHER APPLI-
51 CABLE PROVISIONS OF LAW.

52 2. NO PERSON, OTHER THAN A NONCOMMERCIAL CONTEST OPERATOR, MAY OPER-
53 ATE, MANAGE OR MAKE AVAILABLE AN INTERACTIVE FANTASY SPORTS PLATFORM
54 THAT IS OFFERED TO PERSONS LOCATED IN THIS STATE UNLESS REGISTERED BY
55 THE DIVISION PURSUANT TO THIS ARTICLE AND ONLY THOSE GAMES REGISTERED
56 WITH THE DIVISION SHALL BE PERMITTED. HOWEVER, IF AN APPLICANT FOR AN

1 INTERACTIVE FANTASY SPORTS LICENSE WAS OFFERING INTERACTIVE FANTASY
2 SPORTS CONTESTS TO NEW YORK RESIDENTS PRIOR TO NOVEMBER TENTH, TWO THOU-
3 SAND FIFTEEN, THEY MAY CONTINUE TO OFFER THE SAME CONTESTS TO NEW YORK
4 RESIDENTS DURING THE PENDENCY OF THEIR APPLICATION FOR REGISTRATION.

5 3. THE DIVISION SHALL REQUIRE ALL REGISTRANTS TO PAY A ONE-TIME FEE OF
6 FIVE HUNDRED THOUSAND DOLLARS. SUCH FEE PAID BY EACH REGISTRANT SHALL BE
7 APPLIED TO SATISFY, IN WHOLE OR IN PART, AS APPLICABLE, THAT REGIS-
8 TRANT'S TAX OBLIGATION PURSUANT TO SECTION FIFTEEN HUNDRED FIVE OF THIS
9 ARTICLE IN THIRTY-SIX EQUAL MONTHLY INSTALLMENTS, ALLOCATED TO EACH OF
10 THE FIRST THIRTY-SIX MONTHS OF TAX OWED AFTER THE REGISTRANT HAS BEGUN
11 OPERATION OF INTERACTIVE FANTASY SPORTS PURSUANT TO THIS ARTICLE. NO
12 AMOUNTS NOT REQUIRED TO BE USED TO SATISFY SUCH TAX OBLIGATION DURING
13 THAT PERIOD SHALL BE ALLOCATED TO PAYMENT OF SUCH TAX OBLIGATION AFTER
14 THAT PERIOD.

15 4. REGISTRATIONS ISSUED BY THE DIVISION SHALL REMAIN IN EFFECT FOR TEN
16 YEARS.

17 5. THE DIVISION MAY DELEGATE ITS RESPONSIBILITIES TO ADMINISTER THE
18 PROVISIONS OF THIS ARTICLE TO THE DIVISION, AS IT SEES FIT, EXCEPT FOR
19 ITS RESPONSIBILITIES TO APPROVE REGISTRATIONS.

20 6. NOTHING CONTAINED IN ARTICLE TWO HUNDRED TWENTY-FIVE OF THE PENAL
21 LAW SHALL BE APPLICABLE TO AN INTERACTIVE FANTASY SPORTS CONTEST OFFERED
22 BY A REGISTRANT IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

23 S 1503. REQUIRED SAFEGUARDS/MINIMUM STANDARDS. THE DIVISION SHALL
24 REQUIRE REGISTRANTS TO IMPLEMENT THE FOLLOWING MEASURES FOR INTERACTIVE
25 FANTASY SPORTS WITH AN ENTRY FEE:

26 1. PREVENT EMPLOYEES OF THE REGISTRANT, AND RELATIVES LIVING IN THE
27 SAME HOUSEHOLD AS SUCH EMPLOYEES, FROM COMPETING IN ANY SUCH PUBLIC
28 FANTASY SPORTS CONTEST.

29 2. PROHIBIT THE REGISTRANT FROM BEING A CONTEST PARTICIPANT IN SUCH A
30 FANTASY SPORTS CONTEST THAT HE OR SHE OFFERS.

31 3. PREVENT THE EMPLOYEES OR AGENTS OF THE REGISTRANT FROM SHARING
32 CONFIDENTIAL INFORMATION THAT COULD AFFECT SUCH FANTASY SPORTS PLAY WITH
33 THIRD PARTIES UNTIL THE INFORMATION IS MADE PUBLICLY AVAILABLE.

34 4. VERIFY THAT CONTEST PARTICIPANT IS EIGHTEEN YEARS OF AGE OR OLDER.

35 5. RESTRICT AN INDIVIDUAL WHO IS A PLAYER, GAME OFFICIAL, COACH, OR
36 OTHER PARTICIPANT IN A REAL-WORLD GAME OR COMPETITION FROM PARTICIPATING
37 IN SUCH A FANTASY SPORTS CONTEST THAT IS DETERMINED IN WHOLE OR IN PART
38 ON THE PERFORMANCE OF THAT INDIVIDUAL, THE INDIVIDUAL'S REAL-WORLD TEAM,
39 OR THE ACCUMULATED STATISTICAL RESULTS OF THE SPORT OR COMPETITION IN
40 WHICH HE OR SHE IS A PLAYER, GAME OFFICIAL, OR OTHER PARTICIPANT.

41 6. ALLOW INDIVIDUALS TO RESTRICT OR PREVENT THEIR OWN ACCESS TO SUCH A
42 FANTASY SPORTS CONTEST AND TAKE REASONABLE STEPS TO PREVENT THOSE INDI-
43 VIDUALS FROM ENTERING A FANTASY SPORTS CONTEST.

44 7. DISCLOSE THE NUMBER OF ENTRIES A SINGLE FANTASY SPORTS CONTEST
45 PLAYER MAY SUBMIT TO EACH SUCH FANTASY SPORTS CONTEST AND TAKE REASON-
46 ABLE STEPS TO PREVENT PLAYERS FROM SUBMITTING MORE THAN THE ALLOWABLE
47 NUMBER.

48 8. ENSURE PARTICIPANTS' FUNDS ARE HELD IN ACCOUNTS SEGREGATED FROM THE
49 FUNDS OF REGISTRANTS AND OTHERWISE PROTECTED FROM CORPORATE INSOLVENCY,
50 FINANCIAL RISK OR CRIMINAL OR CIVIL ACTIONS AGAINST THE REGISTRANT.

51 9. PROTECT, TO A REASONABLE DEGREE OF CERTAINTY, THE PRIVACY AND
52 ONLINE SECURITY OF PARTICIPANTS IN SUCH INTERACTIVE FANTASY SPORTS.

53 10. ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THE FAIRNESS AND
54 HONESTY OF SUCH INTERACTIVE FANTASY SPORTS AND THAT APPROPRIATE MEASURES
55 ARE IN PLACE TO DETER, DETECT AND, TO THE EXTENT REASONABLY POSSIBLE, TO
56 PREVENT CHEATING, INCLUDING COLLUSION, AND USE OF CHEATING DEVICES,

1 INCLUDING USE OF SOFTWARE PROGRAMS (SOMETIMES REFERRED TO AS "BOTS" OR
2 "SCRIPTS") THAT PLACE ENTRY FEES OR ADJUST THE PLAYERS SELECTED BY A
3 FANTASY SPORTS PARTICIPANT.

4 11. PREVENT PROHIBITED PARTICIPANTS FROM MAINTAINING ACCOUNTS OR
5 ENTERING SUCH INTERACTIVE FANTASY SPORTS CONTESTS OFFERED BY ANY INTER-
6 ACTIVE FANTASY SPORTS REGISTRANT.

7 12. MINIMIZE COMPULSIVE PARTICIPATION IN SUCH INTERACTIVE FANTASY
8 SPORTS CONTESTS AND PROVIDE NOTICE TO PARTICIPANTS OF RESOURCES AVAIL-
9 ABLE TO HELP COMPULSIVE PARTICIPATION IN FANTASY SPORTS CONTESTS.

