

STATE OF NEW YORK

S. 7509

A. 9509

SENATE - ASSEMBLY

January 18, 2018

IN SENATE -- 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

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means

AN ACT to amend the real property tax law, in relation to the annual growth in STAR benefits (Part A); to amend the real property tax law, in relation to making the STAR income verification program mandatory; to amend the tax law, in relation to the calculation of income for basic STAR purposes; to repeal subparagraphs (v) and (vi) of paragraph (b) of subdivision 4, paragraphs (b) and (c) of subdivision 5 and paragraph (c) of subdivision 6 of section 425 of the real property tax law relating to the school tax relief (STAR) exemption; and to repeal section 171-o of the tax law relating to income verification for a city with a population of one million or more (Part B); to amend the real property law, in relation to real property transfer reports (Part C); to amend the real property law, in relation to reports of manufactured housing park owners (Part D); to amend the general municipal law, the education law, the state finance law, the real property tax law and the tax law, in relation to making technical corrections to various statutes impacting property taxes; and to repeal subsection (bbb) of section 606 of the tax law, section 3-d of the general municipal law and section 2023-b of the education law, relating thereto (Part E); to amend the real property tax law, in relation to taxable state land (Part F); to amend the real property tax law, in relation to assessment ceilings; and to amend chapter 475 of the laws of 2013, amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to the effectiveness thereof (Part G); to amend the tax law and the administrative code of the city of New York, in relation to extending the statute of limitations for assessing tax on amended returns (Part H); to amend the tax law, in relation to providing for employee wage reporting consistency between the department of taxation and finance and the department of labor (Part I); to amend the tax law, in relation to sales and compensating use taxes imposed on food and beverages sold by

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

LBD12674-01-8

restaurants and similar establishments (Part J); to amend the tax law, in relation to allowing sharing with the comptroller information regarding unwarranted fixed and final debt (Part K); to amend the social services law, in relation to the disclosure of certain information relating to a person receiving public assistance to the commissioner of taxation and finance (Part L); to amend the tax law, in relation to establishing a conditional tax on carried interest (Part M); to amend the tax law, in relation to permitting the commissioner of taxation and finance to seek judicial review of decisions of the tax appeals tribunal (Part N); to amend the tax law and the administrative code of the city of New York, in relation to the definition of resident for tax purposes of the personal income tax (Part O); to amend the tax law, in relation to the empire state child credit (Part P); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part Q); to amend the labor law and the tax law, in relation to enhancing the New York youth jobs program (Part R); to amend the tax law, in relation to the temporary deferral of certain tax credits (Part S); to amend the tax law, in relation to extending the real estate transfer tax statute of limitations for refunds from two to three years and providing for consistent joint liability treatment within the real estate transfer tax (Part T); to amend the tax law, in relation to the taxation of cigars (Part U); to amend the tax law and the administrative code of the city of New York, in relation to sales and use taxes on gas and electric service; and repealing section 1105-C of the tax law relating thereto (Part V); to amend the tax law, in relation to exempting from sales and use tax certain veterinary drugs and medicines and removing the refund/credit therefor (Part W); to amend the tax law, in relation to providing relief from sales tax liability for certain partners of a limited partnership and members of a limited liability company (Part X); to amend the tax law, in relation to exempting items of food and drink when sold from certain vending machines from the sales and compensating use tax (Part Y); to amend part A of chapter 61 of the laws of 2017, amending the tax law relating to the imposition of sales and compensating use taxes in certain counties, in relation to extending the revenue distribution provisions for the additional rates of sales and use tax of Genesee, Monroe, Onondaga and Orange counties (Part Z); to amend the tax law, in relation to imposing an internet fairness conformity tax and requiring non-collecting sellers to provide specified information to New York purchasers and to the commissioner of taxation and finance (Part AA); to amend the tax law, in relation to imposing a health tax on vapor products (Part BB); to amend the tax law, in relation to the imposition of an opioid epidemic surcharge; and to amend the state finance law, in relation to establishing the opioid prevention, treatment and recovery account (Part CC); to amend the tax law, in relation to establishing a healthcare insurance windfall profit fee (Part DD); to amend the racing, pari-mutuel wagering and breeding law, in relation to adjusting the franchise payment, and authorizing night races under certain circumstances; creating an equine drug testing advisory committee; and providing for the repeal of certain provisions upon the expiration thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to providing funds for the aftercare of retired horses (Part FF); 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 breeding law and other laws relating to simulcasting and 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 provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part GG); to amend the state finance law, in relation to the commercial gaming revenue fund; and to repeal subdivision 4 of section 97-nnnn of the state finance law relating to base year gaming revenue (Part HH); and to amend the tax law, in relation to commissions paid to the operator of a video lottery facility; to repeal certain provisions of such law relating thereto; and providing for the repeal of certain provisions upon expiration thereof (Part II)

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 2018-2019
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through II. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part, includ-
7 ing the effective date of the Part, which makes a reference to a section
8 "of this act", when used in connection with that particular component,
9 shall be deemed to mean and refer to the corresponding section of the
10 Part in which it is found. Section three of this act sets forth the
11 general effective date of this act.

12 PART A

13 Section 1. Subparagraph (i) of paragraph (a) of subdivision 2 of
14 section 1306-a of the real property tax law, as amended by section 6 of
15 part N of chapter 58 of the laws of 2011, is amended to read as follows:

16 (i) The tax savings for each parcel receiving the exemption authorized
17 by section four hundred twenty-five of this chapter shall be computed by
18 subtracting the amount actually levied against the parcel from the
19 amount that would have been levied if not for the exemption, provided
20 however, that [~~beginning with~~ for the two thousand eleven-two thousand
21 twelve through two thousand seventeen-two thousand eighteen school
22 [~~year~~ years, the tax savings applicable to any "portion" (which as used
23 herein shall mean that part of an assessing unit located within a school
24 district) shall not exceed the tax savings applicable to that portion in
25 the prior school year multiplied by one hundred two percent, with the
26 result rounded to the nearest dollar; and provided further that begin-
27 ning with the two thousand eighteen-two thousand nineteen school year,
28 the tax savings applicable to any portion shall not exceed the tax
29 savings for the prior year. The tax savings attributable to the basic
30 and enhanced exemptions shall be calculated separately. It shall be the
31 responsibility of the commissioner to calculate tax savings limitations
32 for purposes of this subdivision.

33 § 2. This act shall take effect immediately.

1

PART B

2 Section 1. Subparagraph (ii) of paragraph (b) of subdivision 4 of
3 section 425 of the real property tax law, as amended by section 3 of
4 part E of chapter 83 of the laws of 2002, is amended to read as follows:

5 (ii) The term "income" as used herein shall mean the "adjusted gross
6 income" for federal income tax purposes as reported on the applicant's
7 federal or state income tax return for the applicable income tax year,
8 subject to any subsequent amendments or revisions, reduced by distrib-
9 utions, to the extent included in federal adjusted gross income,
10 received from an individual retirement account and an individual retire-
11 ment annuity; provided that if no such return was filed for the applica-
12 ble income tax year, "income" shall mean the adjusted gross income that
13 would have been so reported if such a return had been filed. Provided
14 further, that effective with exemption applications for final assessment
15 rolls to be completed in two thousand nineteen, where an income-eli-
16 gibility determination is wholly or partly based upon the income of one or
17 more individuals who did not file a return for the applicable income tax
18 year, then in order for the application to be considered complete, each
19 such individual must file a statement with the department showing the
20 source or sources of his or her income for that income tax year, and the
21 amount or amounts thereof, that would have been reported on such a
22 return if one had been filed. Such statement shall be filed at such
23 time, and in such form and manner, as may be prescribed by the depart-
24 ment, and shall be subject to the secrecy provisions of the tax law to
25 the same extent that a personal income tax return would be. The depart-
26 ment shall make such forms and instructions available for the filing of
27 such statements.

28 § 2. Subparagraph (iv) of paragraph (b) of subdivision 4 of section
29 425 of the real property tax law, as amended by chapter 451 of the laws
30 of 2015, is amended to read as follows:

31 (iv) (A) Effective with applications for the enhanced exemption on
32 final assessment rolls to be completed in two thousand ~~three~~ nineteen,
33 the application form shall indicate that ~~the~~ all owners of the proper-
34 ty and any owners' spouses residing on the premises ~~may authorize the~~
35 ~~assessor to~~ must have their income eligibility verified annually ~~ther-~~
36 ~~eafter~~ by the ~~state~~ department ~~of taxation and finance, in lieu of~~
37 ~~furnishing copies of the applicable income tax return or returns with~~
38 ~~the application. If the owners of the property and any owners' spouses~~
39 ~~residing on the premises elect to participate in this program, which~~
40 ~~shall be known as the STAR income verification program, they~~ and must
41 furnish their taxpayer identification numbers in order to facilitate
42 matching with records of the department. ~~Thereafter, their~~ The income
43 eligibility of such persons shall be verified annually by the
44 department, and the assessor shall not request income documentation from
45 them~~, unless such department advises the assessor that they do not~~
46 ~~satisfy the applicable income eligibility requirements, or that it is~~
47 ~~unable to determine whether they satisfy those requirements~~. All appli-
48 cants for the enhanced exemption and all assessing units shall be
49 required to participate in this program, which shall be known as the
50 STAR income verification program.

51 (B) Where the commissioner finds that the enhanced exemption should be
52 replaced with a basic exemption because the income limitation applicable
53 to the enhanced exemption has been exceeded, he or she shall provide the
54 property owners with notice and an opportunity to submit to the commis-
55 sioner evidence to the contrary. Where the commissioner finds that the

1 enhanced exemption should be removed or denied without being replaced
2 with a basic exemption because the income limitation applicable to the
3 basic exemption has also been exceeded, he or she shall provide the
4 property owners with notice and an opportunity to submit to the commis-
5 sioner evidence to the contrary. In either case, if the owners fail to
6 respond to such notice within forty-five days from the mailing thereof,
7 or if their response does not show to the commissioner's satisfaction
8 that the property is eligible for the exemption claimed, the commis-
9 sioner shall direct the assessor or other person having custody or control
10 of the assessment roll or tax roll to either replace the enhanced
11 exemption with a basic exemption, or to remove or deny the enhanced
12 exemption without replacing it with a basic exemption, as appropriate.
13 The commissioner shall further direct such person to correct the roll
14 accordingly. Such a directive shall be binding upon the assessor or
15 other person having custody or control of the assessment roll or tax
16 roll, and shall be implemented by such person without the need for
17 further documentation or approval.

18 (C) Notwithstanding any provision of law to the contrary, neither an
19 assessor nor a board of assessment review has the authority to consider
20 an objection to the replacement or removal or denial of an exemption
21 pursuant to this subdivision, nor may such an action be reviewed in a
22 proceeding to review an assessment pursuant to title one or one-A of
23 article seven of this chapter. Such an action may only be challenged
24 before the department. If a taxpayer is dissatisfied with the depart-
25 ment's final determination, the taxpayer may appeal that determination
26 to the state board of real property tax services in a form and manner to
27 be prescribed by the commissioner. Such appeal shall be filed within
28 forty-five days from the issuance of the department's final determi-
29 nation. If dissatisfied with the state board's determination, the
30 taxpayer may seek judicial review thereof pursuant to article seventy-
31 eight of the civil practice law and rules. The taxpayer shall otherwise
32 have no right to challenge such final determination in a court action,
33 administrative proceeding or any other form of legal recourse against
34 the commissioner, the department, the state board of real property tax
35 services, the assessor or other person having custody or control of the
36 assessment roll or tax roll regarding such action.

37 § 3. Subparagraphs (v) and (vi) of paragraph (b) of subdivision 4 of
38 section 425 of the real property tax law are REPEALED.

39 § 4. Paragraphs (b) and (c) of subdivision 5 of section 425 of the
40 real property tax law are REPEALED.

41 § 5. Paragraph (d) of subdivision 5 of section 425 of the real proper-
42 ty tax law, as amended by section 5 of part E of chapter 83 of the laws
43 of 2002 and subparagraph (i) as further amended by subdivision (b) of
44 section 1 of part W of chapter 56 of the laws of 2010, is amended to
45 read as follows:

46 (d) Third party notice. (i) A senior citizen eligible for the enhanced
47 exemption may request that a notice be sent to an adult third party.
48 Such request shall be made on a form prescribed by the commissioner and
49 shall be submitted to the assessor of the assessing unit in which the
50 eligible taxpayer resides no later than sixty days before the first
51 taxable status date to which it is to apply. Such form shall provide a
52 section whereby the designated third party shall consent to such desig-
53 nation. Such request shall be effective upon receipt by the assessor.
54 The assessor shall maintain a list of all eligible property owners who
55 have requested notices pursuant to this paragraph and shall furnish a
56 copy of such list to the department upon request.

1 (ii) [~~In the case of a senior citizen who has not elected to partic-~~
2 ~~ipate in the STAR income verification program, a notice shall be sent to~~
3 ~~the designated third party at least thirty days prior to each ensuing~~
4 ~~taxable status date, provided that no such notice need be sent in the~~
5 ~~first year if the request was not received by the assessor at least~~
6 ~~sixty days before the applicable taxable status date. Such notice shall~~
7 ~~read substantially as follows:~~

8 "On behalf of (identify senior citizen or citizens), you are advised
9 that his, her, or their renewal application for the enhanced STAR
10 exemption must be filed with the assessor no later than (enter date).
11 You are encouraged to remind him, her, or them of that fact, and to
12 offer assistance if needed, although you are under no legal obligation
13 to do so. Your cooperation and assistance are greatly appreciated."

14 (iii) ~~In the case of a senior citizen who has elected to participate~~
15 ~~in the STAR income verification program, a] A notice shall be sent to~~
16 the designated third party whenever the assessor or department sends a
17 notice to the senior citizen regarding the possible removal of the
18 enhanced STAR exemption. When the exemption is subject to removal
19 because the commissioner has determined that the income eligibility
20 requirement is not satisfied, such notice shall be sent to the third
21 party by the department. When the exemption is subject to removal
22 because the assessor has determined that any other eligibility require-
23 ment is not satisfied, such notice shall be sent to the third party by
24 the assessor. Such notice shall read substantially as follows:

25 "On behalf of (identify senior citizen or citizens), you are advised
26 that his, her, or their enhanced STAR exemption is at risk of being
27 removed. You are encouraged to make sure that he, she or they are aware
28 of that fact, and to offer assistance if needed, although you are under
29 no legal obligation to do so. Your cooperation and assistance are great-
30 ly appreciated."

31 [~~(iv)~~] (iii) The obligation to mail such notices shall cease if the
32 eligible taxpayer cancels the request or ceases to qualify for the
33 enhanced STAR exemption.

34 § 6. Paragraph (c) of subdivision 6 of section 425 of the real proper-
35 ty tax law is REPEALED.

36 § 7. Subdivision 9-b of section 425 of the real property tax law, as
37 added by section 8 of part E of chapter 83 of the laws of 2002 and para-
38 graph (b) as amended by chapter 742 of the laws of 2005 and further
39 amended by subdivision (b) of section 1 of part W of chapter 56 of the
40 laws of 2010, is amended to read as follows:

41 9-b. Duration of exemption; enhanced exemption. (a) [~~In the case of~~
42 ~~persons who have elected to participate in the STAR income verification~~
43 ~~program, the] The enhanced exemption, once granted, shall remain in
44 effect until discontinued in the manner provided in this section.~~

45 (b) [~~In the case of persons who have not elected to participate in the~~
46 ~~STAR income verification program, the enhanced exemption shall apply for~~
47 ~~a term of one year. To continue receiving such enhanced exemption, a~~
48 ~~renewal application must be filed annually with the assessor on or~~
49 ~~before the applicable taxable status date on a form prescribed by the~~
50 ~~commissioner. Provided, however, that if a renewal application is not so~~
51 ~~filed, the assessor shall discontinue the enhanced exemption but shall~~
52 ~~grant the basic exemption, subject to the provisions of subdivision~~
53 ~~eleven of this section.~~

54 (c) ~~Whether or not the recipients of an enhanced STAR exemption have~~
55 ~~elected to participate in the STAR income verification program, the] The~~

56 assessor [~~may review their~~] shall review the continued compliance of

1 recipients of the enhanced exemption with the applicable ownership and
2 residency requirements to the same extent as if they were receiving a
3 basic STAR exemption.

4 [~~(d) Notwithstanding the foregoing provisions of this subdivision, the
5 enhanced exemption shall be continued without a renewal application as
6 long as the property continues to be eligible for the senior citizens
7 exemption authorized by section four hundred sixty seven of this title.~~]

8 § 8. Section 425 of the real property tax law is amended by adding a
9 new subdivision 14-a to read as follows:

10 14-a. Implementation of certain eligibility determinations. When a
11 taxpayer's eligibility for exemption under this section for a school
12 year is affected by a determination made in accordance with subparagraph
13 (iv) of paragraph (b) of subdivision four of this section or paragraph
14 (c) or (d) of subdivision fourteen of this section, and the determi-
15 nation is made after the school district taxes for that school year have
16 been levied, the provisions of this subdivision shall be applicable.

17 (a) If the determination restores or increases the taxpayer's
18 exemption for that school year, the commissioner is authorized to remit
19 the excess directly to the property owner upon receiving confirmation
20 that the taxpayer's original school tax bill has been paid in full. The
21 amounts payable by the commissioner under this paragraph shall be paid
22 from the account established for the payment of STAR benefits to late
23 registrants pursuant to subparagraph (iii) of paragraph (a) of subdivi-
24 sion fourteen of this section. When the commissioner implements the
25 determination in this manner, he or she shall so notify the assessor and
26 county director of real property tax services, but no correction shall
27 be made to the assessment roll or tax roll for that school year, and no
28 refund shall be issued by the school authorities to the property owner
29 or his or her agent for the excessive amount of school taxes paid for
30 that school year.

31 (b) If the determination removes, denies or decreases the taxpayer's
32 exemption for that school year, the commissioner is authorized to
33 collect the shortfall directly from the owners of the property, together
34 with interest, by utilizing any of the procedures for collection, levy,
35 and lien of personal income tax set forth in article twenty-two of the
36 tax law, and any other relevant procedures referenced within the
37 provisions of such article. When the commissioner implements the deter-
38 mination in this manner, he or she shall so notify the assessor and
39 county director of real property tax services, but no correction shall
40 be made to the assessment roll or tax roll for that school year, and no
41 corrected school tax bill shall be sent to the taxpayer for that school
42 year.

43 § 9. Section 171-o of the tax law is REPEALED.