10 S 1504. SCOPE OF REGISTRATION REVIEW. 1. THE DIVISION SHALL REQUIRE
11 THAT EACH APPLICANT, OTHER THAN NONCOMMERCIAL CONTEST OPERATORS, SUBMIT
12 AN APPLICATION SETTING FORTH:

13 (A) THE FULL NAME OF THE APPLICANT.

14 (B) IF A CORPORATION, THE NAME OF THE STATE IN WHICH INCORPORATED AND
15 THE NAMES AND ADDRESSES OF THE OFFICERS, DIRECTORS, AND SHAREHOLDERS
16 HOLDING FIVE PERCENT OR MORE EQUITY OR, IF A BUSINESS ENTITY OTHER THAN
17 A CORPORATION, THE NAMES AND ADDRESSES OF THE PRINCIPALS, PARTNERS, OR
18 SHAREHOLDERS HOLDING FIVE PERCENT OR MORE EQUITY.

19 (C) THE NAMES AND ADDRESSES OF THE ULTIMATE EQUITABLE OWNERS FOR A
20 CORPORATION OR OTHER BUSINESS ENTITY, IF DIFFERENT FROM THOSE PROVIDED
21 UNDER PARAGRAPH (B), UNLESS THE SECURITIES OF THE CORPORATION OR ENTITY
22 ARE REGISTERED PURSUANT TO S 12 OF THE SECURITIES EXCHANGE ACT OF 1934,
23 15 U.S.C. SS 78A-78KK; AND IF SUCH CORPORATION OR ENTITY FILES WITH THE
24 UNITED STATES SECURITIES AND EXCHANGE COMMISSION THE REPORTS REQUIRED BY
25 S 13 OF THAT ACT OR IF THE SECURITIES OF THE CORPORATION OR ENTITY ARE
26 REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET IN THE UNITED
27 STATES.

28 (D) THE ESTIMATED NUMBER OF INTERACTIVE FANTASY SPORTS CONTESTS TO BE
29 CONDUCTED ANNUALLY.

30 (E) A STATEMENT OF THE ASSETS AND LIABILITIES OF THE APPLICANT.

31 2. THE DIVISION MAY REQUIRE THE NAMES AND ADDRESSES OF THE OFFICERS
32 AND DIRECTORS OF ANY DEBTOR OF THE APPLICANT, AND OF THOSE STOCKHOLDERS
33 WHO HOLD MORE THAN TEN PERCENT OF THE STOCK OF THE DEBTOR.

34 3. FOR EACH INDIVIDUAL LISTED IN THE APPLICATION AS AN OFFICER OR
35 DIRECTOR, A COMPLETE SET OF FINGERPRINTS THAT HAS BEEN TAKEN BY AN
36 AUTHORIZED LAW ENFORCEMENT OFFICER. THESE SETS OF FINGERPRINTS MUST BE
37 SUBMITTED TO THE FEDERAL BUREAU OF INVESTIGATION FOR PROCESSING. FOREIGN
38 NATIONALS SHALL SUBMIT SUCH DOCUMENTS AS NECESSARY TO ALLOW THE DIVISION
39 TO CONDUCT CRIMINAL HISTORY RECORDS CHECKS IN THE INDIVIDUAL'S HOME
40 COUNTRY. THE APPLICANT MUST PAY THE COST OF PROCESSING. THE DIVISION MAY
41 CHARGE A TWO DOLLAR HANDLING FEE FOR EACH SET OF FINGERPRINT RECORDS.

42 4. (A) A PERSON OR ENTITY IS NOT ELIGIBLE FOR LICENSURE AS A CONTEST
43 OPERATOR OR THE RENEWAL OF A LICENSE IF THE PERSON OR AN OFFICER OR
44 DIRECTOR OF THE ENTITY HAS BEEN CONVICTED OF A FELONY IN THIS STATE, A
45 FELONY IN ANY OTHER STATE WHICH WOULD BE A FELONY IF COMMITTED IN THIS
46 STATE UNDER THE LAWS OF THIS STATE, OR A FELONY UNDER THE LAWS OF THE
47 UNITED STATES, OR IF THE APPLICANT FOR SUCH REGISTRATION HAS BEEN
48 CONVICTED OF A FELONY OR MISDEMEANOR IN THIS STATE, IN ANY OTHER STATE,
49 OR UNDER THE LAWS OF THE UNITED STATES, IF SUCH FELONY OR MISDEMEANOR IS
50 RELATED TO GAMBLING OR BOOKMAKING.

51 (B) THE TERM "CONVICTED" MEANS HAVING BEEN FOUND GUILTY, WITH OR WITH-
52 OUT ADJUDICATION OF GUILT, AS A RESULT OF A JURY VERDICT, NONJURY TRIAL,
53 OR ENTRY OF A PLEA OF GUILTY OR NOLO CONTENDERE.

54 5. THE CONTEST OPERATOR SHALL PROVIDE EVIDENCE OF A SURETY BOND IN THE
55 AMOUNT OF ONE MILLION DOLLARS, PAYABLE TO THE STATE, FURNISHED BY A
56 CORPORATE SURETY AUTHORIZED TO DO BUSINESS IN THE STATE IN SUCH A FORM

1 AS ESTABLISHED BY DIVISION RULE. SUCH BOND SHALL BE KEPT IN FULL FORCE
2 AND EFFECT BY THE CONTEST OPERATOR DURING THE TERM OF THE LICENSE AND
3 ANY RENEWAL THEREOF.

4 S 1505. STATE TAX. REGISTRANTS ENGAGED IN THE BUSINESS OF CONDUCTING
5 INTERACTIVE FANTASY SPORTS PURSUANT TO THIS ARTICLE SHALL PAY A PRIVI-
6 LEGE TAX, BASED ON THE REGISTRANT'S PERCENTAGE OF INTERACTIVE FANTASY
7 SPORTS GROSS REVENUE GENERATED FROM NEW YORK PARTICIPANTS, AT A FIFTEEN
8 PERCENT RATE.

9 S 2. Section 403 of the financial services law is amended by adding a
10 new subsection (e) to read as follows:

11 (E) THE SUPERINTENDENT IS DIRECTED TO ESTABLISH WITHIN THE FINANCIAL
12 FRAUDS AND CONSUMER PROTECTION UNIT A FANTASY SPORTS CONTESTS DIVISION
13 WHICH SHALL HAVE THE POWER AND DUTY TO:

14 (I) ENFORCE THE PROVISIONS OF ARTICLE FIFTEEN OF THE RACING, PARI-MU-
15 TUEL WAGERING AND BREEDING LAW;

16 (II) ACCEPT AND INVESTIGATE COMPLAINTS OF ANY KIND FROM CONSUMERS AND
17 ATTEMPT TO MEDIATE SUCH COMPLAINTS WHERE APPROPRIATE;

18 (III) INITIATE PROPER ENFORCEMENT PROCEEDINGS WHERE SUCH ACTION IS
19 DEEMED BY THE SUPERINTENDENT TO BE NECESSARY OR APPROPRIATE; AND

20 (IV) DEVELOP AND IMPLEMENT CONSUMER OUTREACH AND EDUCATION PROGRAMS
21 CONSISTENT WITH THE OBLIGATIONS OF THE CONSUMER PROTECTION UNIT AS SET
22 FORTH IN THIS SECTION.

23 S 3. This act shall take effect immediately; however, if an applicant
24 for an interactive fantasy sports registration was offering interactive
25 fantasy sports contests to New York residents prior to November 10,
26 2015, they may continue to offer the same contests to New York residents
27 during the pendency of their application.

28 PART EEE

29 Section 1. Subdivision 2 of section 1355 of the racing, pari-mutuel
30 wagering and breeding law, as added by chapter 174 of the laws of 2013,
31 is amended to read as follows:

32 2. If an applicant that does not possess either a pari-mutuel wagering
33 license or franchise awarded pursuant to article two or three of this
34 chapter is issued a gaming facility license pursuant to this article,
35 the licensee shall pay:

36 (a) an amount to horsemen for purses at the licensed racetracks in the
37 region AND IN THE CASE OF REGION FIVE ANY LICENSED RACETRACKS WITHIN
38 FIFTY MILES OF THE LICENSEE'S FACILITY, that will assure the purse
39 support from video lottery gaming facilities in the region AND IN THE
40 CASE OF REGION FIVE ANY SUCH LICENSED RACETRACKS WITHIN FIFTY MILES OF
41 THE LICENSEE'S FACILITY, to the licensed racetracks in the region AND IN
42 THE CASE OF REGION FIVE ANY SUCH FACILITIES WITHIN FIFTY MILES OF THE
43 LICENSEE'S FACILITY, to be maintained at the same dollar levels realized
44 in two thousand thirteen to be adjusted by the consumer price index for
45 all urban consumers, as published annually by the United States depart-
46 ment of labor bureau of labor statistics; and

47 (b) amounts to the agricultural and New York state horse breeding
48 development fund and the New York state thoroughbred breeding and devel-
49 opment fund to maintain payments from video lottery gaming facilities in
50 the region AND IN THE CASE OF REGION FIVE ANY SUCH FACILITIES WITHIN
51 FIFTY MILES OF THE LICENSEE'S FACILITY, to such funds to be maintained
52 at the same dollar levels realized in two thousand thirteen to be
53 adjusted by the consumer price index for all urban consumers, as

published annually by the United States department of labor bureau of labor statistics.

S 2. This act shall take effect immediately.

PART FFF

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new article 14 to read as follows:

ARTICLE 14

INTERACTIVE GAMING

SECTION 1400. LEGISLATIVE FINDINGS AND PURPOSE.

1401. DEFINITIONS.

1402. AUTHORIZATION.

1403. REQUIRED SAFEGUARDS/MINIMUM STANDARDS.

1404. SCOPE OF LICENSING REVIEW.

1405. STATE TAX.

S 1400. LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE HEREBY FINDS AND DECLARES THAT: 1. UNDER THE NEW YORK PENAL LAW A PERSON ENGAGES IN GAMBLING WHEN HE OR SHE STAKES OR RISKS SOMETHING OF VALUE UPON THE OUTCOME OF A CONTEST OF CHANCE OR A FUTURE CONTINGENT EVENT NOT UNDER HIS OR HER CONTROL OR INFLUENCE, UPON AN AGREEMENT OR UNDERSTANDING THAT HE OR SHE WILL RECEIVE SOMETHING OF VALUE IN THE EVENT OF A CERTAIN OUTCOME.

2. A CONTEST OF CHANCE IS DEFINED AS ANY CONTEST, GAME, GAMING SCHEME OR GAMING DEVICE IN WHICH THE OUTCOME DEPENDS IN A MATERIAL DEGREE UPON AN ELEMENT OF CHANCE, NOTWITHSTANDING THAT SKILL OF THE CONTESTANTS MAY ALSO BE A FACTOR THEREIN. (SUBDIVISION 1 OF SECTION 225.00 OF THE PENAL LAW). THUS, GAMES OF CHANCE MAY INVOLVE SOME SKILL, BUT IN THOSE GAMES THE LEVEL OF SKILL DOES NOT DETERMINE THE OUTCOME REGARDLESS OF THE DEGREE OF SKILL EMPLOYED. SEE PEOPLE V. TURNER, 165 MISC. 2D 222, 224, 629 N.Y.S.2D 661, 662 (CRIM. CT. 1995). ON THE OTHER HAND, WHERE A CONTEST PITS THE SKILL LEVELS OF THE PLAYERS AGAINST EACH OTHER, NEW YORK COURTS HAVE FOUND A GAME TO BE ONE OF SKILL RATHER THAN CHANCE. SEE PEOPLE V. HUNT, 162 MISC. 2D 70, 72, 616 N.Y.S.2D 168, 170 (CRIM. CT. 1994) ("PLAYED FAIRLY, SKILL RATHER THAN CHANCE IS THE MATERIAL COMPONENT OF THREE-CARD MONTE.");

3. POKER IN MANY INSTANCES HAS BEEN DEFINED AS A GAME OF SKILL AND A NEW YORK FEDERAL COURT IN U.S. V. DICRISTINA, 886 F. SUPP. 2D 164, 224, ASSESSED THAT UNDER FEDERAL LAW POKER WAS PREDOMINANTLY A GAME OF SKILL;

4. NEW YORK COURTS HAVE INTERPRETED NEW YORK LAW TO APPLY A MORE RIGOROUS TEST IN IDENTIFYING A "CONTEST OF CHANCE" THAN IS APPLIED BY MOST STATES IN THIS NATION AND THE COURTS HAVE FOUND THAT WHERE A CONTEST PITS THE SKILL LEVELS OF THE PLAYERS AGAINST EACH OTHER, THOSE GAMES ARE GAMES OF SKILL AND NOT GAMES OF CHANCE. FURTHERMORE, THE COURTS HAVE NOT LIMITED THE LEGISLATURE'S ABILITY TO DETERMINE THAT CERTAIN FORMS OF POKER SHOULD FALL OUTSIDE THE GENERAL DEFINITION OF GAMBLING SINCE THOSE GAMES ARE GAMES OF SKILL;

5. TEXAS HOLD'EM POKER INVOLVES TWO CARDS DEALT FACE DOWN TO EACH PLAYER AND THEN FIVE COMMUNITY CARDS PLACED FACE-UP BY THE DEALER, A SERIES OF THREE, THEN TWO ADDITIONAL SINGLE CARDS, WITH PLAYERS DETERMINING WHETHER TO CHECK, BET, RAISE OR FOLD AFTER EACH DEAL. OMAHA HOLD'EM POKER IS A SIMILAR GAME, IN WHICH EACH PLAYER IS DEALT FOUR CARDS AND MAKES HIS OR HER BEST HAND USING EXACTLY TWO OF THEM, PLUS EXACTLY THREE OF THE FIVE COMMUNITY CARDS. THESE GAMES ARE CONSIDERED TO BE COMPLEX FORMS OF POKER WHICH INVOLVE PLAYER STRATEGY AND DECISION-MAKING AND WHICH PIT THE SKILL LEVELS OF THE PLAYERS AGAINST

EACH OTHER. AS GAMES OF SKILL, THESE FORMS OF POKER DO NOT FALL UNDER THE DEFINITION OF GAMBLING AS PROHIBITED BY THE PENAL LAW; AND

6. THE LEGISLATURE FURTHER FINDS THAT AS THE INTERNET HAS BECOME AN INTEGRAL PART OF SOCIETY, AND INTERNET POKER A MAJOR FORM OF ENTERTAINMENT FOR MANY CONSUMERS, ANY INTERACTIVE GAMING ENFORCEMENT AND REGULATORY STRUCTURE MUST BEGIN FROM THE BEDROCK PREMISE THAT PARTICIPATION IN A LAWFUL AND LICENSED GAMING INDUSTRY IS A PRIVILEGE AND NOT A RIGHT, AND THAT REGULATORY OVERSIGHT IS INTENDED TO SAFEGUARD THE INTEGRITY OF THE GAMES AND PARTICIPANTS AND TO ENSURE ACCOUNTABILITY AND THE PUBLIC TRUST.

S 1401. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED GAME" MEANS OMAHA HOLD'EM AND TEXAS HOLD'EM POKER, AS WELL AS ANY OTHER POKER GAME THAT THE COMMISSION DETERMINES IS THE MATERIAL EQUIVALENT OF EITHER OF THOSE, WHETHER IN A CASH GAME OR TOURNAMENT.

2. "AUTHORIZED PARTICIPANTS" MEANS PERSONS WHO ARE EITHER PHYSICALLY PRESENT IN THIS STATE WHEN PLACING A WAGER OR WHO OTHERWISE ARE PERMITTED BY APPLICABLE LAW, AS DETERMINED BY THE COMMISSION, TO PLACE A WAGER. THE INTERMEDIATE ROUTING OF ELECTRONIC DATA IN CONNECTION WITH INTERACTIVE GAMING SHALL NOT DETERMINE THE LOCATION OR LOCATIONS IN WHICH A WAGER IS INITIATED, RECEIVED OR OTHERWISE MADE.