44 § 10. Subparagraph (B) of paragraph 1 of subsection (eee) of section
45 606 of the tax law, as amended by section 8 of part A of chapter 73 of
46 the laws of 2016, is amended to read as follows:

47 (B) "Affiliated income" shall mean for purposes of the basic STAR
48 credit, the combined income of all of the owners of the parcel who
49 resided primarily thereon as of December thirty-first of the taxable
50 year, and of any owners' spouses residing primarily thereon as of such
51 date, and for purposes of the enhanced STAR credit, the combined income
52 of all of the owners of the parcel as of December thirty-first of the
53 taxable year, and of any owners' spouses residing primarily thereon as
54 of such date; provided that for both purposes the income to be so
55 combined shall be the "adjusted gross income" for the taxable year as
56 reported for federal income tax purposes, or that would be reported as

1 adjusted gross income if a federal income tax return were required to be
2 filed, reduced by distributions, to the extent included in federal
3 adjusted gross income, received from an individual retirement account
4 and an individual retirement annuity. For taxable years beginning on
5 and after January first, two thousand nineteen, where an income-eli-
6 gibility determination is wholly or partly based upon the income of one or
7 more individuals who did not file a return pursuant to section six
8 hundred fifty-one of this article for the applicable income tax year,
9 then in order to be eligible for the credit authorized by this
10 subsection, each such individual must file a statement with the depart-
11 ment showing the source or sources of his or her income for that income
12 tax year, and the amount or amounts thereof, that would have been
13 reported on such a return if one had been filed. Such statement shall be
14 filed at such time, and in such form and manner, as may be prescribed by
15 the department, and shall be subject to the provisions of section six
16 hundred ninety-seven of this article to the same extent that a return
17 would be. The department shall make such forms and instructions avail-
18 able for the filing of such statements. Provided further, that if the
19 qualified taxpayer was an owner of the property during the taxable year
20 but did not own it on December thirty-first of the taxable year, then
21 the determination as to whether the income of an individual should be
22 included in "affiliated income" shall be based upon the ownership and/or
23 residency status of that individual as of the first day of the month
24 during which the qualified taxpayer ceased to be an owner of the proper-
25 ty, rather than as of December thirty-first of the taxable year.

26 § 11. No application for an enhanced exemption on a final assessment
27 roll to be completed in 2019 may be approved if the applicants have not
28 enrolled in the STAR income verification program established by subpara-
29 graph (iv) of paragraph (b) of subdivision 4 of section 425 of the real
30 property tax law as amended by section two of this act, regardless of
31 when the application was filed. The assessor shall notify such appli-
32 cants that participation in that program has become mandatory for all
33 applicants and that their applications cannot be approved unless they
34 enroll therein. The commissioner of taxation and finance shall provide
35 a form for assessors to use, at their option, when making this notifica-
36 tion.

37 § 12. This act shall take effect immediately.

38 PART C

39 Section 1. Subdivision 1-e of section 333 of the real property law is
40 amended by adding two new paragraphs ix and x to read as follows:

41 ix. Whenever there has been a transfer or acquisition of a share or
42 shares in a cooperative housing corporation, and such share or shares
43 come with a right to occupy a unit or apartment located in property
44 owned by such corporation, a transfer report must be filed by the trans-
45 feree or transferees directly with the department of taxation and
46 finance, regardless of whether a deed is prepared, delivered or
47 recorded, as set forth in this paragraph. The fee imposed by subdivision
48 three of this section shall not apply to transfer reports filed directly
49 with the department of taxation and finance pursuant to this paragraph.
50 Such report shall be in a form prescribed by the commissioner of tax-
51 ation and finance, must contain the information required to be included
52 by this subdivision, and in addition, must specify the number of shares
53 being transferred or acquired. When a real estate transfer tax return is
54 filed with such commissioner pursuant to section fourteen hundred nine

1 of the tax law in relation to such property, the report required by this
2 paragraph shall be filed concurrently therewith, but in no event shall
3 the report required by this paragraph be deemed to be a part of such
4 real estate transfer tax return.

5 x. Whenever there has been a transfer or acquisition of a controlling
6 interest in an entity with an interest in real property, a transfer
7 report must be filed by the transferee or transferees directly with the
8 department of taxation and finance, regardless of whether a deed is
9 prepared, delivered or recorded, as set forth in this paragraph. The fee
10 imposed by subdivision three of this section shall not apply to transfer
11 reports filed directly with the department of taxation and finance
12 pursuant to this paragraph. Such report shall be in a form prescribed by
13 the commissioner of taxation and finance, must contain the information
14 required to be included by this subdivision, and in addition, must spec-
15 ify the percentage of the ownership interest being transferred or
16 acquired. The transfer report shall indicate the percentage of the tran-
17 saction that is exempt from the real estate transfer tax as a mere
18 change in identity or form of ownership or organization where there is
19 no change in beneficial ownership pursuant to paragraph six of subdivi-
20 sion (b) of section fourteen hundred five of the tax law, if any. When
21 a real estate transfer tax return is filed with such commissioner pursu-
22 ant to section fourteen hundred nine of the tax law in relation to such
23 property, the report required by this paragraph shall be filed concur-
24 rently therewith, but in no event shall the report required by this
25 paragraph be deemed to be a part of such real estate transfer tax
26 return. For purposes of this paragraph, the terms "controlling interest"
27 and "interest in real property" shall have the same meaning as set forth
28 in section fourteen hundred one of the tax law, provided, however, that
29 the term "interest in real property" shall be limited to interests in
30 real property subject to real property tax assessment such as lands,
31 buildings, structures, and other improvements, and shall not include
32 development rights, air space, or air rights.

33 § 2. This act shall take effect January 1, 2019 and shall apply to
34 transfers and acquisitions occurring on and after such date.

35 PART D

36 Section 1. Subdivision v of section 233 of the real property law, as
37 amended by chapter 566 of the laws of 1996, is amended to read as
38 follows:

39 v. 1. On and after April first, nineteen hundred eighty-nine, the
40 commissioner of housing and community renewal shall have the power and
41 duty to enforce and ensure compliance with the provisions of this
42 section. However, the commissioner shall not have the power or duty to
43 enforce manufactured home park rules and regulations established under
44 subdivision f of this section.

45 2. On or before January first, nineteen hundred eighty-nine, each
46 manufactured home park owner or operator shall file a registration
47 statement with the commissioner and shall thereafter file an annual
48 registration statement on or before January first of each succeeding
49 year, up to and including two thousand eighteen. Thereafter, each manu-
50 factured home park owner or operator shall file quarterly registration
51 statements with the commissioner no later than twenty-one days after the
52 end of each calendar quarter. The commissioner, by regulation, shall
53 provide that such registration statement shall include [~~only~~] the names
54 of all persons owning an interest in the park, the names of all tenants

1 of the park, all services provided by the park owner to the tenants, and
2 such other information as the commissioner shall prescribe by regulation
3 after consultation with the commissioner of taxation and finance;
4 provided that in the case of a registration statement for the first
5 calendar quarter of a year, such statement shall also include a copy of
6 all current manufactured home park rules and regulations. The commis-
7 sioner shall provide the commissioner of taxation and finance with a
8 complete copy of each quarterly report no later than fifteen days after
9 the receipt thereof.

10 3. Whenever there shall be a violation of this section, an application
11 may be made by the commissioner of housing and community renewal in the
12 name of the people of the state of New York to a court or justice having
13 jurisdiction by a special proceeding to issue an injunction, and upon
14 notice to the defendant of not less than five days, to enjoin and
15 restrain the continuance of such violation; and if it shall appear to
16 the satisfaction of the court or justice that the defendant has, in
17 fact, violated this section, an injunction may be issued by such court
18 or justice, enjoining and restraining any further violation and with
19 respect to this subdivision, directing the filing of a registration
20 statement. In any such proceeding, the court may make allowances to the
21 commissioner of housing and community renewal of a sum not exceeding two
22 thousand dollars against each defendant, and direct restitution. When-
23 ever the court shall determine that a violation of this section has
24 occurred, the court may impose a civil penalty of not more than one
25 thousand five hundred dollars for each violation. Such penalty shall be
26 deposited in the manufactured home cooperative fund, created pursuant to
27 section fifty-nine-h of the private housing finance law. In connection
28 with any such proposed application, the commissioner of housing and
29 community renewal is authorized to take proof and make a determination
30 of the relevant facts and to issue subpoenas in accordance with the
31 civil practice law and rules. The provisions of this subdivision shall
32 not impair the rights granted under subdivision u of this section.

33 § 2. This act shall take effect immediately.

34 PART E

35 Section 1. Subsection (bbb) of section 606 of the tax law is REPEALED.

36 § 1-a. Section 3-d of the general municipal law is REPEALED.

37 § 1-b. Section 2023-b of the education law is REPEALED.

38 § 2. The general municipal law is amended by adding a new section 3-d
39 to read as follows:

40 § 3-d. Certification of compliance with tax levy limit. 1. Upon the
41 adoption of the budget of a local government unit, the chief executive
42 officer or budget officer of such local government unit shall certify to
43 the state comptroller and the commissioner of taxation and finance that
44 the budget so adopted does not exceed the tax levy limit prescribed in
45 section three-c of this article and, if the governing body of the local
46 government unit did enact a local law or approve a resolution to over-
47 ride the tax levy limit, that such local law or resolution was subse-
48 quently repealed. Such certification shall be made in a form and manner
49 prescribed by the state comptroller in consultation with the commis-
50 ioner of taxation and finance.

51 2. Notwithstanding any other law to the contrary, if such a certif-
52 ication has been made and the actual tax levy of the local government
53 unit exceeds the applicable tax levy limit, the excess amount shall be
54 placed in reserve and used in the manner prescribed by subdivision six

1 of section three-c of this article, even if a tax levy in excess of the
2 tax levy limit had been authorized for the applicable fiscal year by a
3 duly adopted local law or resolution.

4 3. Notwithstanding any provision of law to the contrary, every local
5 government unit shall report both its proposed budget and its adopted
6 budget to the office of the state comptroller at the time and in the
7 manner as he or she may prescribe, whether or not such budget has been
8 or will be certified as provided by this subdivision.

9 § 3. The education law is amended by adding a new section 2023-b to
10 read as follows:

11 § 2023-b. Certification of compliance with tax levy limit. 1. Upon
12 the adoption of the budget of an eligible school district, the chief
13 executive officer of such school district shall certify to the state
14 comptroller, the commissioner of taxation and finance and the commis-
15 sioner that the budget so adopted does not exceed the tax levy limit
16 prescribed by section two thousand twenty-three-a of this part. Such
17 certification shall be made in a form and manner prescribed by the state
18 comptroller in consultation with the commissioner of taxation and
19 finance and the commissioner.

20 2. If such a certification has been made and the actual tax levy of
21 the school district exceeds the applicable tax levy limit, the excess
22 amount shall be placed in reserve and used in the manner prescribed by
23 subdivision five of section two thousand twenty-three-a of this part,
24 even if a tax levy in excess of the tax levy limit had been duly author-
25 ized for the applicable fiscal year by the school district voters.

26 3. Notwithstanding any provision of law to the contrary, every school
27 district that is subject to the provisions of section two thousand twen-
28 ty-three-a of this part shall report both its proposed budget and its
29 adopted budget to the office of the state comptroller and the commis-
30 sioner at the time and in the manner as they may prescribe, whether or
31 not such budget has been or will be certified as provided by this subdivi-
32 vision.

33 § 4. Subdivision 3 of section 97-rrr of the state finance law, as
34 amended by section 1 of part F of chapter 59 of the laws of 2015, is
35 amended to read as follows:

36 3. The monies in such fund shall be appropriated for school property
37 tax exemptions granted pursuant to the real property tax law and payable
38 pursuant to section thirty-six hundred nine-e of the education law~~, and~~
39 ~~for payments to the city of New York pursuant to section fifty-four-f of~~
40 ~~this chapter~~].

41 § 5. Section 925-b of the real property tax law, as amended by chapter
42 161 of the laws of 2006, is amended to read as follows:

43 § 925-b. Extension; certain persons sixty-five years of age or over.
44 Notwithstanding any contrary provision of this chapter, or any general,
45 special or local law, code or charter, the governing body of a municipal
46 corporation other than a county may, by resolution adopted prior to the
47 levy of any taxes on real property located within such municipal corpo-
48 ration, authorize an extension of no more than five business days for
49 the payment of taxes without interest or penalty to any resident of such
50 municipal corporation who has received an exemption pursuant to subdivi-
51 sion four of section four hundred twenty-five or four hundred sixty-sev-
52 en of this chapter, or a credit pursuant to subsection (eee) of section
53 six hundred six of the tax law, related to a principal residence located
54 within such municipal corporation. If such an extension is granted, and
55 any taxes are not paid by the final date so provided, those taxes shall

1 be subject to the same interest and penalties that would have applied if
2 no extension had been granted.

3 § 6. Paragraph (d) of subdivision 1 of section 928-a of the real prop-
4 erty tax law is relettered paragraph (f) and two new paragraphs (d) and
5 (e) are added to read as follows:

6 (d) If the taxes of a city, town, village or school district are
7 collected by a county official, the county shall have the sole authority
8 to establish a partial payment program pursuant to this section with
9 respect to the taxes so collected.

10 (e) If the taxes of a city, town, village or school district are not
11 collected by a county official, but its tax bills are prepared by the
12 county, or its tax collection accounting software is provided by the
13 county, then before the city, town, village or school district may
14 implement a partial payment program pursuant to this section, it must
15 obtain written approval of the chief executive officer of the county or
16 the county director of real property tax services.

17 § 7. Subparagraph (B) of paragraph 7 of subsection (eee) of section
18 606 of the tax law, as amended by section 1 of part G of chapter 59 of
19 the laws of 2017, is amended to read as follows:

20 (B) Notwithstanding any provision of law to the contrary, the names
21 and addresses of individuals who have applied for or are receiving the
22 credit authorized by this subsection may be disclosed to assessors
23 [and], county directors of real property tax services, and municipal tax
24 collecting officers. In addition, where an agreement is in place between
25 the commissioner and the head of the tax department of another state,
26 such information may be disclosed to such official or his or her desig-
27 nees. Such information shall be considered confidential and shall not be
28 subject to further disclosure pursuant to the freedom of information law
29 or otherwise.

30 § 7-a. Paragraph (g) of subdivision 2 of section 425 of the real prop-
31 erty tax law, as added by section 1 of part B of chapter 389 of the laws
32 of 1997 and as further amended by subdivision (b) of section 1 of part W
33 of chapter 56 of the laws of 2010, is amended to read as follows:

34 (g) Computation and certification by commissioner. It shall be the
35 responsibility of the commissioner to compute the exempt amount for each
36 assessing unit in each county in the manner provided herein, and to
37 certify the same to the assessor of each assessing unit and to the coun-
38 ty director of real property tax services of each county. Such certif-
39 ication shall be made at least twenty days before the last date
40 prescribed by law for the filing of the tentative assessment roll.
41 Provided, however, that where school taxes are levied on a prior year
42 assessment roll, or on a final assessment roll that was filed more than
43 one year after the tentative roll was filed, such certification shall be
44 made no later than fifteen days after the publication of the data needed
45 to compute the base figure for the enhanced STAR exemption pursuant to
46 clause (A) of subparagraph (vi) of paragraph (b) of this subdivision,
47 and provided further, that upon receipt of such certification, the
48 assessor shall thereupon be authorized and directed to correct the
49 assessment roll to reflect the exempt amount so certified, or, if anoth-
50 er person has custody or control of the assessment roll, to direct that
51 person to make the appropriate corrections.

52 § 8. Paragraph 6 of subsection (eee) of section 606 of the tax law is
53 amended by adding a new subparagraph (A) to read as follows:

54 (A) A married couple may not receive a credit pursuant to this
55 subsection on more than one residence during any given taxable year,
56 unless living apart due to legal separation. Nor may a married couple

1 receive a credit pursuant to this subsection on one residence while
2 receiving an exemption pursuant to section four hundred twenty-five of
3 the real property tax law on another residence, unless living apart due
4 to legal separation.

5 § 9. This act shall take effect immediately; provided, however, that
6 section 3-d of the general municipal law, as added by section two of
7 this act, shall expire and be deemed repealed on the same date and in
8 the same manner as section 1 of part A of chapter 97 of the laws of
9 2011, expires and is deemed repealed, and provided that section 2023-b
10 of the education law, as added by section three of this act, shall
11 expire and be deemed repealed on the same date and in the same manner as
12 section 2 of part A of chapter 97 of the laws of 2011, expires and is
13 deemed repealed, and provided further that the amendments to paragraph 6
14 of subsection (eee) of section 606 of the tax law made by section eight
15 of this act shall take effect immediately and shall apply to taxable
16 years beginning on or after January 1, 2016.

REPEAL NOTE: Section 606(bbb) of the Tax Law, section 3-d of the
General Municipal Law and section 2023-b of the Education Law collec-
tively constituted the enabling legislation for the tax freeze credit
program. By the terms of those statutes, the tax freeze credit was only
applicable to taxable years 2014, 2015 and 2016. Therefore, these
provisions no longer serve a purpose, except for the reporting
provisions, which facilitate the administration of the tax levy limit
program and are being preserved in a reenacted section 3-d of the Gener-
al Municipal Law and section 2023-b of the Education Law.

17 PART F

18 Section 1. Subdivision 1 of section 544 of the real property tax law,
19 as amended by chapter 18 of the laws of 2008, is amended and a new
20 subdivision 3 is added to read as follows:

21 1. The comptroller shall pay taxes levied on lands of the state in
22 each county pursuant to the foregoing sections of this title, out of
23 moneys appropriated by the legislature therefor, to the county treasurer
24 for appropriate distribution upon submission of a statement of such
25 taxes by him or her in such form and executed in such manner by the
26 county treasurer as may be required by the comptroller. Provided, howev-
27 er, that in the case of lands which are taxable pursuant to subdivision
28 (j) of section five hundred thirty-two of this title, the comptroller
29 shall pay such taxes. Such payment shall be requested, processed and
30 paid separately from all other taxes that are payable to the county
31 treasurer pursuant to this section. Provided further, that on and after
32 April first, two thousand eighteen, once taxes have been paid on a taxa-
33 ble parcel of state land pursuant to this subdivision, the amount of
34 taxes due and payable on that parcel thereafter shall be calculated by
35 the comptroller in accordance with the provisions of subdivision three
36 of this section.

37 3. Notwithstanding any provision of law to the contrary, on and after
38 April first, two thousand eighteen, once taxes have been paid on a taxa-
39 ble parcel of state land pursuant to subdivision one of this section,
40 the comptroller shall thereafter calculate the taxes due and payable on
41 that parcel as follows:

42 (a) In the case of a local government, the taxes so payable shall
43 equal the taxes that were payable on that parcel in the prior fiscal
44 year of the local government multiplied by the allowable levy growth
45 factor. As used in this paragraph, the terms "local government," "prior

1 fiscal year" and "allowable levy growth factor" shall have the same
2 meanings as set forth in section three-c of the general municipal law,
3 provided that if such section is no longer in effect on the date such
4 taxes are paid, such terms shall be deemed to have the meanings set
5 forth in such section as it read on the last date on which it was in
6 effect.