3. "CORE FUNCTION" MEANS ANY OF THE FOLLOWING: (A) THE MANAGEMENT, ADMINISTRATION OR CONTROL OF WAGERS ON INTERACTIVE GAMING; (B) THE MANAGEMENT, ADMINISTRATION OR CONTROL OF THE GAMES WITH WHICH THOSE WAGERS ARE ASSOCIATED; OR (C) THE DEVELOPMENT, MAINTENANCE, PROVISION OR OPERATION OF AN INTERACTIVE GAMING PLATFORM.

4. "COMMISSION" MEANS THE NEW YORK STATE GAMING COMMISSION.

5. "DIVISION" MEANS THE DIVISION OF GAMING, ESTABLISHED UNDER PARAGRAPH (C) OF SUBDIVISION TWO OF SECTION ONE HUNDRED THREE OF THIS CHAPTER.

6. "INTERACTIVE GAMING" MEANS THE CONDUCT OF GAMES THROUGH THE USE OF THE INTERNET OR OTHER COMMUNICATIONS TECHNOLOGY THAT ALLOWS A PERSON, UTILIZING MONEY, CHECKS, ELECTRONIC CHECKS, ELECTRONIC TRANSFERS OF MONEY, CREDIT CARDS, DEBIT CARDS OR ANY OTHER INSTRUMENTALITY, TO TRANSMIT TO A COMPUTER INFORMATION TO ASSIST IN THE PLACING OF A WAGER AND CORRESPONDING INFORMATION RELATED TO THE DISPLAY OF THE GAME, GAME OUTCOMES OR OTHER SIMILAR INFORMATION. THE TERM DOES NOT INCLUDE THE CONDUCT OF (A) NON-GAMBLING GAMES THAT DO NOT OTHERWISE REQUIRE A LICENSE UNDER STATE OR FEDERAL LAW; OR (B) GAMES THAT OCCUR ENTIRELY AMONG PARTICIPANTS WHO ARE LOCATED ON A LICENSED CASINO PREMISES. FOR PURPOSES OF THIS PROVISION, "COMMUNICATIONS TECHNOLOGY" MEANS ANY METHOD USED AND THE COMPONENTS EMPLOYED BY AN ESTABLISHMENT TO FACILITATE THE TRANSMISSION OF INFORMATION, INCLUDING, WITHOUT LIMITATION, TRANSMISSION AND RECEPTION BY SYSTEMS BASED ON WIRE, CABLE, RADIO, MICROWAVE, LIGHT, OPTICS OR COMPUTER DATA NETWORKS, INCLUDING, WITHOUT LIMITATION, THE INTERNET AND INTRANETS.

7. "INTERACTIVE GAMING GROSS REVENUE" MEANS THE TOTAL OF ALL SUMS PAID TO A LICENSEE FROM INTERACTIVE GAMING INVOLVING AUTHORIZED PARTICIPANTS, LESS ONLY THE TOTAL OF ALL SUMS PAID OUT AS WINNINGS TO PATRONS AND PROMOTIONAL GAMING CREDITS; PROVIDED, HOWEVER, THAT THE CASH EQUIVALENT VALUE OF ANY MERCHANDISE OR OTHER NON-CASH THING OF VALUE INCLUDED IN A CONTEST OR TOURNAMENT SHALL NOT BE INCLUDED IN THE TOTAL OF ALL SUMS PAID OUT AS WINNINGS TO PLAYERS FOR PURPOSES OF DETERMINING INTERACTIVE GAMING GROSS REVENUE.

1 (A) NEITHER AMOUNTS DEPOSITED WITH A LICENSEE FOR PURPOSES OF INTERAC-
2 TIVE GAMING NOR AMOUNTS TAKEN IN FRAUDULENT ACTS PERPETRATED AGAINST A
3 LICENSEE FOR WHICH THE LICENSEE IS NOT REIMBURSED SHALL BE CONSIDERED TO
4 HAVE BEEN "PAID" TO THE LICENSEE FOR PURPOSES OF CALCULATING INTERACTIVE
5 GAMING GROSS REVENUE.

6 (B) "PROMOTIONAL GAMING CREDIT" INCLUDES BONUSES, PROMOTIONS AND ANY
7 AMOUNT RECEIVED BY A LICENSEE FROM A PATRON FOR WHICH THE LICENSEE CAN
8 DEMONSTRATE THAT IT OR ITS AFFILIATE HAS NOT RECEIVED CASH.

9 8. "INTERACTIVE GAMING PLATFORM" MEANS THE COMBINATION OF HARDWARE,
10 SOFTWARE AND DATA NETWORKS USED TO MANAGE, ADMINISTER OR CONTROL WAGERS
11 ON INTERACTIVE GAMING OR THE GAMES WITH WHICH THOSE WAGERS ARE ASSOCI-
12 ATED.

13 9. "INTERNET" MEANS A COMPUTER NETWORK OF INTEROPERABLE
14 PACKET-SWITCHED DATA NETWORKS.

15 10. "LICENSEE" MEANS A PERSON WHO IS LICENSED BY THE COMMISSION TO
16 OFFER INTERACTIVE GAMING, USING AN INTERACTIVE GAMING PLATFORM TO
17 AUTHORIZED PARTICIPANTS. A LICENSEE MAY UTILIZE MULTIPLE INTERACTIVE
18 GAMING PLATFORMS PROVIDED THAT EACH PLATFORM IS APPROVED BY THE COMMIS-
19 SION.

20 11. "OMAHA HOLD'EM POKER" MEANS THE POKER GAME MARKETING AS OMAHA
21 HOLD'EM POKER OR OMAHA POKER IN WHICH EACH PLAYER IS DEALT FOUR CARDS
22 AND MUST MAKE HIS OR HER BEST HAND USING EXACTLY TWO OF THEM, PLUS
23 EXACTLY THREE OF THE FIVE COMMUNITY CARDS.

24 12. "SIGNIFICANT VENDOR" MEANS ANY PERSON WHO OFFERS OR WHO PROPOSES
25 TO OFFER ANY OF THE FOLLOWING SERVICES WITH RESPECT TO INTERACTIVE
26 GAMING: (A) A CORE FUNCTION; (B) SALE, LICENSING OR OTHER RECEIPT OF
27 COMPENSATION FOR SELLING OR LICENSING A DATABASE OR CUSTOMER LIST OF
28 INDIVIDUALS RESIDING IN THE UNITED STATES SELECTED IN WHOLE OR IN PART
29 BECAUSE THEY PLACED WAGERS OR PARTICIPATED IN GAMBLING GAMES WITH OR
30 THROUGH AN INTERNET WEBSITE OR OPERATOR (OR ANY DERIVATIVE OF SUCH A
31 DATABASE OR CUSTOMER LIST); (C) PROVISION OF ANY TRADEMARK, TRADENAME,
32 SERVICE MARK OR SIMILAR INTELLECTUAL PROPERTY UNDER WHICH A LICENSEE OR
33 SIGNIFICANT VENDOR IDENTIFIES INTERACTIVE GAMES TO CUSTOMERS; OR (D)
34 PROVISION OF ANY PRODUCT, SERVICE OR ASSET TO A LICENSEE OR SIGNIFICANT
35 VENDOR IN RETURN FOR A PERCENTAGE OF INTERACTIVE GAMING REVENUE (NOT
36 INCLUDING FEES TO FINANCIAL INSTITUTIONS AND PAYMENT PROVIDERS FOR
37 FACILITATING A DEPOSIT OR WITHDRAWAL BY AN AUTHORIZED PARTICIPANT). THE
38 TERM "SIGNIFICANT VENDOR" SHALL NOT INCLUDE A PROVIDER OF GOODS OR
39 SERVICES TO A LICENSEE THAT ARE NOT SPECIFICALLY DESIGNED FOR USE AND
40 NOT PRINCIPALLY USED IN CONNECTION WITH INTERACTIVE GAMING.