7 (b) In the case of a school district, the taxes so payable shall equal
8 the taxes that were payable on that parcel in the prior school year of
9 the school district multiplied by the allowable levy growth factor. As
10 used in this paragraph, the terms "school district," "prior school year"
11 and "allowable levy growth factor" shall have the same meanings as set
12 forth in section two thousand twenty-three-a of the education law,
13 provided that if such section is no longer in effect on the date such
14 taxes are paid, such terms shall be deemed to have the meanings set
15 forth in such section as it read on the last date on which it was in
16 effect.

17 (c) On or before July first of each year, the comptroller shall calcu-
18 late the amounts of taxes that are due and payable on taxable state land
19 pursuant to this subdivision, and shall notify the commissioner of the
20 amounts so calculated. The commissioner shall thereupon transmit that
21 information to the affected local governments and school districts. The
22 taxes due on such lands shall be paid by the comptroller in the manner
23 provided by subdivision one of this section.

24 (d) The following provisions shall apply to state lands that are
25 subject to the provisions of this subdivision:

26 (i) Such lands shall not be included on the lists of taxable state
27 lands that must be supplied by the commissioner pursuant to section five
28 hundred forty of this title.

29 (ii) The assessments of such lands shall not be reported to the
30 commissioner pursuant to section five hundred forty-two of this title.

31 (iii) The assessments of such lands shall not be subject to the
32 approval of the commissioner pursuant to such section, and shall not be
33 taken into account in the calculation of the taxes due on such lands.

34 (iv) Such lands shall be entered on the exempt portion of the assess-
35 ment roll, notwithstanding the fact that they are taxable pursuant to
36 this title. Provided, that no such entry shall be made in the case of an
37 assessment adjustment made by the commissioner pursuant to paragraph (c)
38 of subdivision three of section five hundred forty-two of this title or
39 section 15-2115 of the environmental conservation law, or in the case of
40 state aid payable pursuant to section five hundred forty-five of this
41 title due to a reduction in the assessment of taxable state land.

42 (v) Such lands shall be disregarded when calculating state equaliza-
43 tion rates and tax rates.

44 (vi) When a school district receives payments of taxes on state lands
45 pursuant to this subdivision, any actual valuation computed for such
46 school district pursuant to paragraph c of subdivision one of section
47 thirty-six hundred two of the education law shall include the actual
48 valuation equivalent of those payments. The commissioner shall determine
49 such actual valuation equivalent by dividing the payment made, as
50 reported to such commissioner by the comptroller, by the school tax rate
51 that was applied to real property on that year's assessment roll or, if
52 applicable, the special apportionment rate determined pursuant to
53 section twelve hundred twenty-seven of this chapter and dividing such
54 result by the final state equalization rate for that roll. The actual
55 valuation equivalent shall be reported to the state comptroller and the
56 commissioner of education, and shall be used by the commissioner of

1 education in the determination of any state average that uses real prop-
2 erty taxes levied against and/or actual valuation based upon the corre-
3 sponding assessment roll. Each school district receiving payments of
4 taxes on state lands pursuant to this subdivision shall annually report
5 those payments to the commissioner of education, with a copy to the
6 commissioner, as a condition to receiving any aid pursuant to section
7 thirty-six hundred two of the education law.

8 (e) The provisions of this subdivision shall not apply to the payment
9 of state aid pursuant to section five hundred forty-five of this title
10 in relation to property that has become exempt from taxation due to its
11 acquisition by the state or an agency of the state.

12 § 2. This act shall take effect immediately.

13 PART G

14 Section 1. Section 4 of chapter 475 of the laws of 2013, amending the
15 real property tax law relating to assessment ceilings for local public
16 utility mass real property, is amended to read as follows:

17 § 4. This act shall take effect on the first of January of the second
18 calendar year commencing after this act shall have become a law and
19 shall apply to assessment rolls with taxable status dates on or after
20 such date; provided, however, that this act shall expire and be deemed
21 repealed [~~four~~ eight years after such effective date; and provided,
22 further, that no assessment of local public utility mass real property
23 appearing on the municipal assessment roll with a taxable status date
24 occurring in the first calendar year after this act shall have become a
25 law shall be less than ninety percent or more than one hundred ten
26 percent of the assessment of the same property on the date this act
27 shall have become a law.

28 § 2. Subdivision 3 of section 499-kkkk of the real property tax law,
29 as added by chapter 475 of the laws of 2013, is amended to read as
30 follows:

31 3. (a) For assessment rolls with taxable status dates in each of the
32 three calendar years including and following the year in which this
33 section shall take effect, the commissioner shall establish no assess-
34 ment ceiling that is less than ninety percent or more than one hundred
35 ten percent of the assessment of such local public utility mass real
36 property appearing on the municipal assessment roll with a taxable
37 status date occurring in the second preceding calendar year from when
38 this section shall take effect, except that the commissioner may estab-
39 lish assessment ceilings below the ninety percent level or above the one
40 hundred ten percent level to take into account any change in level of
41 assessment and/or to take into account any additions or retirements to
42 public utility mass real property or litigation affecting the value or
43 taxable status of the local public utility mass real property initiated
44 prior to the effective date of this section.

45 (b) For assessment rolls with taxable status dates in the years two
46 thousand eighteen, two thousand nineteen and two thousand twenty, the
47 commissioner shall establish no assessment ceiling that is below the
48 lower limit or above the upper limit specified in this paragraph, except
49 that the commissioner may establish assessment ceilings below such lower
50 limit or above such upper limit to take into account any change in level
51 of assessment and/or to take into account any additions or retirements
52 to public utility mass real property or litigation affecting the value
53 or taxable status of the local public utility mass real property initi-
54 ated prior to the effective date of this section.

1 (i) For assessment rolls with taxable status dates in two thousand
2 eighteen, the assessment ceiling shall not be less than seventy-five
3 percent or more than one hundred twenty-five percent of the assessment
4 of such local public utility mass real property appearing on the municipi-
5 pal assessment roll with a taxable status date occurring in the year two
6 thousand fourteen.

7 (ii) For assessment rolls with taxable status dates in two thousand
8 nineteen, the assessment ceiling shall not be less than fifty percent or
9 more than one hundred fifty percent of the assessment of such local
10 public utility mass real property appearing on the municipal assessment
11 roll with a taxable status date occurring in the year two thousand four-
12 teen.

13 (iii) For assessment rolls with taxable status dates in two thousand
14 twenty, the assessment ceiling shall not be less than twenty-five
15 percent or more than one hundred seventy-five percent of the assessment
16 of such local public utility mass real property appearing on the municipi-
17 pal assessment roll with a taxable status date occurring in the year two
18 thousand fourteen.

19 § 3. This act shall take effect immediately, provided, however, that
20 the amendments to subdivision three of section 499-kkkk of the real
21 property tax law made by section two of this act shall not affect the
22 repeal of such section and shall be deemed to be repealed therewith.

23 PART H

24 Section 1. Subsection (c) of section 683 of the tax law is amended by
25 adding a new paragraph 12 to read as follows:

26 (12) Except as otherwise provided in paragraph three of this
27 subsection, or as otherwise provided in this section where a longer
28 period of time may apply, if a taxpayer files an amended return, an
29 assessment of tax (if not deemed to have been made upon the filing of
30 the amended return), including recovery of a previously paid refund,
31 attributable to a change or correction on the amended return from a
32 prior return may be made at any time within three years after such
33 amended return is filed.

34 § 2. Subsection (c) of section 1083 of the tax law is amended by
35 adding a new paragraph 12 to read as follows:

36 (12) Except as otherwise provided in paragraph three of this
37 subsection, or as otherwise provided in this section where a longer
38 period of time may apply, if a taxpayer files an amended return, an
39 assessment of tax (if not deemed to have been made upon the filing of
40 the amended return), including recovery of a previously paid refund,
41 attributable to a change or correction on the amended return from a
42 prior return may be made at any time within three years after such
43 amended return is filed.

44 § 3. Subdivision (c) of section 11-1783 of the administrative code of
45 the city of New York is amended by adding a new paragraph 9 to read as
46 follows:

47 (9) Except as otherwise provided in paragraph three of this subdivi-
48 sion, or as otherwise provided in this section where a longer period of
49 time may apply, if a taxpayer files an amended return, an assessment of
50 tax (if not deemed to have been made upon the filing of the amended
51 return), including recovery of a previously paid refund, attributable to
52 a change or correction on the amended return from a prior return may be
53 made at any time within three years after such amended return is filed.

1 § 4. This act shall take effect immediately and shall apply to amended
2 returns filed on or after the effective date of this act.

3 PART I

4 Section 1. Paragraph 1 of subdivision (d) of section 658 of the tax
5 law, as amended by chapter 166 of the laws of 1991, is amended to read
6 as follows:

7 (1) The commissioner of taxation and finance may prescribe regulations
8 and instructions requiring returns of information to be made and filed
9 on or before February twenty-eighth of each year as to the payment or
10 crediting in any calendar year of amounts of six hundred dollars or more
11 to any taxpayer under this article. Such returns may be required of any
12 person, including lessees or mortgagors of real or personal property,
13 fiduciaries, employers, and all officers and employees of this state, or
14 of any municipal corporation or political subdivision of this state,
15 having the control, receipt, custody, disposal or payment of interest,
16 rents, salaries, wages, premiums, annuities, compensations, remunera-
17 tions, emoluments or other fixed or determinable gains, profits or
18 income, except interest coupons payable to bearer. Information required
19 to be furnished pursuant to paragraph four of subsection (a) of section
20 six hundred seventy-four on a quarterly combined withholding and wage
21 reporting return covering ~~the last~~ each calendar quarter of each year
22 and relating to tax withheld on wages paid by an employer to an employee
23 for ~~the full~~ each calendar ~~year~~ quarter, shall constitute the return
24 of information required to be made under this section with respect to
25 such wages.

26 § 2. Subparagraph (A) of paragraph 4 of subsection (a) of section 674
27 of the tax law, as amended by section 1 of subpart E of part VI of chap-
28 ter 57 of the laws of 2009, is amended to read as follows:

29 (A) All employers described in paragraph one of subsection (a) of
30 section six hundred seventy-one of this part, including those whose
31 wages paid are not sufficient to require the withholding of tax from the
32 wages of any of their employees, all employers required to provide the
33 wage reporting information for the employees described in subdivision
34 one of section one hundred seventy-one-a of this chapter, and all
35 employers liable for unemployment insurance contributions or for
36 payments in lieu of such contributions pursuant to article eighteen of
37 the labor law, shall file a quarterly combined withholding, wage report-
38 ing and unemployment insurance return detailing the preceding calendar
39 quarter's withholding tax transactions, such quarter's wage reporting
40 information, such quarter's withholding reconciliation information, such
41 quarter's unemployment insurance contributions, and such other related
42 information as the commissioner of taxation and finance or the commis-
43 sioner of labor, as applicable, may prescribe. ~~[In addition, the return~~
44 ~~covering the last calendar quarter of each year shall also include with-~~
45 ~~holding reconciliation information for such calendar year.]~~ Such returns
46 shall be filed no later than the last day of the month following the
47 last day of each calendar quarter.

48 § 3. Paragraph 3 of subsection (v) of section 685 of the tax law, as
49 amended by chapter 477 of the laws of 1998, is amended to read as
50 follows:

51 (3) Failure to provide complete and correct employee withholding
52 reconciliation information. In the case of a failure by an employer to
53 provide complete and correct ~~annual~~ quarterly withholding information
54 relating to individual employees on a quarterly combined withholding,

1 wage reporting and unemployment insurance return covering [~~the last~~
2 each calendar quarter of a year, such employer shall, unless it is shown
3 that such failure is due to reasonable cause and not due to willful
4 neglect, pay a penalty equal to the product of fifty dollars multiplied
5 by the number of employees for whom such information is incomplete or
6 incorrect; provided, however, that if the number of such employees
7 cannot be determined from the quarterly combined withholding, wage
8 reporting and unemployment insurance return, the commissioner may
9 utilize any information in the commissioner's possession in making such
10 determination. The total amount of the penalty imposed pursuant to this
11 paragraph on an employer for any such failure for [~~the last~~] each calen-
12 dar quarter of a year shall not exceed ten thousand dollars.

13 § 4. This act shall take effect immediately and shall apply to calen-
14 dar quarters beginning on or after January 1, 2019.

15

PART J

16 Section 1. Paragraph (i) of subdivision (d) of section 1105 of the tax
17 law, as amended by chapter 405 of the laws of 1971 and subparagraph 3 as
18 amended by section 1 of part DD of chapter 407 of the laws of 1999, is
19 amended to read as follows:

20 (i) The receipts from every sale, other than sales for resale, of
21 beer, wine or other alcoholic beverages or any other drink of any
22 nature, or from every sale, other than sales for resale, of food and
23 drink of any nature or of food alone, when sold in or by restaurants,
24 taverns or other establishments in this state, or by caterers, including
25 in the amount of such receipts any cover, minimum, entertainment or
26 other charge made to patrons or customers (except those receipts taxed
27 pursuant to subdivision (f) of this section):

28 (1) in all instances where the sale is for consumption on the premises
29 where sold;

30 (2) in those instances where the vendor or any person whose services
31 are arranged for by the vendor, after the delivery of the food or drink
32 by or on behalf of the vendor for consumption off the premises of the
33 vendor, serves or assists in serving, cooks, heats or provides other
34 services with respect to the food or drink; and

35 (3) in those instances where the sale is made through a vending
36 machine that is activated by use of coin, currency, credit card or debit
37 card (except the sale of drinks in a heated state made through such a
38 vending machine) or is for consumption off the premises of the vendor,
39 except where food (other than sandwiches) or drink or both are (A) sold
40 in an unheated state and, (B) are of a type commonly sold for consump-
41 tion off the premises and in the same form and condition, quantities and
42 packaging, in establishments which are food stores other than those
43 principally engaged in selling foods prepared and ready to be eaten.

44 § 2. This act shall take effect June 1, 2018 and shall apply to sales
45 made on and after such date.

46

PART K

47 Section 1. The tax law is amended by adding a new section 171-z to
48 read as follows:

49 § 171-z. Information sharing with the comptroller regarding unclaimed
50 funds. 1. Notwithstanding any other law, the commissioner is authorized
51 to release to the comptroller information regarding fixed and final
52 unwarranted debts of taxpayers for purposes of collecting unclaimed

1 funds from the comptroller to satisfy fixed and final unwarranted debts
2 owed by taxpayers. For purposes of this section, the term "unwarranted
3 debt" shall mean past-due tax liabilities, including unpaid tax, inter-
4 est and penalty, that the commissioner is required by law to collect and
5 that have become fixed and final such that the taxpayer no longer has
6 any right to administrative or judicial review and a warrant has not
7 been filed; and the term "taxpayer" shall mean any individual, corpo-
8 ration, partnership, limited liability partnership or company, partner,
9 member, manager, sole proprietorship, estate, trust, fiduciary or enti-
10 ty, who or which has been identified as owing taxes to the state. This
11 section shall not be deemed to abrogate or limit in any way the powers
12 and authority of the comptroller to set off debts owed the state from
13 unclaimed funds, under the constitution of the state or any other law.

14 2. The comptroller shall keep all information he or she obtains from
15 the commissioner confidential, and any employee, agent or representative
16 of the comptroller is prohibited from disclosing any taxpayer informa-
17 tion received under this section to anyone other than the commissioner
18 or staff of the department or staff of the department of audit and
19 control for the purposes described in this section.

20 § 2. This act shall take effect immediately.

21

PART L

22 Section 1. Subdivision 2 of section 136 of the social services law, as
23 amended by section 24 of part B of chapter 436 of the laws of 1997, is
24 amended to read as follows:

25 2. All communications and information relating to a person receiving
26 public assistance or care obtained by any social services official,
27 service officer, or employee in the course of his or her work shall be
28 considered confidential and, except as otherwise provided in this
29 section, shall be disclosed only to the commissioner, or his or her
30 authorized representative, the commissioner of labor, or his or her
31 authorized representative, the commissioner of health, or his or her
32 authorized representative, the commissioner of taxation and finance, or
33 his or her authorized representative (other than the disclosure of
34 information that has been prohibited by federal law), the welfare
35 inspector general, or his or her authorized representative, the county
36 board of supervisors, city council, town board or other board or body
37 authorized and required to appropriate funds for public assistance and
38 care in and for such county, city or town or its authorized represen-
39 tative or, by authority of the county, city or town social services
40 official, to a person or agency considered entitled to such information.
41 Nothing herein shall preclude a social services official from report-
42 ing to an appropriate agency or official, including law enforcement
43 agencies or officials, known or suspected instances of physical or
44 mental injury, sexual abuse or exploitation, sexual contact with a minor
45 or negligent treatment or maltreatment of a child of which the official
46 becomes aware in the administration of public assistance and care nor
47 shall it preclude communication with the federal immigration and natur-
48 alization service regarding the immigration status of any individual.

49 § 2. This act shall take effect immediately.

50

PART M

51 Section 1. The tax law is amended by adding a new section 44 to read
52 as follows:

1 § 44. Investment management services. (a) For purposes of this
2 section, the term "investment management services" to a partnership, S
3 corporation or entity includes (1) rendering investment advice regarding
4 the purchase or sale of securities as defined in paragraph two of
5 subsection (c) of section four hundred seventy-five of the internal
6 revenue code without regard to the last sentence thereof, real estate
7 held for rental or investment, interests in partnerships, commodities as
8 defined in paragraph two of subsection (e) of section four hundred
9 seventy-five of the internal revenue code, or options or derivative
10 contracts with respect to any of the foregoing; (2) managing, acquiring,
11 or disposing of any such asset; (3) arranging financing with respect to
12 the acquisition of any such asset; and (4) related activities in support
13 of any service described in paragraphs one, two, or three of this subdi-
14 vision.

15 (b) Special rule for partnerships and S corporations. Notwithstanding
16 any state or federal law to the contrary:

17 (1) where a partner performs investment management services for the
18 partnership, the partner will not be treated as a partner for purposes
19 of this chapter with respect to the amount of the partner's distributive
20 share of income, gain, loss and deduction, including any guaranteed
21 payments, that is in excess of the amount such distributive share would
22 have been if the partner had performed no investment management services
23 for the partnership. Instead, such excess amount shall be treated for
24 purposes of article nine-A of this chapter as a business receipt for
25 services and for purposes of article twenty-two of this chapter as
26 income attributable to a trade, business, profession or occupation.
27 Provided, however, the amount of the distributive share that would have
28 been determined if the partner performed no investment management
29 services shall not be less than zero.

30 (2) where a shareholder performs investment management services for
31 the S corporation, the shareholder will not be treated as a shareholder
32 for purposes of this chapter with respect to the amount of the share-
33 holder's pro rata share of income, gain, loss and deduction that is in
34 excess of the amount such pro rata share would have been if the share-
35 holder had performed no investment management services. Instead, such
36 excess amount shall be treated for purposes of article twenty-two of
37 this chapter as income attributable to a trade, business, profession or
38 occupation. Provided, however, the amount of the pro rata share that
39 would have been determined if the shareholder performed no services
40 shall not be less than zero.

41 (3) A partner or shareholder will not be deemed to be providing
42 investment management services under this section if at least eighty
43 percent of the average fair market value of the assets of the partner-
44 ship or S corporation during the taxable year consist of real estate
45 held for rental or investment.

46 (c) In addition to any other taxes or surcharges imposed pursuant to
47 article nine-A or twenty-two of this chapter, any corporation, partner
48 or shareholder providing investment management services shall be subject
49 to an additional tax, referred to as the "carried interest fairness
50 fee". Such carried interest fairness fee shall be equal to seventeen
51 percent of the excess amount determined pursuant to subdivision (b) of
52 this section; provided, however, (i) in the case of a corporation or
53 shareholder of an S corporation providing such investment management
54 services, such fee shall be equal to seventeen percent of the excess
55 amount apportioned to the state by applying the corporation's or S
56 corporation's apportionment factor determined under section two hundred

1 ten-A of this chapter; (ii) in the case of a nonresident partner provid-
2 ing such investment management services, such fee shall be equal to
3 seventeen percent of the excess amount derived from New York sources as
4 determined under section six hundred thirty-two of this chapter. Such
5 carried interest fairness fee shall be administered in accordance with
6 article nine-A or twenty-two of this chapter, as applicable, until such
7 time as the commissioner of taxation and finance has notified the legis-
8 lative bill drafting commission that federal legislation has been
9 enacted that treats the provision of investment management services for
10 federal tax purposes substantially the same as provided in this section.

11 § 2. Paragraph (a) of subdivision 6 of section 208 of the tax law, as
12 amended by section 5 of part T of chapter 59 of the laws of 2015, is
13 amended to read as follows:

14 (a) (i) The term "investment income" means income, including capital
15 gains in excess of capital losses, from investment capital, to the
16 extent included in computing entire net income, less, (A) in the
17 discretion of the commissioner, any interest deductions allowable in
18 computing entire net income which are directly or indirectly attribut-
19 able to investment capital or investment income, and (B) any net capital
20 gain included in federal taxable income that must be recharacterized as
21 a business receipt pursuant to section forty-four of this chapter;
22 provided, however, that in no case shall investment income exceed entire
23 net income. (ii) If the amount of interest deductions subtracted under
24 subparagraph (i) of this paragraph exceeds investment income, the excess
25 of such amount over investment income must be added back to entire net
26 income. (iii) If the taxpayer's investment income determined without
27 regard to the interest deductions subtracted under subparagraph (i) of
28 this paragraph comprises more than eight percent of the taxpayer's
29 entire net income, investment income determined without regard to such
30 interest deductions cannot exceed eight percent of the taxpayer's entire
31 net income.

32 § 3. Subsection (b) of section 617 of the tax law, as amended by chap-
33 ter 606 of the laws of 1984, is amended to read as follows:

34 (b) Character of items. [~~Each~~] Except as provided in section forty-
35 four of this chapter, each item of partnership and S corporation income,
36 gain, loss, or deduction shall have the same character for a partner or
37 shareholder under this article as for federal income tax purposes. Where
38 an item is not characterized for federal income tax purposes, it shall
39 have the same character for a partner or shareholder as if realized
40 directly from the source from which realized by the partnership or S
41 corporation or incurred in the same manner as incurred by the partner-
42 ship or S corporation.

43 § 4. Subsection (d) of section 631 of the tax law, as amended by chap-
44 ter 28 of the laws of 1987, is amended to read as follows:

45 (d) Purchase and sale for own account.-- A nonresident, other than a
46 dealer holding property primarily for sale to customers in the ordinary
47 course of his or her trade or business or a partner or shareholder
48 performing investment management services as described in section
49 forty-four of this chapter, shall not be deemed to carry on a business,
50 trade, profession or occupation in this state solely by reason of the
51 purchase and sale of property or the purchase, sale or writing of stock
52 option contracts, or both, for his own account.

53 § 5. The opening paragraph of subsection (b) of section 632 of the tax
54 law, as amended by chapter 28 of the laws of 1987, is amended to read as
55 follows:

1 ~~[In]~~ Except as otherwise provided in section forty-four of this chap-
2 ter, in determining the sources of a nonresident partner's income, no
3 effect shall be given to a provision in the partnership agreement
4 which--

5 § 6. For taxable years beginning on or after January 1, 2018 and
6 before January 1, 2019, (i) no addition to tax under subsection (c) of
7 section 685 or subsection (c) of section 1085 of the tax law shall be
8 imposed with respect to any underpayment attributable to the amendments
9 made by this act of any estimated taxes that are required to be paid
10 prior to the effective date of this act, provided that the taxpayer
11 timely made those payments; and (ii) the required installment of esti-
12 mated tax described in clause (ii) of subparagraph (B) of paragraph 3 of
13 subsection (c) of section 685 of the tax law, and the exception to addi-
14 tion for underpayment of estimated tax described in paragraph 1 or 2 of
15 subsection (d) of section 1085 of the tax law, in relation to the
16 preceding year's return, shall be calculated as if the amendments made
17 by this act had been in effect for that entire preceding year.

18 § 7. This act shall take effect upon the enactment into law by the
19 states of Connecticut, New Jersey, Massachusetts and Pennsylvania of
20 legislation having substantially the same effect as this act and the
21 enactments by such states have taken effect in each state and shall
22 apply for taxable years beginning on or after such date; provided,
23 however, if the states of Connecticut, New Jersey, Massachusetts and
24 Pennsylvania have already enacted such legislation, this act shall take
25 effect immediately and shall apply for taxable years beginning on or
26 after January 1, 2018; provided further that the commissioner of taxa-
27 tion and finance shall notify the legislative bill drafting commission
28 upon the enactment of such legislation by the states of Connecticut, New
29 Jersey, Massachusetts and Pennsylvania in order that such commission may
30 maintain an accurate and timely effective data base of the official text
31 of the laws of the state of New York in furtherance of effectuating the
32 provisions of section 44 of the legislative law and section 70-b of the
33 public officers law.

34

PART N

35 Section 1. Section 2016 of the tax law, as amended by chapter 401 of
36 the laws of 1987, is amended to read as follows:

37 § 2016. Judicial review. A decision of the tax appeals tribunal, which
38 is not subject to any further administrative review, shall finally and
39 irrevocably decide all the issues which were raised in proceedings
40 before the division of tax appeals upon which such decision is based
41 unless, within four months after notice of such decision is served by
42 the tax appeals tribunal upon every party to the proceeding before such
43 tribunal by certified mail or personal service, the petitioner who
44 commenced the proceeding [~~petitions~~] or the commissioner, or both, peti-
45 tion for judicial review in the manner provided by article seventy-eight
46 of the civil practice law and rules, except as otherwise provided in
47 this [~~section~~] chapter. Such service by certified mail shall be
48 complete upon deposit of such notice, enclosed in a post-paid properly
49 addressed wrapper, in a post office or official depository under the
50 exclusive care and custody of the United States postal service. [~~The~~]
51 Where the petitioner who commenced the proceeding before the division of
52 tax appeals files a petition for judicial review, the petition shall
53 designate the tax appeals tribunal and the commissioner [~~of taxation and~~
54 ~~finance~~] as respondents in the proceeding for judicial review. Where

1 the commissioner files a petition for judicial review, the petition
2 shall designate the tax appeals tribunal and the petitioner who
3 commenced the proceeding before the division of tax appeals as respond-
4 ents in the proceeding for judicial review. The tax appeals tribunal
5 shall not participate in proceedings for judicial review of its deci-
6 sions and such proceedings for judicial review shall be commenced in the
7 appellate division of the supreme court, third department. In all other
8 respects the provisions and standards of article seventy-eight of the
9 civil practice law and rules shall apply. The record to be reviewed in
10 such proceedings for judicial review shall include the determination of
11 the administrative law judge, the decision of the tax appeals tribunal,
12 the stenographic transcript of the hearing before the administrative law
13 judge, the transcript of any oral proceedings before the tax appeals
14 tribunal and any exhibit or document submitted into evidence at any
15 proceeding in the division of tax appeals upon which such decision is
16 based.

17 § 2. This act shall take effect immediately and shall apply to deci-
18 sions and orders issued by the tax appeals tribunal on or after such
19 date.

20

PART O

21 Section 1. Subparagraph (B) of paragraph 1 of subsection (b) of
22 section 605 of the tax law, as amended by chapter 28 of the laws of
23 1987, is amended to read as follows:

24 (B) who [~~is not domiciled in this state but~~] maintains a permanent
25 place of abode in this state and spends in the aggregate more than one
26 hundred eighty-three days of the taxable year in this state, whether or
27 not domiciled in this state for any portion of the taxable year, unless
28 such individual is in active service in the armed forces of the United
29 States.

30 § 2. Paragraph 2 of subsection (a) of section 1305 of the tax law, as
31 amended by chapter 225 of the laws of 1977, is amended to read as
32 follows:

33 (2) who [~~is not domiciled in such city but~~] maintains a permanent
34 place of abode in such city and spends in the aggregate more than one
35 hundred eighty-three days of the taxable year in such city, whether or
36 not domiciled in this city for any portion of the taxable year, unless
37 such individual is in active service in the armed forces of the United
38 States.

39 § 3. Subparagraph (B) of paragraph 1 of subdivision (b) of section
40 11-1705 of the administrative code of the city of New York, as amended
41 by chapter 333 of the laws of 1987, is amended to read as follows:

42 (B) who [~~is not domiciled in this city but~~] maintains a permanent
43 place of abode in this city and spends in the aggregate more than one
44 hundred eighty-three days of the taxable year in this city, whether or
45 not domiciled in this city for any portion of the taxable year, unless
46 such individual is in active service in the armed forces of the United
47 States.

48 § 4. This act shall take effect immediately and shall apply to all
49 taxable years for which the statute of limitations for seeking a refund
50 or assessing additional tax is still open.

51

PART P

1 Section 1. Paragraph (1) of subsection (c-1) of section 606 of the tax
2 law, as amended by section 1 of part L1 of chapter 109 of the laws of
3 2006, is amended to read as follows:

4 (1) A resident taxpayer shall be allowed a credit as provided herein
5 equal to the greater of one hundred dollars times the number of qualify-
6 ing children of the taxpayer or the applicable percentage of the child
7 tax credit allowed the taxpayer under section twenty-four of the inter-
8 nal revenue code for the same taxable year for each qualifying child.
9 Provided, however, in the case of a taxpayer whose federal adjusted
10 gross income exceeds the applicable threshold amount set forth by
11 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
12 equal to the applicable percentage of the child tax credit allowed the
13 taxpayer under section 24 of the Internal Revenue Code for each qualify-
14 ing child. For the purposes of this subsection, a qualifying child shall
15 be a child who meets the definition of qualified child under section
16 24(c) of the internal revenue code and is at least four years of age.
17 The applicable percentage shall be thirty-three percent. For purposes
18 of this subsection, any reference to section 24 of the Internal Revenue
19 Code shall be a reference to such section as it existed immediately
20 prior to the enactment of Public Law 115-97.

21 § 2. This act shall take effect immediately and shall apply to taxable
22 years commencing on or after January 1, 2018.

23

PART Q

24 Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B
25 of the tax law, as amended by section 1 of part I of chapter 60 of the
26 laws of 2016, are amended to read as follows:

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

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

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

46 (2) who commences employment by the qualified taxpayer on or after
47 January first, two thousand fourteen, and before January first, two
48 thousand [~~eighteen~~] twenty; and

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

1 § 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
2 law, as amended by section 2 of part I of chapter 60 of the laws of
3 2016, are amended to read as follows:

4 (1) Allowance of credit. For taxable years beginning on or after Janu-
5 ary first, two thousand fifteen and before January first, two thousand
6 [~~nineteen~~ twenty-one, a taxpayer shall be allowed a credit, to be
7 computed as provided in this subsection, against the tax imposed by this
8 article, for hiring and employing, for not less than one year and for
9 not less than thirty-five hours each week, a qualified veteran within
10 the state. The taxpayer may claim the credit in the year in which the
11 qualified veteran completes one year of employment by the taxpayer. If
12 the taxpayer claims the credit allowed under this subsection, the
13 taxpayer may not use the hiring of a qualified veteran that is the basis
14 for this credit in the basis of any other credit allowed under this
15 article.

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

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

23 (B) who commences employment by the qualified taxpayer on or after
24 January first, two thousand fourteen, and before January first, two
25 thousand [~~eighteen~~ twenty; and

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

30 § 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
31 tax law, as amended by section 3 of part I of chapter 60 of the laws of
32 2016, are amended to read as follows:

33 (1) Allowance of credit. For taxable years beginning on or after Janu-
34 ary first, two thousand fifteen and before January first, two thousand
35 [~~nineteen~~ twenty-one, a taxpayer shall be allowed a credit, to be
36 computed as provided in this subdivision, against the tax imposed by
37 this article, for hiring and employing, for not less than one year and
38 for not less than thirty-five hours each week, a qualified veteran with-
39 in the state. The taxpayer may claim the credit in the year in which
40 the qualified veteran completes one year of employment by the taxpayer.
41 If the taxpayer claims the credit allowed under this subdivision, the
42 taxpayer may not use the hiring of a qualified veteran that is the basis
43 for this credit in the basis of any other credit allowed under this
44 article.

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

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

52 (B) who commences employment by the qualified taxpayer on or after
53 January first, two thousand fourteen, and before January first, two
54 thousand [~~eighteen~~ twenty; and

55 (C) who certifies by signed affidavit, under penalty of perjury, that
56 he or she has not been employed for thirty-five or more hours during any

1 week in the one hundred eighty day period immediately prior to his or
2 her employment by the taxpayer.

3 § 4. This act shall take effect immediately.

4 PART R

5 Section 1. Subdivision (c) of section 25-a of the labor law, as
6 amended by section 1 of part AA of chapter 56 of the laws of 2015, is
7 amended to read as follows:

8 (c) A qualified employer shall be entitled to a tax credit equal to
9 (1) [~~five~~ seven hundred fifty dollars per month for up to six months
10 for each qualified employee the employer employs in a full-time job or
11 [~~two~~ three hundred [~~fifty~~ seventy-five dollars per month for up to six
12 months for each qualified employee the employer employs in a part-time
13 job of at least twenty hours per week or ten hours per week when the
14 qualified employee is enrolled in high school full-time, (2) [~~one-thou-~~
15 ~~sand~~] fifteen hundred dollars for each qualified employee who is
16 employed for at least an additional six consecutive months by the quali-
17 fied employer in a full-time job or [~~five~~ seven hundred fifty dollars
18 for each qualified employee who is employed for at least an additional
19 six consecutive months by the qualified employer in a part-time job of
20 at least twenty hours per week or ten hours per week when the qualified
21 employee is enrolled in high school full-time, and (3) an additional
22 [~~one-thousand~~] fifteen hundred dollars for each qualified employee who
23 is employed for at least an additional year after the [~~first year of the~~
24 ~~employee's employment~~] completion of the time periods and satisfaction
25 of the conditions set forth in paragraphs one and two of this subdivi-
26 sion by the qualified employer in a full-time job or [~~five~~ seven
27 hundred fifty dollars for each qualified employee who is employed for at
28 least an additional year after the [~~first year of the employee's employ-~~
29 ~~ment~~] completion of the time periods and satisfaction of the conditions
30 set forth in paragraphs one and two of this subdivision by the qualified
31 employer in a part-time job of at least twenty hours per week or ten
32 hours per week when the qualified employee is enrolled in high school
33 full time. The tax credits shall be claimed by the qualified employer as
34 specified in subdivision thirty-six of section two hundred ten-B and
35 subsection (tt) of section six hundred six of the tax law.

36 § 2. Subdivisions (d), (e) and (f) of section 25-a of the labor law,
37 subdivisions (d) and (e) as amended by section 1 of subpart A of part N
38 of chapter 59 of the laws of 2017 and subdivision (f) as amended by
39 section 1 of part AA of chapter 56 of the laws of 2015, are amended to
40 read as follows:

41 (d) To participate in the program established under this section, an
42 employer must submit an application (in a form prescribed by the commis-
43 sioner) to the commissioner after January first, two thousand twelve but
44 no later than November thirtieth, two thousand twelve for program one,
45 after January first, two thousand fourteen but no later than November
46 thirtieth, two thousand fourteen for program two, after January first,
47 two thousand fifteen but no later than November thirtieth, two thousand
48 fifteen for program three, after January first, two thousand sixteen but
49 no later than November thirtieth, two thousand sixteen for program four,
50 after January first, two thousand seventeen but no later than November
51 thirtieth, two thousand seventeen for program five, after January first,
52 two thousand eighteen but no later than November thirtieth, two thousand
53 eighteen for program six, after January first, two thousand nineteen but
54 no later than November thirtieth, two thousand nineteen for program

1 seven, after January first, two thousand twenty but no later than Novem-
2 ber thirtieth, two thousand twenty for program eight, after January
3 first, two thousand twenty-one but no later than November thirtieth, two
4 thousand twenty-one for program nine, and after January first, two thou-
5 sand twenty-two but no later than November thirtieth, two thousand twen-
6 ty-two for program ten. The qualified employees must start their employ-
7 ment on or after January first, two thousand twelve but no later than
8 December thirty-first, two thousand twelve for program one, on or after
9 January first, two thousand fourteen but no later than December thirty-
10 first, two thousand fourteen for program two, on or after January first,
11 two thousand fifteen but no later than December thirty-first, two thou-
12 sand fifteen for program three, on or after January first, two thousand
13 sixteen but no later than December thirty-first, two thousand sixteen
14 for program four, on or after January first, two thousand seventeen but
15 no later than December thirty-first, two thousand seventeen for program
16 five, on or after January first, two thousand eighteen but no later than
17 December thirty-first, two thousand eighteen for program six, on or
18 after January first, two thousand nineteen but no later than December
19 thirty-first, two thousand nineteen for program seven, on or after Janu-
20 ary first, two thousand twenty but no later than December thirty-first,
21 two thousand twenty for program eight, on or after January first, two
22 thousand twenty-one but no later than December thirty-first, two thou-
23 sand twenty-one for program nine, and on or after January first, two
24 thousand twenty-two but no later than December thirty-first, two thou-
25 sand twenty-two for program ten. [~~The commissioner shall establish
26 guidelines and criteria that specify requirements for employers to
27 participate in the program including criteria for certifying qualified
28 employees, ensuring that the process established will minimize any undue
29 delay in issuing the certificate of eligibility. Any regulations that
30 the commissioner determines are necessary may be adopted on an emergency
31 basis notwithstanding anything to the contrary in section two hundred
32 two of the state administrative procedure act. Such requirements may
33 include the types of industries that the employers are engaged in. The
34 commissioner may give preference to employers that are engaged in demand
35 occupations or industries, or in regional growth sectors, including but
36 not limited to those identified by the regional economic development
37 councils, such as clean energy, healthcare, advanced manufacturing and
38 conservation. In addition, the commissioner shall give preference to
39 employers who offer advancement and employee benefit packages to the
40 qualified individuals.] As part of such application, an employer must:~~

41 (1) agree to allow the department of taxation and finance to share its
42 tax information with the commissioner. However, any information shared
43 as a result of this agreement shall not be available for disclosure or
44 inspection under the state freedom of information law, and

45 (2) allow the commissioner and its agents and the department of taxa-
46 tion and finance and its agents access to any and all books and records
47 of employees the commissioner may require to monitor compliance.