41 13. "TEXAS HOLD'EM POKER" MEANS THE TYPE OF POKER MARKETING AS TEXAS
42 HOLD'EM POKER THAT INVOLVES TWO CARDS BEING DEALT FACE DOWN TO EACH
43 PLAYER AND THEN FIVE COMMUNITY CARDS BEING PLACED FACE-UP BY THE DEALER,
44 A SERIES OF THREE THEN TWO ADDITIONAL SINGLE CARDS, WITH PLAYERS HAVING
45 THE OPTION TO CHECK, BET, RAISE OR FOLD AFTER EACH DEAL.

46 S 1402. AUTHORIZATION. 1. THE COMMISSION SHALL, WITHIN ONE HUNDRED
47 EIGHTY DAYS OF THE DATE THIS ARTICLE BECOMES LAW, PROMULGATE REGULATIONS
48 TO IMPLEMENT INTERACTIVE GAMING IN THIS STATE AND SHALL AUTHORIZE UP TO
49 TEN LICENSES TO OPERATE INTERACTIVE GAMING INVOLVING AUTHORIZED PARTIC-
50 IPANTS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE AND OTHER APPLICABLE
51 PROVISIONS OF LAW.

52 2. APPLICANTS ELIGIBLE TO APPLY FOR A LICENSE PURSUANT TO THIS ARTICLE
53 SHALL BE THOSE ENTITIES:

54 (A) LICENSED BY THE STATE PURSUANT TO SECTION SIXTEEN HUNDRED SEVEN-
55 TEEN-A OF THE TAX LAW TO OPERATE VIDEO LOTTERY GAMING AND HAS EXPERIENCE
56 IN THE OPERATION OF INTERACTIVE GAMING BY BEING LICENSED IN A STATE WITH

1 COMPARABLE LICENSING REQUIREMENTS OR GUARANTEES ACQUISITION OF ADEQUATE
2 BUSINESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF INTERACTIVE
3 GAMING; OR

4 (B) LICENSED BY THE STATE TO OPERATE A CLASS III GAMING FACILITY
5 PURSUANT TO ARTICLE THIRTEEN OF THIS CHAPTER AND HAS EXPERIENCE IN THE
6 OPERATION OF INTERACTIVE GAMING BY BEING LICENSED IN A STATE WITH COMPA-
7 RABLE LICENSING REQUIREMENTS OR GUARANTEES ACQUISITION OF ADEQUATE BUSI-
8 NESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING.

9 3. THE COMMISSION SHALL, TO THE EXTENT PRACTICABLE, ISSUE LICENSES TO
10 MULTIPLE APPLICANTS NO SOONER THAN ONE HUNDRED EIGHTY DAYS AFTER THE
11 PROMULGATION OF REGULATIONS IN ORDER TO ENSURE A ROBUST AND COMPETITIVE
12 MARKET FOR CONSUMERS AND TO PREVENT EARLY LICENSEES FROM GAINING AN
13 UNFAIR COMPETITIVE ADVANTAGE.

14 4. NO PERSON MAY OPERATE, MANAGE OR MAKE AVAILABLE AN INTERACTIVE
15 GAMING PLATFORM OR ACT AS A SIGNIFICANT VENDOR WITH RESPECT TO INTERAC-
16 TIVE GAMING THAT IS OFFERED TO PERSONS LOCATED IN THIS STATE UNLESS
17 LICENSED BY THE COMMISSION PURSUANT TO THIS ARTICLE AND ONLY THOSE GAMES
18 AUTHORIZED BY THE COMMISSION SHALL BE PERMITTED.

19 5. LICENSE APPLICANTS MAY FORM A PARTNERSHIP, JOINT VENTURE OR OTHER
20 CONTRACTUAL ARRANGEMENT IN ORDER TO FACILITATE THE PURPOSES OF THIS
21 ARTICLE.

22 6. ANY PERSON FOUND SUITABLE BY THE COMMISSION MAY BE ISSUED A LICENSE
23 AS AN OPERATOR OR SIGNIFICANT VENDOR PURSUANT TO THIS ARTICLE. IN DETER-
24 MINING SUITABILITY, THE COMMISSION SHALL CONSIDER THOSE FACTORS IT DEEMS
25 RELEVANT IN ITS DISCRETION, INCLUDING BUT NOT LIMITED TO:

26 (A) WHETHER THE APPLICANT IS A PERSON OF GOOD CHARACTER, HONESTY AND
27 INTEGRITY;

28 (B) WHETHER THE APPLICANT IS PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL
29 RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS DO NOT:

30 (I) POSE A THREAT TO THE PUBLIC INTEREST OR TO THE EFFECTIVE REGU-
31 LATION AND CONTROL OF INTERACTIVE GAMING; OR

32 (II) CREATE OR ENHANCE THE DANGERS OF UNSUITABLE, UNFAIR OR ILLEGAL
33 PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF INTERACTIVE GAMING
34 OR IN THE CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCI-
35 DENTAL TO SUCH GAMING;

36 (C) WHETHER THE APPLICANT IS CAPABLE OF AND LIKELY TO CONDUCT THE
37 ACTIVITIES FOR WHICH THE APPLICANT IS LICENSED IN ACCORDANCE WITH THE
38 PROVISIONS OF THIS ARTICLE, ANY REGULATIONS PRESCRIBED UNDER THIS ARTI-
39 CLE AND ALL OTHER APPLICABLE LAWS;

40 (D) WHETHER THE APPLICANT HAS OR GUARANTEES ACQUISITION OF ADEQUATE
41 BUSINESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF LICENSED GAMING
42 OR OF INTERACTIVE GAMING IN THIS STATE OR IN A STATE WITH COMPARABLE
43 LICENSING REQUIREMENTS; AND

44 (E) WHETHER THE APPLICANT HAS OR WILL OBTAIN SUFFICIENT FINANCING FOR
45 THE NATURE OF THE PROPOSED OPERATION AND FROM A SUITABLE SOURCE.

46 7. THE COMMISSION FURTHER SHALL DEVELOP STANDARDS BY WHICH TO EVALUATE
47 AND APPROVE INTERACTIVE GAMING PLATFORMS FOR USE WITH INTERACTIVE
48 GAMING. INTERACTIVE GAMING PLATFORMS MUST BE APPROVED BY THE COMMISSION
49 BEFORE BEING USED BY A LICENSEE OR SIGNIFICANT VENDOR TO CONDUCT INTER-
50 ACTIVE GAMING IN THIS STATE.

51 8. THE COMMISSION SHALL REQUIRE ALL LICENSEES TO PAY A ONE-TIME FEE OF
52 TEN MILLION DOLLARS. SUCH FEE PAID BY EACH LICENSEE SHALL BE APPLIED TO
53 SATISFY, IN WHOLE OR IN PART, AS APPLICABLE, THAT LICENSEE'S TAX OBLI-
54 GATION PURSUANT TO SECTION FOURTEEN HUNDRED FIVE OF THIS ARTICLE IN
55 THIRTY-SIX EQUAL MONTHLY INSTALLMENTS, ALLOCATED TO EACH OF THE FIRST
56 THIRTY-SIX MONTHS OF TAX OWED AFTER THE LICENSEE HAS BEGUN OPERATING

INTERACTIVE GAMING PURSUANT TO THIS ARTICLE. NO AMOUNTS NOT REQUIRED TO BE USED TO SATISFY SUCH TAX OBLIGATION DURING THAT PERIOD SHALL BE ALLOCATED TO PAYMENT OF SUCH TAX OBLIGATION AFTER THAT PERIOD.