48 (e) If, after reviewing the application submitted by an employer, the
49 commissioner determines that such employer is eligible to participate in
50 the program established under this section, the commissioner shall issue
51 the employer a preliminary certificate of eligibility that establishes
52 the employer as a qualified employer. The preliminary certificate of
53 eligibility shall specify the maximum amount of tax credit that the
54 employer [~~will~~] may be allowed to claim and the program year under which
55 it [~~can~~] may be claimed. The maximum amount of tax credit the employer

1 is allowed to claim shall be computed as prescribed in subdivision (c)
2 of this section.

3 (f) The commissioner shall annually publish a report. Such report must
4 contain the names and addresses of any employer issued a preliminary
5 certificate of eligibility under this section, [~~and~~] the [~~maximum~~]
6 amount of New York youth works tax credit allowed to the qualified
7 employer as specified on [~~such~~] an annual final certificate of [~~eligi-~~
8 ~~bility~~] tax credit and any other information as determined by the
9 commissioner.

10 § 3. Section 25-a of the labor law is amended by adding three new
11 subdivisions (e-1), (e-2) and (e-3) to read as follows:

12 (e-1)(1) To receive an annual final certificate of tax credit, the
13 qualified employer must annually submit, on or before January thirty-
14 first of the calendar year subsequent to the payment of wages paid to an
15 eligible employee, a report to the commissioner, in a form prescribed by
16 the commissioner. The report must demonstrate that the employer has
17 satisfied all eligibility requirements and provided all the information
18 necessary for the commissioner to compute an actual amount of credit
19 allowed.

20 (2) After reviewing the report and finding it sufficient, the commis-
21 sioner shall issue an annual final certificate of tax credit. Such
22 certificate shall include, in addition to any other information the
23 commissioner determines is necessary, the following information:

24 (i) The name and employer identification number of the qualified
25 employer;

26 (ii) The program year for the corresponding credit award;

27 (iii) The actual amount of credit to which the qualified employer is
28 entitled for that calendar year or the fiscal year in which the annual
29 final certificate is issued, which actual amount cannot exceed the
30 amount of credit listed on the preliminary certificate but may be less
31 than such amount; and

32 (iv) A unique certificate number identifying the annual final certif-
33 icate of tax credit.

34 (e-2) In determining the amount of credit for purposes of the annual
35 final certificate of tax credit, the portion of the credit described in
36 paragraph one of subdivision (c) of this section shall be allowed for
37 the calendar year in which the wages are paid to the qualified employee,
38 the portion of the credit described in paragraph two of subdivision (c)
39 of this section shall be allowed for the calendar year in which the
40 additional six consecutive month period ends, and the portion of the
41 credit described in paragraph three of subdivision (c) of this section
42 shall be allowed for the calendar year in which the additional year of
43 consecutive employment ends after the completion of the time periods and
44 satisfaction of the conditions set forth in paragraphs one and two of
45 subdivision (c) of this section. If the qualified employer's taxable
46 year is a calendar year, the employer shall be entitled to claim the
47 credit as calculated on the annual final certificate of tax credit on
48 the calendar year return for which the annual final certificate of tax
49 credit was issued. If the qualified employer's taxable year is a fiscal
50 year, the employer shall be entitled to claim the credit as calculated
51 on the annual final certificate of tax credit on the return for the
52 fiscal year that encompasses the date on which the annual final certif-
53 icate of tax credit is issued.

54 (e-3) The commissioner shall establish guidelines and criteria that
55 specify requirements for employers to participate in the program includ-
56 ing criteria for certifying qualified employees, and issuing the prelim-

inary certificate of eligibility and annual final certificate of tax credit. Any regulations that the commissioner determines are necessary may be adopted on an emergency basis notwithstanding anything to the contrary in section two hundred two of the state administrative procedure act. Such requirements may include the types of industries that the employers are engaged in. The commissioner may give preference to employers that are engaged in demand occupations or industries, or in regional growth sectors, including but not limited to those identified by the regional economic development councils, such as clean energy, healthcare, advanced manufacturing and conservation. In addition, the commissioner shall give preference to employers who offer advancement and employee benefit packages to the qualified individuals.

§ 4. Paragraph (a) of subdivision 36 of section 210-B of the tax law, as amended by section 2 of part AA of chapter 56 of the laws of 2015, is amended to read as follows:

(a) A taxpayer that has been certified by the commissioner of labor as a qualified employer pursuant to section twenty-five-a of the labor law shall be allowed a credit against the tax imposed by this article equal to (i) [~~five~~] seven hundred fifty dollars per month for up to six months for each qualified employee the employer employs in a full-time job or [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six months for each qualified employee the employer employs in a part-time job of at least twenty hours per week or ten hours per week when the qualified employee is enrolled in high school full-time, (ii) [~~one thousand~~] fifteen hundred dollars for each qualified employee who is employed for at least an additional six consecutive months by the qualified employer in a full-time job or [~~five~~] seven hundred fifty dollars for each qualified employee who is employed for at least an additional six consecutive months by the qualified employer in a part-time job of at least twenty hours per week or ten hours per week when the qualified employee is enrolled in high school full-time, and (iii) an additional [~~one thousand~~] fifteen hundred dollars for each qualified employee who is employed for at least an additional year after the [~~first year of the employee's employment~~] completion of the time periods and satisfaction of the conditions set forth in subparagraphs (i) and (ii) of this paragraph by the qualified employer in a full-time job or [~~five~~] seven hundred fifty dollars for each qualified employee who is employed for at least an additional year after the [~~first year of the employee's employment~~] completion of the time periods and satisfaction of the conditions set forth in subparagraphs (i) and (ii) of this paragraph by the qualified employer in a part-time job of at least twenty hours per week or ten hours per week when the qualified employee is enrolled in high school full-time. For purposes of this subdivision, the term "qualified employee" shall have the same meaning as set forth in subdivision (b) of section twenty-five-a of the labor law. The portion of the credit described in subparagraph (i) of this paragraph shall be allowed for the taxable year in which the wages are paid to the qualified employee, the portion of the credit described in subparagraph (ii) of this paragraph shall be allowed in the taxable year in which the additional six month period ends, and the portion of the credit described in subparagraph (iii) of this paragraph shall be allowed in the taxable year in which the additional year after the first year of employment ends.

§ 5. Paragraph (a) of subdivision 36 of section 210-B of the tax law, as amended by section 4 of this act, is amended to read as follows:

(a) A taxpayer that has been certified by the commissioner of labor as a qualified employer pursuant to section twenty-five-a of the labor law

1 and received an annual final certificate of tax credit from such commis-
2 sioner shall be allowed a credit against the tax imposed by this article
3 equal to [~~(i) seven hundred fifty dollars per month for up to six months~~
4 ~~for each qualified employee the employer employs in a full-time job or~~
5 ~~three hundred seventy five dollars per month for up to six months for~~
6 ~~each qualified employee the employer employs in a part-time job of at~~
7 ~~least twenty hours per week or ten hours per week when the qualified~~
8 ~~employee is enrolled in high school full-time, (ii) fifteen hundred~~
9 ~~dollars for each qualified employee who is employed for at least an~~
10 ~~additional six consecutive months by the qualified employer in a full-~~
11 ~~time job or seven hundred fifty dollars for each qualified employee who~~
12 ~~is employed for at least an additional six consecutive months by the~~
13 ~~qualified employer in a part-time job of at least twenty hours per week~~
14 ~~or ten hours per week when the qualified employee is enrolled in high~~
15 ~~school full-time, and (iii) an additional fifteen hundred dollars for~~
16 ~~each qualified employee who is employed for at least an additional year~~
17 ~~after the completion of the time periods and satisfaction of the condi-~~
18 ~~tions set forth in subparagraphs (i) and (ii) of this paragraph by the~~
19 ~~qualified employer in a full-time job or seven hundred fifty dollars for~~
20 ~~each qualified employee who is employed for at least an additional year~~
21 ~~after the completion of the time periods and satisfaction of the condi-~~
22 ~~tions set forth in subparagraphs (i) and (ii) of this paragraph by the~~
23 ~~qualified employer in a part-time job of at least twenty hours per week~~
24 ~~or ten hours per week when the qualified employee is enrolled in high~~
25 ~~school full-time. For purposes of this subdivision, the term "qualified~~
26 ~~employee" shall have the same meaning as set forth in subdivision (b) of~~
27 ~~section twenty five a of the labor law. The portion of the credit~~
28 ~~described in subparagraph (i) of this paragraph shall be allowed for the~~
29 ~~taxable year in which the wages are paid to the qualified employee, the~~
30 ~~portion of the credit described in subparagraph (ii) of this paragraph~~
31 ~~shall be allowed in the taxable year in which the additional six month~~
32 ~~period ends, and the portion of the credit described in subparagraph~~
33 ~~(iii) of this paragraph shall be allowed in the taxable year in which~~
34 ~~the additional year after the first year of employment ends] the amount
35 listed on the annual final certificate of tax credit issued by the
36 commissioner of labor pursuant to section twenty-five-a of the labor
37 law. If the qualified employer's taxable year is a calendar year, the
38 employer shall be entitled to claim the credit as calculated on the
39 annual final certificate of tax credit on the calendar year return for
40 which the annual final certificate of tax credit was issued. If the
41 qualified employer's taxable year is a fiscal year, the employer shall
42 be entitled to claim the credit as calculated on the annual final
43 certificate of tax credit on the return for the fiscal year that encom-
44 passes the date on which the annual final certificate of tax credit is
45 issued. For the purposes of this subdivision, the term "qualified
46 employee" shall have the same meaning as set forth in subdivision (b) of
47 section twenty-five-a of the labor law.~~

48 § 6. Paragraph (c) of subdivision 36 of section 210-B of the tax law,
49 as added by section 17 of part A of chapter 59 of the laws of 2014, is
50 amended to read as follows:

51 (c) The taxpayer [~~may~~] shall be required to attach to its tax return
52 its annual final certificate of [~~eligibility~~] tax credit issued by the
53 commissioner of labor pursuant to section twenty-five-a of the labor
54 law. In no event shall the taxpayer be allowed a credit greater than the
55 amount of the credit listed on the annual final certificate of [~~eligi-~~
56 ~~bility~~] tax credit. Notwithstanding any provision of this chapter to

1 the contrary, the commissioner and the commissioner's designees may
2 release the names and addresses of any taxpayer claiming this credit and
3 the amount of the credit earned by the taxpayer. Provided, however, if
4 a taxpayer claims this credit because it is a member of a limited
5 liability company or a partner in a partnership, only the amount of
6 credit earned by the entity and not the amount of credit claimed by the
7 taxpayer may be released.

8 § 7. Paragraph 1 of subsection (tt) of section 606 of the tax law, as
9 amended by section 3 of part AA of chapter 56 of the laws of 2015, is
10 amended to read as follows:

11 (1) A taxpayer that has been certified by the commissioner of labor as
12 a qualified employer pursuant to section twenty-five-a of the labor law
13 shall be allowed a credit against the tax imposed by this article equal
14 to (A) [~~five~~] seven hundred fifty dollars per month for up to six months
15 for each qualified employee the employer employs in a full-time job or
16 [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six
17 months for each qualified employee the employer employs in a part-time
18 job of at least twenty hours per week or ten hours per week when the
19 qualified employee is enrolled in high school full-time, and (B) [~~one~~
20 ~~thousand~~] fifteen hundred dollars for each qualified employee who is
21 employed for at least an additional six consecutive months by the quali-
22 fied employer in a full-time job or [~~five~~] seven hundred fifty dollars
23 for each qualified employee who is employed for at least an additional
24 six consecutive months by the qualified employer in a part-time job of
25 at least twenty hours per week or ten hours per week when the qualified
26 employee is enrolled in high school full-time, and (C) an additional
27 [~~one thousand~~] fifteen hundred dollars for each qualified employee who
28 is employed for at least an additional year after the [~~first year of the~~
29 ~~employee's employment~~] completion of the time periods and satisfaction
30 of the conditions set forth in subparagraphs A and B of this subsection
31 by the qualified employer in a full-time job or [~~five~~] seven hundred
32 fifty dollars for each qualified employee who is employed for at least
33 an additional year after the [~~first year of the employee's employment~~]
34 completion of the time periods and satisfaction of the conditions set
35 forth in subparagraphs A and B of this subsection by the qualified
36 employer in a part-time job of at least twenty hours per week or ten
37 hours per week when the qualified employee is enrolled in high school
38 full-time. A taxpayer that is a partner in a partnership, member of a
39 limited liability company or shareholder in an S corporation that has
40 been certified by the commissioner of labor as a qualified employer
41 pursuant to section twenty-five-a of the labor law shall be allowed its
42 pro rata share of the credit earned by the partnership, limited liabil-
43 ity company or S corporation. For purposes of this subsection, the term
44 "qualified employee" shall have the same meaning as set forth in subdi-
45 vision (b) of section twenty-five-a of the labor law. The portion of the
46 credit described in subparagraph (A) of this paragraph shall be allowed
47 for the taxable year in which the wages are paid to the qualified
48 employee, the portion of the credit described in subparagraph (B) of
49 this paragraph shall be allowed in the taxable year in which the addi-
50 tional six month period ends, and the portion of the credit described in
51 subparagraph (C) of this paragraph shall be allowed in the taxable year
52 in which the additional year after the first year of employment ends.

53 § 8. Paragraph 1 of subsection (tt) of section 606 of the tax law, as
54 amended by section 7 of this act, is amended to read as follows:

55 (1) A taxpayer that has been certified by the commissioner of labor as
56 a qualified employer pursuant to section twenty-five-a of the labor law

1 and received an annual final certificate of tax credit from such commis-
2 sioner shall be allowed a credit against the tax imposed by this article
3 equal to [~~(A) seven hundred fifty dollars per month for up to six months~~
4 ~~for each qualified employee the employer employs in a full-time job or~~
5 ~~three hundred seventy five dollars per month for up to six months for~~
6 ~~each qualified employee the employer employs in a part-time job of at~~
7 ~~least twenty hours per week or ten hours per week when the qualified~~
8 ~~employee is enrolled in high school full-time, and (B) fifteen hundred~~
9 ~~dollars for each qualified employee who is employed for at least an~~
10 ~~additional six consecutive months by the qualified employer in a full-~~
11 ~~time job or seven hundred fifty dollars for each qualified employee who~~
12 ~~is employed for at least an additional six consecutive months by the~~
13 ~~qualified employer in a part-time job of at least twenty hours per week~~
14 ~~or ten hours per week when the qualified employee is enrolled in high~~
15 ~~school full-time, and (C) an additional fifteen hundred dollars for each~~
16 ~~qualified employee who is employed for at least an additional year after~~
17 ~~the completion of the time periods and satisfaction of the conditions~~
18 ~~set forth in subparagraphs A and B of this subsection by the qualified~~
19 ~~employer in a full-time job or seven hundred fifty dollars for each~~
20 ~~qualified employee who is employed for at least an additional year after~~
21 ~~the completion of the time periods and satisfaction of the conditions~~
22 ~~set forth in subparagraphs A and B of this subsection by the qualified~~
23 ~~employer in a part-time job of at least twenty hours per week or ten~~
24 ~~hours per week when the qualified employee is enrolled in high school~~
25 ~~full-time]~~ the amount listed on the annual final certificate of tax
26 credit issued by the commissioner of labor pursuant to section twenty-
27 five-a of the labor law. A taxpayer that is a partner in a partnership,
28 member of a limited liability company or shareholder in an S corporation
29 that has [~~been certified by~~] received its annual final certificate of
30 tax credit from the commissioner of labor as a qualified employer pursu-
31 ant to section twenty-five-a of the labor law shall be allowed its pro
32 rata share of the credit earned by the partnership, limited liability
33 company or S corporation. [~~For purposes of this subsection, the term~~
34 ~~"qualified employee" shall have the same meaning as set forth in subdi-~~
35 ~~vision (b) of section twenty-five a of the labor law. The portion of the~~
36 ~~credit described in subparagraph (A) of this paragraph shall be allowed~~
37 ~~for the taxable year in which the wages are paid to the qualified~~
38 ~~employee, the portion of the credit described in subparagraph (B) of~~
39 ~~this paragraph shall be allowed in the taxable year in which the addi-~~
40 ~~tional six month period ends, and the portion of the credit described in~~
41 ~~subparagraph (C) of this paragraph shall be allowed in the taxable year~~
42 ~~in which the additional year after the first year of employment ends.]~~
43 If the qualified employer's taxable year is a calendar year, the employ-
44 er shall be entitled to claim the credit as calculated on the annual
45 final certificate of tax credit on the calendar year return for which
46 the annual final certificate of tax credit was issued. If the qualified
47 employer's taxable year is a fiscal year, the employer shall be entitled
48 to claim the credit as calculated on the annual final certificate of tax
49 credit on the return for the fiscal year that encompasses the date on
50 which the annual final certificate of tax credit is issued. For the
51 purposes of this subsection, the term "qualified employee" shall have
52 the same meaning as set forth in subdivision (b) of section
53 twenty-five-a of the labor law.

54 § 9. Paragraph 3 of subsection (tt) of section 606 of the tax law, as
55 added by section 3 of part D of chapter 56 of the laws of 2011, is
56 amended to read as follows:

1 (3) The taxpayer [~~may~~] shall be required to attach to its tax return
2 its annual final certificate of [~~eligibility~~] tax credit issued by the
3 commissioner of labor pursuant to section twenty-five-a of the labor
4 law. In no event shall the taxpayer be allowed a credit greater than the
5 amount of the credit listed on the annual final certificate of [~~eligi-~~
6 ~~bility~~] tax credit. Notwithstanding any provision of this chapter to the
7 contrary, the commissioner and the commissioner's designees may release
8 the names and addresses of any taxpayer claiming this credit and the
9 amount of the credit earned by the taxpayer. Provided, however, if a
10 taxpayer claims this credit because it is a member of a limited liabil-
11 ity company, a partner in a partnership, or a shareholder in a subchap-
12 ter S corporation, only the amount of credit earned by the entity and
13 not the amount of credit claimed by the taxpayer may be released.