9. LICENSES ISSUED BY THE COMMISSION SHALL REMAIN IN EFFECT FOR TEN YEARS.

10. THE COMMISSION, BY REGULATION, MAY AUTHORIZE AND PROMULGATE ANY RULES NECESSARY TO IMPLEMENT AGREEMENTS WITH OTHER STATES, OR AUTHORIZED AGENCIES THEREOF (A) TO ENABLE PATRONS IN THOSE STATES TO PARTICIPATE IN INTERACTIVE GAMING OFFERED BY LICENSEES UNDER THIS ARTICLE OR (B) TO ENABLE PATRONS IN THIS STATE TO PARTICIPATE IN INTERACTIVE GAMING OFFERED BY LICENSEES UNDER THE LAWS OF THOSE OTHER STATES, PROVIDED THAT SUCH OTHER STATE OR AUTHORIZED AGENCY APPLIES SUITABILITY STANDARDS AND REVIEW MATERIALLY CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE.

11. ANY REGULATIONS ADOPTED PURSUANT TO SUBDIVISION TEN OF THIS SECTION MUST SET FORTH PROVISIONS THAT ADDRESS:

(A) ANY ARRANGEMENTS TO SHARE REVENUE BETWEEN NEW YORK AND ANY OTHER STATE OR AGENCY WITHIN ANOTHER STATE; AND

(B) ARRANGEMENTS TO ENSURE THE INTEGRITY OF INTERACTIVE GAMING OFFERED PURSUANT TO ANY SUCH AGREEMENT AND THE PROTECTION OF PATRONS LOCATED IN THIS STATE.

12. THE COMMISSION MAY DELEGATE ITS RESPONSIBILITIES TO ADMINISTER THE PROVISIONS OF THIS ARTICLE TO THE DIVISION, AS IT SEES FIT, EXCEPT FOR ITS RESPONSIBILITIES TO APPROVE LICENSES.

S 1403. REQUIRED SAFEGUARDS/MINIMUM STANDARDS. THE COMMISSION SHALL REQUIRE LICENSEES TO IMPLEMENT MEASURES TO MEET THE STANDARDS SET OUT IN THIS SECTION, ALONG WITH SUCH OTHER STANDARDS THAT THE COMMISSION IN ITS DISCRETION MAY CHOOSE TO REQUIRE.

(A) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT PARTICIPANTS IN INTERACTIVE GAMING ARE NOT YOUNGER THAN TWENTY-ONE YEARS OF AGE.

(B) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT PARTICIPANTS IN INTERACTIVE GAMING ARE PHYSICALLY LOCATED WITHIN THE STATE OR SUCH OTHER JURISDICTION THAT THE COMMISSION HAS DETERMINED TO BE PERMISSIBLE.

(C) APPROPRIATE SAFEGUARDS TO PROTECT, TO A REASONABLE DEGREE OF CERTAINTY, THE PRIVACY AND ONLINE SECURITY OF PARTICIPANTS IN INTERACTIVE GAMING.

(D) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT THE INTERACTIVE GAMING IS FAIR AND HONEST AND THAT APPROPRIATE MEASURES ARE IN PLACE TO DETECT, DETECT AND, TO THE EXTENT REASONABLY POSSIBLE, TO PREVENT CHEATING, INCLUDING COLLUSION, AND USE OF CHEATING DEVICES, INCLUDING USE OF SOFTWARE PROGRAMS (SOMETIMES REFERRED TO AS "BOTS") THAT MAKE BETS OR WAGERS ACCORDING TO ALGORITHMS.

(E) APPROPRIATE SAFEGUARDS TO MINIMIZE COMPULSIVE GAMING AND TO PROVIDE NOTICE TO PARTICIPANTS OF RESOURCES TO HELP PROBLEM GAMBLERS.

(F) APPROPRIATE SAFEGUARDS TO ENSURE PARTICIPANTS' FUNDS ARE HELD IN ACCOUNTS SEGREGATED FROM THE FUNDS OF LICENSEES AND OTHERWISE ARE PROTECTED FROM CORPORATE INSOLVENCY, FINANCIAL RISK OR CRIMINAL OR CIVIL ACTIONS AGAINST THE LICENSEE.

S 1404. SCOPE OF LICENSING REVIEW. 1. IN CONNECTION WITH ANY LICENSE ISSUED PURSUANT TO THIS ARTICLE, THE LICENSEE, SIGNIFICANT VENDOR OR APPLICANT SHALL IDENTIFY AND THE COMMISSION SHALL REVIEW THE SUITABILITY OF SUCH LICENSEE'S, SIGNIFICANT VENDOR'S OR APPLICANT'S OWNER, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND ANY OTHER OFFICER OR EMPLOYEE WHO THE COMMISSION DEEMS IS SIGNIFICANTLY INVOLVED IN THE MANAGEMENT OR CONTROL OF THE LICENSEE, SIGNIFICANT VENDOR OR APPLICANT

1 OR OF THE INTERACTIVE GAMING PLATFORM. "OWNER" FOR PURPOSES OF THIS
2 PROVISION MEANS ANY PERSON WHO DIRECTLY OR INDIRECTLY HOLDS ANY BENEFI-
3 CIAL OR OWNERSHIP INTEREST IN THE APPLICANT OF FIVE PERCENT OR GREATER
4 OR ANY AMOUNT OF OWNERSHIP THAT THE COMMISSION DETERMINES TO BE SIGNIF-
5 ICANT OWNERSHIP OF THE LICENSEE, SIGNIFICANT VENDOR, OR APPLICANT.

6 2. INSTITUTIONAL INVESTORS ARE SUBJECT TO THE PROVISIONS SET OUT IN
7 THIS SECTION.

8 (A) AN INSTITUTIONAL INVESTOR HOLDING UNDER TWENTY-FIVE PERCENT OF THE
9 EQUITY SECURITIES OF A LICENSEE'S OR SIGNIFICANT VENDOR'S (OR APPLI-
10 CANT'S) HOLDING OR INTERMEDIARY COMPANIES, SHALL BE GRANTED A WAIVER OF
11 ANY INVESTIGATION OF SUITABILITY OR OTHER REQUIREMENT IF SUCH SECURITIES
12 ARE THOSE OF A CORPORATION, WHETHER PUBLICLY TRADED OR PRIVATELY HELD,
13 AND ITS HOLDINGS OF SUCH SECURITIES WERE PURCHASED FOR INVESTMENT
14 PURPOSES ONLY AND IT FILES A CERTIFIED STATEMENT TO THE EFFECT THAT IT
15 HAS NO INTENTION OF INFLUENCING OR AFFECTING THE AFFAIRS OF THE ISSUER,
16 THE LICENSEE (OR SIGNIFICANT VENDOR OR APPLICANT, AS APPLICABLE) OR ITS
17 HOLDING OR INTERMEDIARY COMPANIES; PROVIDED, HOWEVER, THAT IT SHALL BE
18 PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE OUTSTANDING SECURITY
19 HOLDERS. THE COMMISSION MAY GRANT SUCH A WAIVER TO AN INSTITUTIONAL
20 INVESTOR HOLDING A HIGHER PERCENTAGE OF SUCH SECURITIES UPON A SHOWING
21 OF GOOD CAUSE AND IF THE CONDITIONS SPECIFIED ABOVE ARE MET. ANY INSTI-
22 TUTIONAL INVESTOR GRANTED A WAIVER UNDER THIS PARAGRAPH WHICH SUBSE-
23 QUENTLY DETERMINES TO INFLUENCE OR AFFECT THE AFFAIRS OF THE ISSUER
24 SHALL PROVIDE NOT LESS THAN THIRTY DAYS' NOTICE OF SUCH INTENT AND SHALL
25 FILE WITH THE COMMISSION A REQUEST FOR DETERMINATION OF SUITABILITY
26 BEFORE TAKING ANY ACTION THAT MAY INFLUENCE OR AFFECT THE AFFAIRS OF THE
27 ISSUER; PROVIDED, HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS
28 PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. IF AN INSTITUTIONAL
29 INVESTOR CHANGES ITS INVESTMENT INTENT, OR IF THE COMMISSION FINDS
30 REASONABLE CAUSE TO BELIEVE THAT THE INSTITUTIONAL INVESTOR MAY BE FOUND
31 UNSUITABLE, NO ACTION OTHER THAN DIVESTITURE SHALL BE TAKEN BY SUCH
32 INVESTOR WITH RESPECT TO ITS SECURITY HOLDINGS UNTIL THERE HAS BEEN
33 COMPLIANCE WITH ANY REQUIREMENTS ESTABLISHED BY THE COMMISSION, WHICH
34 MAY INCLUDE THE EXECUTION OF A TRUST AGREEMENT. THE LICENSEE (OR SIGNIF-
35 ICANT VENDOR OR APPLICANT, AS APPLICABLE) AND ITS RELEVANT HOLDING,
36 INTERMEDIARY OR SUBSIDIARY COMPANY SHALL NOTIFY THE COMMISSION IMME-
37 DIATELY OF ANY INFORMATION ABOUT, OR ACTIONS OF, AN INSTITUTIONAL INVE-
38 STOR HOLDING ITS EQUITY SECURITIES WHERE SUCH INFORMATION OR ACTION MAY
39 IMPACT UPON THE ELIGIBILITY OF SUCH INSTITUTIONAL INVESTOR FOR A WAIVER
40 PURSUANT TO THIS PARAGRAPH.

41 (B) IF AT ANY TIME THE COMMISSION FINDS THAT AN INSTITUTIONAL INVESTOR
42 HOLDING ANY SECURITY OF A HOLDING OR INTERMEDIARY COMPANY OF A LICENSEE
43 OR SIGNIFICANT VENDOR OR APPLICANT, OR, WHERE RELEVANT, OF ANOTHER
44 SUBSIDIARY COMPANY OF A HOLDING OR INTERMEDIARY COMPANY OF A LICENSEE OR
45 SIGNIFICANT VENDOR OR APPLICANT WHICH IS RELATED IN ANY WAY TO THE
46 FINANCING OF THE LICENSEE OR SIGNIFICANT VENDOR OR APPLICANT, FAILS TO
47 COMPLY WITH THE TERMS OF PARAGRAPH (A) OF THIS SECTION, OR IF AT ANY
48 TIME THE COMMISSION FINDS THAT, BY REASON OF THE EXTENT OR NATURE OF ITS
49 HOLDINGS, AN INSTITUTIONAL INVESTOR IS IN A POSITION TO EXERCISE SUCH A
50 SUBSTANTIAL IMPACT UPON THE CONTROLLING INTERESTS OF A LICENSEE OR
51 SIGNIFICANT VENDOR OR APPLICANT THAT INVESTIGATION AND DETERMINATION OF
52 SUITABILITY OF THE INSTITUTIONAL INVESTOR IS NECESSARY TO PROTECT THE
53 PUBLIC INTEREST, THE COMMISSION MAY TAKE ANY NECESSARY ACTION OTHERWISE
54 AUTHORIZED UNDER THIS ARTICLE TO PROTECT THE PUBLIC INTEREST.

55 (C) FOR PURPOSES OF THIS SECTION, AN "INSTITUTIONAL INVESTOR" SHALL
56 MEAN ANY RETIREMENT FUND ADMINISTERED BY A PUBLIC AGENCY FOR THE EXCLU-

1 SIVE BENEFIT OF FEDERAL, STATE, OR LOCAL PUBLIC EMPLOYEES; INVESTMENT
2 COMPANY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 (15 U.S.C. S
3 80A-1 ET SEQ.); COLLECTIVE INVESTMENT TRUST ORGANIZED BY BANKS UNDER
4 PART NINE OF THE RULES OF THE COMPTROLLER OF THE CURRENCY; CLOSED END
5 INVESTMENT TRUST; CHARTERED OR LICENSED LIFE INSURANCE COMPANY OR PROP-
6 ERTY AND CASUALTY INSURANCE COMPANY; BANKING AND OTHER CHARTERED OR
7 LICENSED LENDING INSTITUTION; INVESTMENT ADVISOR REGISTERED UNDER THE
8 INVESTMENT ADVISORS ACT OF 1940 (15 U.S.C. S 80B-1 ET SEQ.); AND SUCH
9 OTHER PERSONS AS THE COMMISSION MAY DETERMINE FOR REASONS CONSISTENT
10 WITH THE PUBLIC INTEREST.

11 S 1405. STATE TAX. LICENSEES ENGAGED IN THE BUSINESS OF CONDUCTING
12 INTERACTIVE GAMING PURSUANT TO THIS ARTICLE SHALL PAY A PRIVILEGE TAX
13 BASED ON THE LICENSEE'S INTERACTIVE GAMING GROSS REVENUE AT A FIFTEEN
14 PERCENT RATE.

15 S 2. Subdivision 1 of section 225.00 of the penal law is amended to
16 read as follows:

17 1. "Contest of chance" means any contest, game, gaming scheme or
18 gaming device in which the outcome depends [in a material degree]
19 PREDOMINANTLY upon an element of chance, notwithstanding that skill of
20 the contestants may also be a factor therein.

21 S 3. The penal law is amended by adding a new section 225.36 to read
22 as follows:

23 S 225.36 INTERACTIVE GAMING OFFENSES AND EXCEPTIONS.

24 1. THE KNOWING AND WILLFUL OFFERING OF UNLICENSED INTERACTIVE GAMING
25 TO PERSONS IN THIS STATE, OR THE KNOWING AND WILLFUL PROVISION OF
26 SERVICES WITH RESPECT THERETO, SHALL CONSTITUTE A GAMBLING OFFENSE UNDER
27 THIS ARTICLE.

28 2. LICENSED INTERACTIVE GAMING ACTIVITIES UNDER SECTION FOURTEEN
29 HUNDRED TWO OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW SHALL
30 NOT BE A GAMBLING OFFENSE UNDER THIS ARTICLE.

31 3. A PERSON OFFERING UNLICENSED INTERACTIVE GAMING TO PERSONS IN THIS
32 STATE SHALL BE LIABLE FOR ALL TAXES SET FORTH IN SECTION FOURTEEN
33 HUNDRED FIVE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW IN THE
34 SAME MANNER AND AMOUNTS AS IF SUCH PERSON WERE A LICENSEE. TIMELY
35 PAYMENT OF SUCH TAXES SHALL NOT CONSTITUTE A DEFENSE TO ANY PROSECUTION
36 OR OTHER PROCEEDING IN CONNECTION WITH THE INTERACTIVE GAMING EXCEPT FOR
37 A PROSECUTION OR PROCEEDING ALLEGING FAILURE TO MAKE SUCH PAYMENT.

38 S 4. Severability clause. If any provision of this act or application
39 thereof shall for any reason be adjudged by any court of competent
40 jurisdiction to be invalid, such judgment shall not affect, impair, or
41 invalidate the remainder of the act, but shall be confined in its opera-
42 tion to the provision thereof directly involved in the controversy in
43 which the judgment shall have been rendered.

44 S 5. This act shall take effect on the one hundred eightieth day after
45 it shall have become a law.

46 PART GGG

47 Section 1. a. Notwithstanding any other provision of law or regulation
48 to the contrary, up to five hundred thousand dollars of the funds in a
49 capital acquisition fund, established pursuant to section 509-a of the
50 racing, pari-mutuel wagering and breeding law shall be available once
51 per annum to a regional off-track betting corporation for any corporate
52 purpose; provided, however, that such regional off-track betting corpo-
53 ration is not utilizing its capital acquisition fund for corporate
54 purposes as provided in section 3 of part II of chapter 58 of the laws

of 2012, and further provided, that at a time and in a manner to be determined and prescribed by the New York state gaming commission, at least ten percent of such amount shall be distributed among the participating counties on the basis of population, as defined as the total population in each participating county shown by the latest preceding decennial federal census completed and published as a final population count by the United States bureau of the census preceding the commencement of the calendar year in which such distribution is to be made.

b. A regional off-track betting corporation that chooses to utilize its capital acquisition fund for corporate purposes as provided in subdivision a of this section shall do so by providing written notification to the New York state gaming commission, including any information which such commission may require, at least fifteen days in advance of its decision to utilize monies for corporate purposes.