14 § 10. This act shall take effect immediately, provided however that
15 (i) section one of this act shall apply to tax years beginning on or
16 after January 1, 2018; (ii) sections four and seven of this act shall
17 apply to tax years beginning on or after January 1, 2018 and before
18 January 1, 2019; and (iii) sections two, three, five, six, eight, and
19 nine of this act shall take effect January 1, 2019 and shall apply to
20 tax years beginning on or after January 1, 2019.

21

PART S

22 Section 1. Section 33 of the tax law, as added by section 1 of part Y
23 of chapter 57 of the laws of 2010, is amended to read as follows:

24 § 33. Temporary deferral of certain tax credits. 1. (a) For taxable
25 years beginning on or after January first, two thousand [~~ten~~] eighteen
26 and before January first, two thousand [~~thirteen~~] twenty-one, the excess
27 over two million dollars of the total amount of the tax credits speci-
28 fied in subdivision three of this section that in each of those taxable
29 years would otherwise be used to reduce the taxpayer's tax liability to
30 the amount otherwise specified in this chapter or be refunded or credit-
31 ed as an overpayment will be deferred to and used or refunded in taxable
32 years beginning on or after January first, two thousand [~~thirteen~~] twen-
33 ty-one in accordance with the provisions of section thirty-four of this
34 article. Interest shall not be paid on the amounts of credit deferred.

35 (b) To determine the amount of each tax credit allowed for the taxable
36 year to be used, refunded or credited as an overpayment the taxpayer
37 shall multiply the amount of each credit subject to deferral that would
38 have been used, refunded or credited as an overpayment in the absence of
39 this section by a fraction, the numerator of which is two million
40 dollars, and the denominator of which is the total amount of the taxpay-
41 er's credits subject to deferral pursuant to subdivision three of this
42 section that would have been used, refunded or credited as an overpay-
43 ment for the taxable year in the absence of this section. The product is
44 the amount of such credit that is not subject to deferral and thus
45 allowed to be used, refunded or credited as an overpayment for the taxa-
46 ble year.

47 2. Taxpayers shall calculate and make any estimated tax payments
48 required to be made by taking into account the deferral of credits
49 required by this section. Taxpayers shall calculate any mandatory first
50 installment payments made on or after the effective date of this section
51 as if the deferral of credits required by this section had been in
52 effect for the taxable year upon which that installment is based. In
53 addition, for taxable years beginning on or after January first, two
54 thousand [~~ten~~] eighteen and before January first, two thousand [~~eleven~~]

1 nineteen, (a) no addition to tax under subsection (c) of section six
 2 hundred eighty-five of this chapter or subsection (c) of section one
 3 thousand eighty-five of this chapter shall be imposed with respect to
 4 any underpayment attributable to the deferral required by this section
 5 of any estimated taxes that are required to be paid prior to the enact-
 6 ment of this section, provided that the taxpayer timely made those
 7 payments; and (b) the required installment of estimated tax described in
 8 clause (ii) of subparagraph (B) of paragraph three of subsection (c) of
 9 section six hundred eighty-five of this chapter, and the exception to
 10 addition for underpayment of estimated tax described in paragraph one or
 11 two of subsection (d) of section one thousand eighty-five of this chap-
 12 ter, in relation to the preceding year's return, shall be calculated as
 13 if the deferral required by this section had been in effect for that
 14 entire preceding year.

15 3. (a) This section shall apply to the credits allowed under the
 16 following provisions in article nine-a of this chapter and any applica-
 17 ble counterpart provisions in articles nine, twenty-two, [~~thirty-two~~]
 18 and thirty-three of this chapter:

19 Section [~~210(12)~~] 210-B(1) investment tax credit
 20 Section [~~210(12-B)~~] 210-B(3) empire zone investment tax credit
 21 Section [~~210(12-C)~~] 210-B(4) empire zone employment incentive credit
 22 Section [~~210(12-D)~~] 210-B(2) employment incentive credit
 23 Section [~~210(12-E)~~] 210-B(7) QETC employment credit
 24 Section [~~210(12-F)~~] 210-B(8) QETC capital tax credit
 25 [~~Section 210(12-G) QETC facilities, operations, and training credit~~]
 26 Section [~~210(17)~~] 210-B(9) special additional mortgage recording tax
 27 credit
 28 [~~Section 210(19) empire zone wage tax credit~~
 29 ~~Section 210(20) empire zone capital tax credit~~]
 30 Section [~~210(21-a)~~] 210-B(10) credit for servicing certain mortgages
 31 Section [~~210(23)~~] 210-B(12) credit for employment of persons with
 32 disabilities
 33 Section [~~210(24)~~] 210-B(30) alternative fuels and electric vehicle
 34 recharging property credit
 35 Section [~~210(25)~~] 210-B(13) credit for purchase of an automated
 36 external defibrillator
 37 Section [~~210(27)~~] 210-B(5) QEZE credit for real property taxes
 38 Section [~~210(28)~~] 210-B(6) QEZE tax reduction credit
 39 Section [~~210(30)~~] 210-B(15) low income housing credit
 40 Section [~~210(31)~~] 210-B(16) green building credit
 41 Section [~~210(33)~~] 210-B(17) brownfield redevelopment tax credit
 42 Section [~~210(34)~~] 210-B(18) remediated brownfield credit for real
 43 property taxes for qualified sites
 44 Section [~~210(35)~~] 210-B(19) environmental remediation insurance credit
 45 Section [~~210(37)~~] 210-B(21) security training tax credit
 46 [~~Section 210(37) credit for fuel cell electric generating equipment~~
 47 ~~expenditures~~]
 48 Section [~~210(38)~~] 210-B(22) conservation easement tax credit
 49 [~~Section 210(38) empire state commercial production credit~~]
 50 Section [~~210(38)~~] 210-B(24) biofuel production credit
 51 Section [~~210(39)~~] 210-B(25) clean heating fuel credit
 52 Section [~~210(40)~~] 210-B(26) credit for rehabilitation of historic
 53 properties
 54 Section [~~210(40)~~] 210-B(38) credit for companies who provide transpor-
 55 tation to individuals with disabilities
 56 Section 210-B(11) agricultural property tax credit

1 Section 210-B(35) economic transformation and facility redevelopment
2 credit

3 Section 210-B(39) alcoholic beverage production credit

4 Section 210-B(40) minimum wage reimbursement credit

5 Section 210-B(41) the tax-free NY area tax elimination credit

6 Section 210-B(43) real property tax credit for manufacturers

7 Section 210-B(44) the tax-free NY area excise tax on telecommunication
8 services credit

9 Section 210-B(47) musical and theatrical production credit

10 Section 210-B(48) workers with disabilities tax credit

11 Section 210-B(51) farm workforce retention credit

12 (b) This section shall also apply to the credits allowed by the
13 following sections:

14 [~~Section 186-a(9) power for jobs credit~~]

15 Section 606(g-1) solar energy system equipment credit

16 Section 606(pp) historic homeownership rehabilitation credit

17 Section 1511(k) credit for certain investments in certified capital
18 companies

19 § 2. Subdivisions 1 and 2 of section 34 of the tax law, as added by
20 section 2 of part Y of chapter 57 of the laws of 2010, are amended to
21 read as follows:

22 1. The amounts of nonrefundable credits that are deferred pursuant to
23 section thirty-three of this article in taxable years beginning on or
24 after January first, two thousand [~~ten~~] eighteen and before January
25 first, two thousand [~~thirteen~~] twenty-one shall be accumulated and
26 constitute the taxpayer's temporary deferral nonrefundable payout cred-
27 it. The taxpayer may first claim this credit in the taxable year begin-
28 ning on or after January first, two thousand [~~thirteen~~] twenty-one and
29 before January first, two thousand [~~fourteen~~] twenty-two. The taxpayer
30 shall be allowed to claim this credit until the accumulated amounts are
31 exhausted. The credit shall be allowed against the taxpayer's tax as
32 provided in the provisions referenced in paragraph (a) of subdivision
33 three of this section.

34 2. The amounts of refundable credits that are deferred pursuant to
35 section thirty-three of this article in taxable years beginning on or
36 after January first, two thousand [~~ten~~] eighteen and before January
37 first, two thousand [~~thirteen~~] twenty-one shall be accumulated and
38 constitute the taxpayer's temporary deferral refundable payout credit.
39 In the taxable year beginning on or after January first, two thousand
40 [~~thirteen~~] twenty-one and before January first, two thousand [~~fourteen~~]
41 twenty-two, the taxpayer shall be allowed to claim a credit equal to
42 fifty percent of the amount accumulated. In the taxable year beginning
43 on or after January first, two thousand [~~fourteen~~] twenty-two and before
44 January first, two thousand [~~fifteen~~] twenty-three, the taxpayer shall
45 be allowed to claim a credit equal to seventy-five percent of the
46 balance of the amount accumulated. In the taxable year beginning on or
47 after January first, two thousand [~~fifteen~~] twenty-three and before
48 January first, two thousand [~~sixteen~~] twenty-four, the taxpayer shall be
49 allowed to claim a credit equal to the remaining balance of the amount
50 accumulated. The credit shall be allowed against the taxpayer's tax as
51 provided in the provisions referenced in paragraph (b) of subdivision
52 three of this section.

53 § 3. This act shall take effect immediately.

1 Section 1. Subdivision (a) of section 1412 of the tax law, as added by
2 chapter 61 of the laws of 1989, is amended to read as follows:

3 (a) A grantor or grantee claiming to have erroneously paid the tax
4 imposed by this article or some other person designated by such grantor
5 or grantee may file an application for refund within [~~two~~] three years
6 from the date of payment. Such application shall be filed with the
7 commissioner [~~of taxation and finance~~] on a form which he shall
8 prescribe.

9 § 2. Subdivision (b) of section 1402-a of the tax law, as added by
10 chapter 61 of the laws of 1989, is amended to read as follows:

11 (b) Notwithstanding the provisions of subdivision (a) of section four-
12 teen hundred four of this article, the additional tax imposed by this
13 section shall be paid by the grantee. If the grantee [~~is exempt from~~
14 ~~such tax, the grantor shall have the duty to pay the tax~~] has failed to
15 pay the tax imposed by this article at the time required by section
16 fourteen hundred ten of this article or if the grantee is exempt from
17 such tax, the grantor shall have the duty to pay the tax. Where the
18 grantor has the duty to pay the tax because the grantee has failed to
19 pay, such tax shall be the joint and several liability of the grantor
20 and the grantee.

21 § 3. This act shall take effect immediately; provided, however, that
22 section two of this act shall apply to conveyances occurring on or after
23 the fifteenth day after this act shall have become a law.

24 PART U

25 Section 1. Subdivision 6 of section 470 of the tax law, as added by
26 chapter 61 of the laws of 1989, is amended to read as follows:

27 6. "Wholesale price." The [~~established~~] invoice price for which a
28 manufacturer or other person sells tobacco products to a distributor,
29 including the federal excise taxes paid by the manufacturer or other
30 person, before the allowance of any discount, trade allowance, rebate or
31 other reduction.

32 [~~In the absence of such an established price, a manufacturer's invoice~~
33 ~~price of any tobacco product shall be presumptive evidence of the whole-~~
34 ~~sale price of such tobacco product, and in its absence the price at~~
35 ~~which such tobacco products were purchased shall be presumed to be the~~
36 ~~wholesale price, unless evidence of a lower wholesale price shall be~~
37 ~~established or any industry standard of markups relating to the purchase~~
38 ~~price in relation to the wholesale price shall be established.]~~

39 § 2. This act shall take effect on September 1, 2018 and shall apply
40 to all tobacco products possessed in this state for sale on or after
41 such date.

42 PART V

43 Section 1. Subparagraph (A) of paragraph 1 of subdivision (b) of
44 section 1105 of the tax law, as amended by section 9 of part S of chap-
45 ter 85 of the laws of 2002, is amended to read as follows:

46 (A) gas, electricity, refrigeration and steam, and gas, electric,
47 refrigeration and steam service of whatever nature, including the trans-
48 portation, transmission or distribution of gas or electricity, even if
49 sold separately;

50 § 2. Section 1105-C of the tax law is REPEALED.

1 § 3. Subparagraph (xi) of paragraph 4 of subdivision (a) of section
2 1210 of the tax law, as amended by section 2 of part WW of chapter 60 of
3 the laws of 2016, is amended to read as follows:

4 (xi) [~~shall provide that section eleven hundred five-C of this chapter~~
5 ~~does not apply to such taxes, and~~] shall tax receipts from every sale,
6 other than sales for resale, of gas service or electric service of what-
7 ever nature, including the transportation, transmission or distribution
8 of gas or electricity, even if sold separately, at the rate set forth in
9 clause one of subparagraph (i) of the opening paragraph of this section;

10 § 4. Paragraph 8 of subdivision (b) of section 11-2001 of the adminis-
11 trative code of the city of New York, as amended by chapter 200 of the
12 laws of 2009, is amended to read as follows:

13 (8) [~~makes inapplicable section eleven hundred five-C of the tax law,~~
14 ~~and~~] imposes tax on receipts from every sale, other than sales for
15 resale, of gas service or electric service of whatever nature, including
16 the transportation, transmission or distribution of gas or electricity,
17 even if sold separately, at the rate set forth in subdivision (a) of
18 this section.

19 § 5. This act shall take effect immediately; provided however that
20 this act shall apply to sales made and services rendered on and after
21 June 1, 2018 whether or not such sales and services are rendered under a
22 prior contract.

23 PART W

24 Section 1. Subdivision (f) of section 1115 of the tax law, as amended
25 by chapter 205 of the laws of 1968, is amended to read as follows:

26 (f) (1) Services rendered by a veterinarian licensed and registered as
27 required by the education law which constitute the practice of veteri-
28 nary medicine as defined in said law, including hospitalization for
29 which no separate boarding charge is made, shall not be subject to tax
30 under paragraph (3) of subdivision (c) of section eleven hundred five,
31 but the exemption allowed by this subdivision shall not apply to other
32 services provided by a veterinarian to pets and other animals, includ-
33 ing, but not limited to, boarding, grooming and clipping. Articles of
34 tangible personal property designed for use in some manner relating to
35 domestic animals or poultry, when sold by such a veterinarian, shall not
36 be subject to tax under subdivision (a) of section eleven hundred five
37 or under section eleven hundred ten. However, the sale of any such arti-
38 cles of tangible personal property to a veterinarian shall not be deemed
39 a sale for resale within the meaning of [~~paragraph~~] paragraph (4) of
40 subdivision (b) of section eleven hundred one and shall not be exempt
41 from retail sales tax.

42 (2) Drugs or medicine sold to or used by a veterinarian for use in
43 rendering services that are exempt pursuant to paragraph one of this
44 subdivision to livestock or poultry used in the production for sale of
45 tangible personal property by farming, or sold to a person qualifying
46 for the exemption provided for in paragraph six of subdivision (a) of
47 this section for use by such person on such livestock or poultry.

48 § 2. Subdivision (a) of section 1119 of the tax law, as amended by
49 chapter 686 of the laws of 1986 and as further amended by section 15 of
50 part GG of chapter 63 of the laws of 2000, is amended to read as
51 follows:

52 (a) Subject to the conditions and limitations provided for herein, a
53 refund or credit shall be allowed for a tax paid pursuant to subdivision
54 (a) of section eleven hundred five or section eleven hundred ten (1) on

1 the sale or use of tangible personal property if the purchaser or user,
2 in the performance of a contract, later incorporates that tangible
3 personal property into real property located outside this state, (2) on
4 the sale or use of tangible personal property purchased in bulk, or any
5 portion thereof, which is stored and not used by the purchaser or user
6 within this state if that property is subsequently reshipped by such
7 purchaser or user to a point outside this state for use outside this
8 state, (3) on the sale to or use by a contractor or subcontractor of
9 tangible personal property if that property is used by him solely in the
10 performance of a pre-existing lump sum or unit price construction
11 contract, (4) on the sale or use within this state of tangible personal
12 property, not purchased for resale, if the use of such property in this
13 state is restricted to fabricating such property (including incorporat-
14 ing it into or assembling it with other tangible personal property),
15 processing, printing or imprinting such property and such property is
16 then shipped to a point outside this state for use outside this state,
17 [~~(5) on the sale to or use by a veterinarian of drugs or medicine if~~
18 ~~such drugs or medicine are used by such veterinarian in rendering~~
19 ~~services, which are exempt pursuant to subdivision (f) of section eleven~~
20 ~~hundred fifteen of this chapter, to livestock or poultry used in the~~
21 ~~production for sale of tangible personal property by farming or if such~~
22 ~~drugs or medicine are sold to a person qualifying for the exemption~~
23 ~~provided for in paragraph (6) of subdivision (a) of section eleven~~
24 ~~hundred fifteen of this chapter for use by such person on such livestock~~
25 ~~or poultry,~~] or (6) on the sale of tangible personal property purchased
26 for use in constructing, expanding or rehabilitating industrial or
27 commercial real property (other than property used or to be used exclu-
28 sively by one or more registered vendors primarily engaged in the retail
29 sale of tangible personal property) located in an area designated as an
30 empire zone pursuant to article eighteen-B of the general municipal law,
31 but only to the extent that such property becomes an integral component
32 part of the real property. (For the purpose of clause (3) of the preced-
33 ing sentence, the term "pre-existing lump sum or unit price construction
34 contract" shall mean a contract for the construction of improvements to
35 real property under which the amount payable to the contractor or
36 subcontractor is fixed without regard to the costs incurred by him in
37 the performance thereof, and which (i) was irrevocably entered into
38 prior to the date of the enactment of this article or the enactment of a
39 law increasing the rate of tax imposed under this article, or (ii)
40 resulted from the acceptance by a governmental agency of a bid accompa-
41 nied by a bond or other performance guaranty which was irrevocably
42 submitted prior to such date.) Where the tax on the sale or use of such
43 tangible personal property has been paid to the vendor, to qualify for
44 such refund or credit, such tangible personal property must be incorpo-
45 rated into real property as required in clause (1) above, reshipped as
46 required in clause (2) above, used in the manner described in clauses
47 (3), (4)[~~7-(5)~~] and (6) above within three years after the date such tax
48 was payable to the tax commission by the vendor pursuant to section
49 eleven hundred thirty-seven. Where the tax on the sale or use of such
50 tangible personal property was paid by the applicant for the credit or
51 refund directly to the tax commission, to qualify for such refund or
52 credit, such tangible personal property must be incorporated into real
53 property as required in clause (1) above, reshipped as required in
54 clause (2) above, used in the manner described in clauses (3), (4)[~~7~~
55 ~~(5)~~] and (6) above within three years after the date such tax was paya-
56 ble to the tax commission by such applicant pursuant to this article. An

1 application for a refund or credit pursuant to this section must be
2 filed with such commission within the time provided by subdivision (a)
3 of section eleven hundred thirty-nine. Such application shall be in such
4 form as the tax commission may prescribe. Where an application for cred-
5 it has been filed, the applicant may immediately take such credit on the
6 return which is due coincident with or immediately subsequent to the
7 time that he files his application for credit. However, the taking of
8 the credit on the return shall be deemed to be part of the application
9 for credit and shall be subject to the provisions in respect to applica-
10 tions for credit in section eleven hundred thirty-nine as provided in
11 subdivision (e) of such section. With respect to a sale or use described
12 in clause (3) above where a pre-existing lump sum or unit price
13 construction contract was irrevocably entered into prior to the date of
14 the enactment of this article or the bid accompanied by the performance
15 guaranty was irrevocably submitted to the governmental agency prior to
16 such date, the purchaser or user shall be entitled to a refund or credit
17 only of the amount by which the tax on such sale or use imposed under
18 this article plus any tax imposed under the authority of article twen-
19 ty-nine exceeds the amount computed by applying against such sale or use
20 the local rate of tax, if any, in effect at the time such contract was
21 entered into or such bid was submitted.