S 2. This act shall take effect immediately.

PART HHH

Section 1. Section 1325 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

S 1325. Approval, denial and renewal of employee licenses and registrations. 1. Upon the filing of an application for a casino key employee license or gaming employee registration required by this article and after submission of such supplemental information as the commission may require, the commission shall conduct or cause to be conducted such investigation into the qualification of the applicant, WHICH SHALL INCLUDE THE COMPLETION OF A CRIMINAL BACKGROUND CHECK BY THE DIVISION OF THE STATE POLICE OF SUCH APPLICANT, and the commission shall conduct such hearings concerning the qualification of the applicant, in accordance with its regulations, as may be necessary to determine qualification for such license.

1-A. THE COST OF ANY SUCH BACKGROUND CHECK SHALL BE BORNE BY THE GAMING FACILITY THAT INITIALLY EMPLOYS OR EXTENDS EMPLOYMENT TO A LICENSEE PURSUANT TO THIS TITLE AFTER THE APPROVAL OR RENEWAL OF A LICENSE PURSUANT TO THIS TITLE AND SHALL BE PAID IN A TIME AND MANNER DETERMINED BY THE COMMISSION.

2. After such investigation, the commission may either deny the application or grant a license to an applicant whom it determines to be qualified to hold such license.

3. The commission shall have the authority to deny any application pursuant to the provisions of this article following notice and opportunity for hearing.

4. When the commission grants an application, the commission may limit or place such restrictions thereupon as it may deem necessary in the public interest.

5. After an application for a casino key employee license is submitted, final action of the commission shall be taken within ninety days after completion of all hearings and investigations and the receipt of all information required by the commission.

6. Licenses and registrations of casino key employees and gaming employees issued pursuant to this article shall remain valid for five years unless suspended, revoked or voided pursuant to law. Such licenses and registrations may be renewed by the holder thereof upon application, on a form prescribed by the commission, and payment of the applicable fee. Notwithstanding the foregoing, if a gaming employee registrant has

not been employed in any position within a gaming facility for a period of three years, the registration of that gaming employee shall lapse.

8. The commission shall establish by regulation appropriate fees to be paid upon the filing of the required applications. Such fees shall be deposited into the commercial gaming revenue fund.

S 2. This act shall take effect immediately.

PART III

Section 1. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(CCC) GREEN BUILDING CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE PROVIDED THAT SUCH TAXPAYER CONSTRUCTS OR REHABILITATES QUALIFYING RESIDENTIAL REAL PROPERTY IN CONFORMITY WITH ENERGY EFFICIENCY STANDARDS ESTABLISHED BY THE NATIONAL ASSOCIATION OF HOME BUILDERS OR THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN RATING SYSTEM DEVELOPED BY THE UNITED STATES GREEN BUILDING COUNCIL AND FASHIONS PROOF THEREOF IN ACCORDANCE WITH RULES AND REGULATIONS PROMULGATED BY THE COMMISSIONER OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IN CONJUNCTION WITH THE COMMISSIONER.

(2) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO THE ALLOWABLE COSTS PAID OR INCURRED BY THE TAXPAYER, IF THE OWNER, FOR EITHER THE CONSTRUCTION OR REHABILITATION OF QUALIFYING RESIDENTIAL REAL PROPERTY IN CONFORMITY WITH ENERGY EFFICIENCY STANDARDS ESTABLISHED BY THE NATIONAL ASSOCIATION OF HOME BUILDERS OR THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN RATING SYSTEM DEVELOPED BY THE UNITED STATES GREEN BUILDING COUNCIL; PROVIDED, HOWEVER, THAT SUCH CREDIT SHALL NOT EXCEED TEN THOUSAND DOLLARS AND SHALL NOT BE AWARDED MORE THAN ONCE IN A PERIOD OF TEN YEARS.

(3) FOR THE PURPOSE OF THIS SUBSECTION, "ALLOWABLE COSTS" MEANS AMOUNTS PROPERLY CHARGEABLE TO AN ACCOUNT (OTHER THAN FOR LAND), WHICH ARE PAID OR INCURRED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, FOR: CONSTRUCTION OR REHABILITATION; COMMISSIONING COSTS; INTEREST PAID OR INCURRED DURING THE CONSTRUCTION OR REHABILITATION PERIOD; LEGAL, ARCHITECTURAL, ENGINEERING AND OTHER PROFESSIONAL FEES ALLOCABLE TO CONSTRUCTION OR REHABILITATION; CLOSING COSTS FOR CONSTRUCTION, REHABILITATION OR MORTGAGE LOANS; RECORDING TAXES AND FILING FEES INCURRED WITH RESPECT TO CONSTRUCTION OR REHABILITATION; SITE COSTS (SUCH AS TEMPORARY ELECTRIC WIRING, SCAFFOLDING, DEMOLITION COSTS, AND FENCING AND SECURITY FACILITIES); AND COSTS OF FURNITURE, CARPETING, PARTITIONS, WALLS AND WALL COVERINGS, CEILINGS, DRAPES, BLINDS, LIGHTING, PLUMBING, ELECTRICAL WIRING AND VENTILATION; PROVIDED THAT SUCH COSTS SHALL NOT INCLUDE THE COST OF TELEPHONE SYSTEMS AND COMPUTERS (OTHER THAN ELECTRICAL WIRING COSTS) AND SHALL NOT INCLUDE THE COST OF FUEL CELLS OR PHOTOVOLTAIC MODULES (INCLUDING INSTALLATION) OR THE COST OF NEW AIR CONDITIONING EQUIPMENT USING AN EPA-APPROVED NON-OZONE DEPLETING REFRIGERANT OR OTHER EPA-APPROVED REFRIGERANT APPROVED BY THE COMMISSIONER OF ENVIRONMENTAL CONSERVATION (EXCLUDING INSTALLATION).

(4) FOR THE PURPOSES OF THIS SUBSECTION "QUALIFYING RESIDENTIAL REAL PROPERTY" SHALL MEAN THE PRINCIPAL PLACE OF RESIDENCE OF AN INDIVIDUAL TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS SUBSECTION. IN THE EVENT THAT SUCH PLACE OF RESIDENCE IS A MULTIPLE DWELLING, AS DEFINED BY SUBDIVISION SEVEN OF SECTION FOUR OF THE MULTIPLE DWELLING LAW, ALLOWABLE COSTS SHALL ONLY CONSTITUTE THOSE COSTS INCURRED DUE TO CONSTRUCTION OR REHABILITATION UNDERTAKEN ON THE PORTION OF THE DWELLING THAT CONSTITUTES AN INDIVIDUAL TAXPAYER'S UNIT.

1 (5) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY
2 TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS
3 MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS FOR UP TO FIVE YEARS
4 AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

5 (6) THE COMMISSIONER OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION,
6 IN CONJUNCTION WITH THE COMMISSIONER, SHALL PROMULGATE SUCH RULES AND
7 REGULATIONS AS MAY BE NECESSARY FOR THE DISTRIBUTION OF THE CREDIT
8 ESTABLISHED BY THIS SUBSECTION.

9 S 2. This act shall take effect immediately and shall apply to taxable
10 years beginning on and after January 1, 2017.

11 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-
12 sion, section or part of this act shall be adjudged by any court of
13 competent jurisdiction to be invalid, such judgment shall not affect,
14 impair, or invalidate the remainder thereof, but shall be confined in
15 its operation to the clause, sentence, paragraph, subdivision, section
16 or part thereof directly involved in the controversy in which such judg-
17 ment shall have been rendered. It is hereby declared to be the intent of
18 the legislature that this act would have been enacted even if such
19 invalid provisions had not been included herein.

20 S 3. This act shall take effect immediately provided, however, that
21 the applicable effective date of Parts A through III of this act shall
22 be as specifically set forth in the last section of such Parts.