22 In the case of the enactment of a law increasing the rate of tax
23 imposed by this article, the purchaser or user shall be entitled only to
24 a refund or credit of the amount by which the increased tax on such sale
25 or use imposed under this article plus any tax imposed under the author-
26 ity of article twenty-nine exceeds the amount computed by applying
27 against such sale or use the state and local rates of tax in effect at
28 the time such contract was entered into or such bid was submitted.

29 § 3. This act shall take effect June 1, 2018, and shall apply to sales
30 made and uses occurring on and after such date.

31 PART X

32 Section 1. Subdivision 1 of section 1131 of the tax law, as amended by
33 chapter 576 of the laws of 1994, is amended to read as follows:

34 (1) "Persons required to collect tax" or "person required to collect
35 any tax imposed by this article" shall include: every vendor of tangible
36 personal property or services; every recipient of amusement charges; and
37 every operator of a hotel. Said terms shall also include any officer,
38 director or employee of a corporation or of a dissolved corporation, any
39 employee of a partnership, any employee or manager of a limited liabil-
40 ity company, or any employee of an individual proprietorship who as such
41 officer, director, employee or manager is under a duty to act for such
42 corporation, partnership, limited liability company or individual
43 proprietorship in complying with any requirement of this article, or has
44 so acted; and any member of a partnership or limited liability company.
45 Provided, however, that any person who is a vendor solely by reason of
46 clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision
47 (b) of section eleven hundred one of this article shall not be a "person
48 required to collect any tax imposed by this article" until twenty days
49 after the date by which such person is required to file a certificate of
50 registration pursuant to section eleven hundred thirty-four of this
51 part.

52 § 2. Subdivision (a) of section 1133 of the tax law, as amended by
53 chapter 621 of the laws of 1967, is amended to read as follows:

1 (a) (1) Except as otherwise provided in paragraph two of this subdivi-
2 sion and in section eleven hundred thirty-seven of this part, every
3 person required to collect any tax imposed by this article shall be
4 personally liable for the tax imposed, collected or required to be
5 collected under this article. Any such person shall have the same right
6 in respect to collecting the tax from his customer or in respect to
7 nonpayment of the tax by the customer as if the tax were a part of the
8 purchase price of the property or service, amusement charge or rent, as
9 the case may be, and payable at the same time; provided, however, that
10 the tax commission shall be joined as a party in any action or proceed-
11 ing brought to collect the tax.

12 (2) Notwithstanding any other provision of this article: (i) The
13 commissioner shall grant the relief described in subparagraph (iii) of
14 this paragraph to a limited partner of a limited partnership (but not a
15 partner of a limited liability partnership) or a member of a limited
16 liability company if such limited partner or member demonstrates to the
17 satisfaction of the commissioner that such limited partner's or member's
18 ownership interest and the percentage of the distributive share of the
19 profits and losses of such limited partnership or limited liability
20 company are each less than fifty percent, and such limited partner or
21 member was not under a duty to act for such limited partnership or
22 limited liability company in complying with any requirement of this
23 article. Provided, however, the commissioner may deny an application for
24 relief to any such limited partner or member who the commissioner finds
25 has acted on behalf of such limited partnership or limited liability
26 company in complying with any requirement of this article or has been
27 convicted of a crime provided in this chapter or who has a past-due
28 liability, as such term is defined in section one hundred seventy-one-v
29 of this chapter.

30 (ii) Such limited partner or member must submit an application for
31 relief, on a form prescribed by the commissioner, and the information
32 provided in such application must be true and complete in all material
33 respects. Providing materially false or fraudulent information on such
34 application shall disqualify such limited partner or member for the
35 relief described in subparagraph (iii) of this paragraph, shall void any
36 agreement with the commissioner with respect to such relief, and shall
37 result in such limited partner or member bearing strict liability for
38 the total amount of tax, interest and penalty owed by their respective
39 limited partnership or limited liability company pursuant to this subdivi-
40 vision.

41 (iii) A limited partner of a limited partnership or member of a limit-
42 ed liability company, who meets the requirements set forth in this para-
43 graph and whose application for relief is approved by the commissioner,
44 shall be liable for the percentage of the original sales and use tax
45 liability of their respective limited partnership or limited liability
46 company that reflects such limited partner's or member's ownership
47 interest of distributive share of the profits and losses of such limited
48 partnership or limited liability company, whichever is higher. Such
49 original liability shall include any interest accrued thereon up to and
50 including the date of payment by such limited partner or member at the
51 underpayment rate set by the commissioner pursuant to section eleven
52 hundred forty-two of this part, and shall be reduced by the sum of any
53 payments made by (A) the limited partnership or limited liability compa-
54 ny; (B) any person required to collect tax not eligible for relief; and
55 (C) any person required to collect tax who was eligible for relief but
56 had not been approved for relief by the commissioner at the time such

1 payment was made. Provided, however, such limited partner or member
2 shall not be liable for any penalty owed by such limited partnership or
3 limited liability company or any other partner or member of such limited
4 partnership or limited liability company. Any payment made by a limited
5 partner or member pursuant to the provisions of this paragraph shall not
6 be credited against the liability of other limited partners or members
7 of their respective limited partnership or limited liability company who
8 are eligible for the same relief; provided, however that the sum of the
9 amounts owed by all of the persons required to collect tax of a limited
10 partnership or limited liability company shall not exceed the total
11 liability of such limited partnership or limited liability company.

12 § 3. This act shall take effect immediately.

13 PART Y

14 Section 1. Paragraph 1 of subdivision (a) of section 1115 of the tax
15 law, as amended by section 1 of part II of chapter 59 of the laws of
16 2014, is amended to read as follows:

17 (1) (A) Food, food products, beverages, dietary foods and health
18 supplements, sold for human consumption but not including (i) candy and
19 confectionery, (ii) fruit drinks which contain less than seventy percent
20 of natural fruit juice, (iii) soft drinks, sodas and beverages such as
21 are ordinarily dispensed at soda fountains or in connection therewith
22 (other than coffee, tea and cocoa) and (iv) beer, wine or other alcohol-
23 ic beverages, all of which shall be subject to the retail sales and
24 compensating use taxes, whether or not the item is sold in liquid form.
25 Nothing in this subparagraph shall be construed as exempting food or
26 drink from the tax imposed under subdivision (d) of section eleven
27 hundred five of this article.

28 ~~[The] (B) Until May thirty first, two thousand twenty, the food and~~
29 ~~drink excluded from the exemption provided by [this paragraph under~~
30 ~~subparagraphs] clauses (i), (ii) and (iii) of subparagraph (A) of this~~
31 ~~paragraph, and bottled water, shall be exempt under this [paragraph]~~
32 ~~subparagraph when sold for one dollar and fifty cents or less through~~
33 ~~any vending machine [activated by the use of] that accepts coin[,] or~~
34 ~~currency[, credit card or debit card] only or when sold for two dollars~~
35 ~~or less through any vending machine that accepts any form of payment~~
36 ~~other than coin or currency, whether or not it also accepts coin or~~
37 ~~currency. [With the exception of the provision in this paragraph provid-~~
38 ~~ing for an exemption for certain food or drink sold for one dollar and~~
39 ~~fifty cents or less through vending machines, nothing herein shall be~~
40 ~~construed as exempting food or drink from the tax imposed under subdivi-~~
41 ~~sion (d) of section eleven hundred five of this article.]~~

42 § 2. This act shall take effect June 1, 2018, and shall apply to sales
43 made and uses occurring on and after such date.

44 PART Z

45 Section 1. Section 2 of subpart R of part A of chapter 61 of the laws
46 of 2017, amending the tax law relating to extending the expiration of
47 the authorization to the county of Genesee to impose an additional one
48 percent of sales and compensating use taxes, is amended to read as
49 follows:

50 § 2. Notwithstanding any other provision of law to the contrary, the
51 one percent increase in sales and compensating use taxes authorized for
52 the county of Genesee until November 30, [~~2019~~] 2020 pursuant to clause

1 (20) of subparagraph (i) of the opening paragraph of section 1210 of the
2 tax law, as amended by section one of this act, shall be divided in the
3 same manner and proportion as the existing three percent sales and
4 compensating use taxes in such county are divided.

5 § 2. Section 2 of subpart Z of part A of chapter 61 of the laws of
6 2017, amending the tax law relating to the imposition of sales and
7 compensating use taxes by the county of Monroe, is amended to read as
8 follows:

9 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of
10 section 1262 and section 1262-g of the tax law, net collections, as such
11 term is defined in section 1262 of the tax law, derived from the imposi-
12 tion of sales and compensating use taxes by the county of Monroe at the
13 additional rate of one percent as authorized pursuant to clause (25) of
14 subparagraph (i) of the opening paragraph of section 1210 of the tax
15 law, as amended by section one of this act, which are in addition to the
16 current net collections derived from the imposition of such taxes at the
17 three percent rate authorized by the opening paragraph of section 1210
18 of the tax law, shall be distributed and allocated as follows: for the
19 period of December 1, 2017 through November 30, [~~2019~~ 2020 in cash,
20 five percent to the school districts in the area of the county outside
21 the city of Rochester, three percent to the towns located within the
22 county, one and one-quarter percent to the villages located within the
23 county, and ninety and three-quarters percent to the city of Rochester
24 and county of Monroe. The amount of the ninety and three-quarters
25 percent to be distributed and allocated to the city of Rochester and
26 county of Monroe shall be distributed and allocated to each so that the
27 combined total distribution and allocation to each from the sales tax
28 revenues pursuant to sections 1262 and 1262-g of the tax law and this
29 section shall result in the same total amount being distributed and
30 allocated to the city of Rochester and county of Monroe. The amount so
31 distributed and allocated to the county shall be used for county
32 purposes. The foregoing cash payments to the school districts shall be
33 allocated on the basis of the enrolled public school pupils, thereof, as
34 such term is used in subdivision (b) of section 1262 of the tax law,
35 residing in the county of Monroe. The cash payments to the towns located
36 within the county of Monroe shall be allocated on the basis of the ratio
37 which the population of each town, exclusive of the population of any
38 village or portion thereof located within a town, bears to the total
39 population of the towns, exclusive of the population of the villages
40 located within such towns. The cash payments to the villages located
41 within the county shall be allocated on the basis of the ratio which the
42 population of each village bears to the total population of the villages
43 located within the county. The term population as used in this section
44 shall have the same meaning as used in subdivision (b) of section 1262
45 of the tax law.

46 § 3. Section 3 of subpart EE of part A of chapter 61 of the laws of
47 2017, amending the tax law relating to extending the authorization of
48 the county of Onondaga to impose an additional rate of sales and compen-
49 sating use taxes, is amended to read as follows:

50 § 3. Notwithstanding any contrary provision of law, net collections
51 from the additional one percent rate of sales and compensating use taxes
52 which may be imposed by the county of Onondaga during the period
53 commencing December 1, 2018 and ending November 30, [~~2019~~ 2020, pursu-
54 ant to the authority of section 1210 of the tax law, shall not be
55 subject to any revenue distribution agreement entered into under subdi-
56 vision (c) of section 1262 of the tax law, but shall be allocated and

1 distributed or paid, at least quarterly, as follows: (i) 1.58% to the
2 county of Onondaga for any county purpose; (ii) 97.79% to the city of
3 Syracuse; and (iii) .63% to the school districts in accordance with
4 subdivision (a) of section 1262 of the tax law.

5 § 4. Section 2 of subpart GG of part A of chapter 61 of the laws of
6 2017, amending the tax law relating to extending the authority of the
7 county of Orange to impose an additional rate of sales and compensating
8 use taxes, is amended to read as follows:

9 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,
10 net collections from any additional rate of sales and compensating use
11 taxes which may be imposed by the county of Orange during the period
12 commencing December 1, 2017, and ending November 30, [~~2019~~ 2020, pursu-
13 ant to the authority of section 1210 of the tax law, shall be paid to
14 the county of Orange and shall be used by such county solely for county
15 purposes and shall not be subject to any revenue distribution agreement
16 entered into pursuant to the authority of subdivision (c) of section
17 1262 of the tax law.

18 § 5. This act shall take effect immediately and shall be deemed to
19 have been in full force and effect on June 29, 2017.

20

PART AA

21 Section 1. Section 1101 of the tax law is amended by adding a new
22 subdivision (e) to read as follows:

23 (e) When used in this article for the purposes of the taxes imposed
24 under subdivision (a) of section eleven hundred five and by section
25 eleven hundred ten of this article, the following terms shall mean:

26 (1) Marketplace provider. A person who, pursuant to an agreement with
27 a marketplace seller, facilitates sales of tangible personal property by
28 such marketplace seller or sellers. A person "facilitates a sale of
29 tangible personal property" for purposes of this paragraph when the
30 person meets both of the following conditions: (i) such person provides
31 the forum in which, or by means of which, the sale takes place or the
32 offer of sale is accepted, including a shop, store, booth, catalog, an
33 internet website, or similar forum; and (ii) such person or an affiliate
34 of such person collects the receipts paid by a customer to a marketplace
35 seller for a sale of tangible personal property, or contracts with a
36 third party to collect such receipts. For purposes of this paragraph,
37 two persons are affiliated if one person has an ownership interest of
38 more than five percent, whether direct or indirect, in the other, or
39 where an ownership interest of more than five percent, whether direct or
40 indirect, is held in each of such persons by another person or by a
41 group of other persons that are affiliated persons with respect to each
42 other. Notwithstanding anything in this paragraph, a person who facili-
43 tates sales exclusively by means of the internet is not a marketplace
44 provider for a sales tax quarter when such person can show that it has
45 facilitated less than one hundred million dollars of sales annually for
46 every calendar year after two thousand sixteen.

47 (2) Marketplace seller. Any person, whether or not such person is
48 required to obtain a certificate of authority under section eleven
49 hundred thirty-four of this article, who has an agreement with a market-
50 place provider under which the marketplace provider will facilitate
51 sales of tangible personal property by such person within the meaning of
52 paragraph one of this subdivision.

53 § 2. Subdivision 1 of section 1131 of the tax law, as amended by chap-
54 ter 576 of the laws of 1994, is amended to read as follows:

1 (1) "Persons required to collect tax" or "person required to collect
2 any tax imposed by this article" shall include: every vendor of tangible
3 personal property or services; every recipient of amusement charges;
4 [~~and~~] every operator of a hotel, and every marketplace provider with
5 respect to sales of tangible personal property it facilitates as
6 described in paragraph one of subdivision (e) of section eleven hundred
7 one of this article. Said terms shall also include any officer, director
8 or employee of a corporation or of a dissolved corporation, any employee
9 of a partnership, any employee or manager of a limited liability compa-
10 ny, or any employee of an individual proprietorship who as such officer,
11 director, employee or manager is under a duty to act for such corpo-
12 ration, partnership, limited liability company or individual proprietor-
13 ship in complying with any requirement of this article; and any member
14 of a partnership or limited liability company. Provided, however, that
15 any person who is a vendor solely by reason of clause (D) or (E) of
16 subparagraph (i) of paragraph (8) of subdivision (b) of section eleven
17 hundred one shall not be a "person required to collect any tax imposed
18 by this article" until twenty days after the date by which such person
19 is required to file a certificate of registration pursuant to section
20 eleven hundred thirty-four of this part.

21 § 3. Section 1132 of the tax law is amended by adding a new subdivi-
22 sion (1) to read as follows:

23 (1)(1) A marketplace provider with respect to a sale of tangible
24 personal property it facilitates: (i) shall have all the obligations and
25 rights of a vendor under this article and article twenty-nine of this
26 chapter and under any regulations adopted pursuant thereto, including,
27 but not limited to, the duty to obtain a certificate of authority, to
28 collect tax, file returns, remit tax, and the right to accept a certifi-
29 cate or other documentation from a customer substantiating an exemption
30 or exclusion from tax, the right to receive the refund authorized by
31 subdivision (e) of this section and the credit allowed by subdivision
32 (f) of section eleven hundred thirty-seven of this part subject to the
33 provisions of such subdivisions; and (ii) shall keep such records and
34 information and cooperate with the commissioner to ensure the proper
35 collection and remittance of tax imposed, collected or required to be
36 collected under this article and article twenty-nine of this chapter.

37 (2) A marketplace seller who is a vendor is relieved from the duty to
38 collect tax in regard to a particular sale of tangible personal property
39 subject to tax under subdivision (a) of section eleven hundred five of
40 this article and shall not include the receipts from such sale in its
41 taxable receipts for purposes of section eleven hundred thirty-six of
42 this part if, in regard to such sale: (i) the marketplace seller can
43 show that such sale was facilitated by a marketplace provider from whom
44 such seller has received in good faith a properly completed certificate
45 of collection in a form prescribed by the commissioner, certifying that
46 the marketplace provider is registered to collect sales tax and will
47 collect sales tax on all taxable sales of tangible personal property by
48 the marketplace seller facilitated by such marketplace provider, and
49 with such other information as the commissioner may prescribe; and (ii)
50 any failure of the marketplace provider to collect the proper amount of
51 tax in regard to such sale was not the result of such marketplace seller
52 providing the marketplace provider with incorrect information. This
53 provision shall be administered in a manner consistent with subparagraph
54 (i) of paragraph one of subdivision (c) of this section as if a certifi-
55 cate of collection were a resale or exemption certificate for purposes
56 of such subparagraph, including with regard to the completeness of such

1 certificate of collection and the timing of its acceptance by the
2 marketplace seller. Provided that, with regard to any sales of tangible
3 personal property by a marketplace seller that are facilitated by a
4 marketplace provider who is affiliated with such marketplace seller
5 within the meaning of paragraph one of subdivision (e) of section eleven
6 hundred one of this article, the marketplace seller shall be deemed
7 liable as a person under a duty to act for such marketplace provider for
8 purposes of subdivision one of section eleven hundred thirty-one of this
9 part.

10 (3) The commissioner may, in his or her discretion: (i) develop a
11 standard provision, or approve a provision developed by a marketplace
12 provider, in which the marketplace provider obligates itself to collect
13 the tax on behalf of all the marketplace sellers for whom such market-
14 place provider facilitates sales of tangible personal property, with
15 respect to all sales that it facilitates for such sellers where delivery
16 occurs in the state; and (ii) provide by regulation or otherwise that
17 the inclusion of such provision in the publicly-available agreement
18 between the marketplace provider and marketplace seller will have the
19 same effect as a marketplace seller's acceptance of a certificate of
20 collection from such marketplace provider under paragraph two of this
21 subdivision.

22 § 4. Section 1133 of the tax law is amended by adding a new subdivi-
23 sion (f) to read as follows:

24 (f) A marketplace provider is relieved of liability under this section
25 for failure to collect the correct amount of tax to the extent that the
26 marketplace provider can show that the error was due to incorrect infor-
27 mation given to the marketplace provider by the marketplace seller.
28 Provided, however, this subdivision shall not apply if the marketplace
29 seller and the marketplace provider are affiliated within the meaning of
30 paragraph one of subdivision (e) of section eleven hundred one of this
31 article.

32 § 5. Paragraph 4 of subdivision (a) of section 1136 of the tax law, as
33 amended by section 46 of part K of chapter 61 of the laws of 2011, is
34 amended to read as follows:

35 (4) The return of a vendor of tangible personal property or services
36 shall show such vendor's receipts from sales and the number of gallons
37 of any motor fuel or diesel motor fuel sold and also the aggregate value
38 of tangible personal property and services and number of gallons of such
39 fuels sold by the vendor, the use of which is subject to tax under this
40 article, and the amount of tax payable thereon pursuant to the
41 provisions of section eleven hundred thirty-seven of this part. The
42 return of a recipient of amusement charges shall show all such charges
43 and the amount of tax thereon, and the return of an operator required to
44 collect tax on rents shall show all rents received or charged and the
45 amount of tax thereon. The return of a marketplace seller shall exclude
46 the receipts from a sale of tangible personal property facilitated by a
47 marketplace provider if, in regard to such sale: (A) the marketplace
48 seller has timely received in good faith a properly completed certifi-
49 cate of collection from the marketplace provider or the marketplace
50 provider has included a provision approved by the commissioner in the
51 publicly-available agreement between themselves and such marketplace
52 seller as described in subdivision (1) of section eleven hundred thir-
53 ty-two of this part, and (B) the information provided by the marketplace
54 seller to the marketplace provider about such tangible personal property
55 is accurate.

1 § 6. Section 1142 of the tax law is amended by adding two new subdivi-
2 sions 15 and 16 to read as follows:

3 15. To publish a list on the department's website of marketplace
4 providers whose certificates of authority has been revoked and, if
5 necessary to protect sales tax revenue, provide by regulation or other-
6 wise that a marketplace seller who is a vendor will be relieved of the
7 duty to collect tax for sales of tangible personal property facilitated
8 by a marketplace provider only if, in addition to the conditions
9 prescribed by paragraph two of subdivision (l) of section eleven hundred
10 thirty-two of this part being met, such marketplace provider is not on
11 such list at the commencement of the quarterly period covered thereby.

12 16. To enforce the penalties imposed on non-collecting sellers and
13 non-collecting marketplace providers provided by subdivision (i) of
14 section eleven hundred forty-five of this part by commencing a proceed-
15 ing under article seventy-two of the civil practice law and rules. This
16 means enforcing such penalties is in addition to any other lawful means
17 the commissioner may use to enforce such penalties. The venue for such
18 proceeding shall be Albany county.

19 § 7. The tax law is amended by adding a new section 1135-a to read as
20 follows:

21 § 1135-a. Reporting requirements. (a) (1) The following definitions
22 apply to the taxes imposed by this article and pursuant to the authority
23 of article twenty-nine of this chapter:

24 (A) Non-collecting seller means a person who makes sales of tangible
25 personal property, the use of which is taxed by this article, but who is
26 not required to obtain a certificate of authority under section eleven
27 hundred thirty-four of this part and who does not collect tax or money
28 purportedly as tax imposed by this article in regard to tangible
29 personal property delivered to a location in this state.

30 (B) Non-collecting marketplace provider means a marketplace provider,
31 as defined by section eleven hundred one of this article, who is not
32 required to obtain a certificate of authority under section eleven
33 hundred thirty-four of this part and who does not collect tax or money
34 purportedly as tax imposed by this article in regard to tangible
35 personal property delivered to a location in this state.

36 (C) New York purchaser means any person who purchases tangible
37 personal property for delivery to a location in this state.

38 (D) Last known address of a New York purchaser means, for purposes of
39 this subdivision, subdivision sixteen of section eleven hundred forty-
40 two, and subdivision (i) of section eleven hundred forty-five of this
41 part, the purchaser's billing address or, if unknown, the purchaser's
42 shipping address. If no billing or shipping address is known, this term
43 shall mean the purchaser's last known e-mail address.

44 (2) The following requirements apply to a non-collecting seller:

45 (A) A non-collecting seller's records shall be made available to the
46 commissioner upon request. These records shall include, but are not
47 limited to, each New York purchaser's name and last known address as
48 defined by subparagraph (D) of paragraph one of this subdivision, and
49 the total of the non-collecting seller's receipts from the purchases of
50 the New York purchaser.

51 (B) Except as provided in paragraphs four and five of this subdivi-
52 sion, a non-collecting seller shall file an annual information return
53 with the commissioner. Such return shall include the total of the non-
54 collecting seller's receipts from purchases of tangible personal proper-
55 ty that was delivered to a location in this state for the calendar year
56 covered by the return, together with such other information the commis-

1 sioner may prescribe. Such return shall be filed on or before January
2 thirty-first of each year and shall cover the prior calendar year, with
3 the first such return due on January thirty-first, two thousand twenty
4 four for the calendar year two thousand nineteen.

5 (C) Except as provided in paragraphs four and five of this subdivi-
6 sion, a non-collecting seller shall provide an annual statement of
7 purchases to each New York purchaser for purchases of tangible personal
8 property delivered to a location in this state from such seller during
9 the calendar year covered by the statement. Such annual statement shall
10 include: (i) a statement that sales or use tax was not collected on the
11 purchaser's transactions in the prior calendar year and that the
12 purchaser may be required to remit such tax directly to the commis-
13 sioner; (ii) a list of transactions entered into during the prior calendar
14 year by such purchaser for delivery to a location into this state show-
15 ing, the date of each purchase, a general description of each item
16 purchased, and the amount paid for each item, including any shipping or
17 delivery charges; (iii) instructions for obtaining additional informa-
18 tion regarding whether and how to remit the sales or use tax to the
19 commissioner; and (iv) a statement that such sellers may be required to
20 annually report the aggregate dollar value of the purchaser's purchases
21 to the commissioner. Such statement shall be sent to each New York
22 purchaser on or before January thirty-first of each year, starting in
23 the year two thousand twenty, covering sales made in the prior calendar
24 year. Such statement shall be sent by mail in an envelope bearing the
25 statement "important tax information" to the New York purchaser's last
26 known address as defined by subparagraph (D) of paragraph one of this
27 subdivision, unless the purchaser's last known address is an e-mail
28 address, in which case the statement is to be sent by e-mail, the
29 subject line of which shall state "important tax information".

30 (D) Except as provided in paragraphs four and five of this subdivi-
31 sion, a non-collecting seller shall prominently display a notice on all
32 order forms, and upon each sales receipt or other memorandum of the
33 price, whether electronic or on paper, provided to a New York purchaser
34 making a purchase of tangible personal property to be delivered to a
35 location in this state, including any screen that summarizes the trans-
36 action prior to the completion of the sale. Such notice shall indicate
37 that neither New York state and local sales nor use tax is being
38 collected or remitted upon the transaction, and that the purchaser may
39 be required to remit such tax directly to the commissioner.

40 (3) A non-collecting seller shall keep records of the information
41 described in subparagraphs (A), (B) and (C) of paragraph two of this
42 subdivision, along with proof that it has provided purchasers with any
43 per-purchase notices or annual statements of purchases required. The
44 non-collecting seller shall keep such records for such periods and in
45 such manner as prescribed for records required to be maintained under
46 subdivisions (a) and (g) of section eleven hundred thirty-five of this
47 part, or as the commissioner may otherwise require by regulation. The
48 non-collecting seller shall make those records available for inspection
49 and examination at any time upon demand by the commissioner.

50 (4) The requirements in subparagraphs (B), (C) and (D) of paragraph
51 two of this subdivision do not apply to a non-collecting seller for any
52 calendar year in which the non-collecting seller's receipts from all New
53 York purchasers are less than five million dollars during the prior
54 calendar year.

55 (5) The requirements in subparagraphs (B), (C) and (D) of paragraph
56 two of this subdivision do not apply to a non-collecting seller in

1 regard to a particular sale of tangible personal property subject to tax
2 under subdivision (a) of section eleven hundred five of this article if,
3 the non-collecting seller can show that such sale was facilitated by:
4 (A) a marketplace provider from whom such non-collecting seller has
5 received in good faith a properly completed certificate of collection as
6 described in paragraph two of subdivision (1) of section eleven hundred
7 thirty-two of this part; or (B) a non-collecting marketplace provider
8 who fulfilled the requirements of subparagraphs (B), (C) and (D) of
9 paragraph two of this subdivision on its behalf.

10 (b) (1) A non-collecting marketplace provider shall perform the
11 requirements in paragraph two of subdivision (a) of this section on
12 behalf of a non-collecting seller for all sales it facilitates for such
13 non-collecting seller.

14 (2) Non-collecting marketplace providers shall also provide notice to
15 all non-collecting sellers for whom they facilitate sales of tangible
16 personal property that is delivered to a location in this state, such
17 notice shall include the following information:

18 (A) such sellers may be required to obtain a certificate of authority
19 under section eleven hundred thirty-four of this part and collect the
20 taxes imposed by this article and pursuant to the authority of article
21 twenty-nine of this chapter, or, where such sellers are not required to
22 obtain a certificate and collect tax, that such sellers are required to
23 comply with the requirements of this paragraph;

24 (B) the non-collecting marketplace provider will provide each seller's
25 name, address and aggregate amount of sales delivered to a location in
26 this state to the commissioner upon request; and

27 (C) the non-collecting marketplace provider is reporting the informa-
28 tion and sending the notices required by subparagraphs (B), (C) and (D)
29 of paragraph two of subdivision (a) of this section on behalf of the
30 non-collecting seller for such sale if it was facilitated by such non-
31 collecting marketplace provider.

32 (c) The commissioner may, in their discretion, modify, without adding
33 to, the information otherwise required to be included in the information
34 return, annual statement of purchases, or per-purchase notice required
35 by this subdivision if other states impose similar requirements, in
36 order to facilitate the compliance of non-collecting sellers.

37 § 8. Subdivision (i) of section 1145 of the tax law, as added by
38 section 2 of subpart G of part V-1 of chapter 57 of the laws of 2009, is
39 amended to read as follows:

40 (i)(1) Every person required to file an information return by section
41 eleven hundred thirty-five-a or subdivision (i) of section eleven
42 hundred thirty-six of this part, or an annual statement or notice
43 required by section eleven hundred thirty-five-a of this part who [~~(A)~~]
44 fails to provide any of the information required [~~by paragraph one or~~
45 ~~two of subdivision (i) of section eleven hundred thirty-six of this part~~
46 ~~for a vendor, operator, or recipient]~~ to be provided in such information
47 return or notice, or who fails to perform the requirements of paragraph
48 two of subdivision (b) of section eleven hundred thirty-five-a of this
49 part, or who fails to include any such information that is true and
50 correct [~~(whether or not such a report is filed) for a vendor, operator,~~
51 ~~or recipient, or (B) fails to provide the information required by para-~~
52 ~~graph four of subdivision (i) of section eleven hundred thirty-six of~~
53 ~~this part to a vendor, operator, or recipient specified in paragraph~~
54 ~~four of subdivision (i) of section eleven hundred thirty-six of this~~
55 ~~part]~~, will, in addition to any other penalty provided in this article
56 or otherwise imposed by law, be subject to a penalty of five hundred

1 dollars for ten or fewer failures, and up to fifty dollars for each
2 additional failure.

3 (2) Every person failing to file an information return required by
4 section eleven hundred thirty-five-a or subdivision (i) of section elev-
5 en hundred thirty-six of this part or an annual statement or notice by
6 section eleven hundred thirty-five-a of this part within the time
7 required [~~by subdivision (i) of section eleven hundred thirty-six of~~
8 ~~this part~~], will, in addition to any other penalty provided for in this
9 article or otherwise imposed by law, be subject to a penalty in an
10 amount not to exceed two thousand dollars for each such failure,
11 provided that the minimum penalty under this paragraph is five hundred
12 dollars.

13 (3) In no event will the penalty imposed by paragraph one of this
14 subdivision, or the aggregate of the penalties imposed under paragraphs
15 one and two of this subdivision, exceed ten thousand dollars for any
16 annual filing period [~~as described by paragraph three of subdivision (i)~~
17 ~~of section eleven hundred thirty six of this part~~].

18 (4) If the commissioner determines that any of the failures that are
19 subject to penalty under this subdivision was entirely due to reasonable
20 cause and not due to willful neglect, the commissioner must remit the
21 penalty imposed under this subdivision. These penalties will be deter-
22 mined, assessed, collected, paid, disposed of and enforced in the same
23 manner as taxes imposed by this article and all the provisions of this
24 article relating thereto will be deemed also to refer to these penal-
25 ties.

26 § 9. Severability clause. If any clause, sentence, paragraph, subdivi-
27 sion, section, or part of this act shall be adjudged by any court of
28 competent jurisdiction to be invalid, such judgment shall not affect,
29 impair, or invalidate the remainder thereof, but shall be confined in
30 its operation to the clause, sentence, paragraph, subdivision, section,
31 or part thereof directly involved in the controversy in which such judg-
32 ment shall have been rendered. It is hereby declared to be the intent of
33 the legislature that this act would have been enacted even if such
34 invalid provision had not been included herein.

35 § 10. This act shall take effect immediately and shall apply to sales
36 made on or after September 1, 2018; provided, however, that the require-
37 ments in subparagraphs (B) and (C) of paragraph 2 of subdivision (a) of
38 section 1135-a as added by section two of this act shall apply to sales
39 made on or after January 1, 2019.

40 PART BB

41 Section 1. Subdivision 2 of section 470 of the tax law, as amended by
42 section 15 of part D of chapter 134 of the laws of 2010, is amended to
43 read as follows:

44 2. "Tobacco products." Any cigar, including [~~a~~] little [~~cigar~~] cigars,
45 vapor products, or tobacco, other than cigarettes, intended for consump-
46 tion by smoking, chewing, inhaling vapors or as snuff.

47 § 2. Subdivision 12 of section 470 of the tax law, as added by chapter
48 61 of the laws of 1989, is amended to read as follows:

49 12. "Distributor." Any person who imports or causes to be imported
50 into this state any tobacco product (in excess of fifty cigars [~~or~~], one
51 pound of tobacco or one hundred milliliters of vapor product) for sale,
52 or who manufactures any tobacco product in this state, and any person
53 within or without the state who is authorized by the commissioner of

1 taxation and finance to make returns and pay the tax on tobacco products
2 sold, shipped or delivered by him to any person in the state.

3 § 3. Section 470 of the tax law is amended by adding a new subdivision
4 20 to read as follows:

5 20. "Vapor product." Any noncombustible liquid or gel, regardless of
6 the presence of nicotine therein, that is manufactured into a finished
7 product for use in an electronic cigarette, electronic cigar, electronic
8 cigarillo, electronic pipe, vaping pen, hookah pen or other similar
9 device. "Vapor product" shall not include any product approved by the
10 United States food and drug administration as a drug or medical device,
11 or approved for use pursuant to section three thirty-three hundred
12 sixty-two of the public health law.

13 § 4. Paragraph (a) of subdivision 1 of section 471-b of the tax law,
14 as amended by section 18 of part D of chapter 134 of the laws of 2010,
15 is amended to read as follows:

16 (a) Such tax on tobacco products other than snuff [~~and~~], little cigars
17 and vapor products shall be at the rate of seventy-five percent of the
18 wholesale price, and is intended to be imposed only once upon the sale
19 of any tobacco products other than snuff [~~and~~], little cigars and vapor
20 products.

21 § 5. Subdivision 1 of section 471-b of the tax law is amended by
22 adding a new paragraph (d) to read as follows:

23 (d) Such tax on vapor products shall be at a rate of ten cents per
24 fluid milliliter, or part thereof, of the vapor product. All invoices
25 for vapor products issued by distributors and wholesalers must state the
26 amount of vapor product in milliliters.

27 § 6. Subdivision (a) of section 471-c of the tax law, as amended by
28 section 2 of part I-1 of chapter 57 of the laws of 2009, paragraphs (i)
29 and (ii) as amended by section 20 and paragraph (iii) as added by
30 section 21 of part D of chapter 134 of the laws of 2010, is amended to
31 read as follows:

32 (a) There is hereby imposed and shall be paid a tax on all tobacco
33 products used in the state by any person, except that no such tax shall
34 be imposed (1) if the tax provided in section four hundred seventy-one-b
35 of this article is paid, or (2) on the use of tobacco products which are
36 exempt from the tax imposed by said section, or (3) on the use of two
37 hundred fifty cigars or less, [~~or~~] five pounds or less of tobacco other
38 than roll-your-own tobacco, [~~or~~] thirty-six ounces or less of roll-your-
39 own tobacco or five hundred milliliters or less of vapor product brought
40 into the state on, or in the possession of, any person.

41 (i) Such tax on tobacco products other than snuff [~~and~~], little cigars
42 and vapor products shall be at the rate of seventy-five percent of the
43 wholesale price.

44 (ii) Such tax on snuff shall be at the rate of two dollars per ounce
45 and a proportionate rate on any fractional parts of an ounce, provided
46 that cans or packages of snuff with a net weight of less than one ounce
47 shall be taxed at the equivalent rate of cans or packages weighing one
48 ounce. Such tax shall be computed based on the net weight as listed by
49 the manufacturer.

50 (iii) Such tax on little cigars shall be at the same rate imposed on
51 cigarettes under this article and is intended to be imposed only once
52 upon the sale of any little cigars.

53 (iv) Such tax on vapor products shall be at a rate of ten cents per
54 fluid milliliter of the vapor product. All invoices for vapor products
55 issued by distributors and wholesalers must state the amount of vapor
56 product in milliliters.

1 § 7. Subdivision 2 of section 474 of the tax law, as amended by chap-
2 ter 552 of the laws of 2008, is amended to read as follows:

3 2. Every person who shall possess or transport more than two hundred
4 fifty cigars, [~~or~~] more than five pounds of tobacco other than roll-
5 your-own tobacco, [~~or~~] more than thirty-six ounces of roll-your-own
6 tobacco or more than five hundred milliliters of vapor product upon the
7 public highways, roads or streets of the state, shall be required to
8 have in his actual possession invoices or delivery tickets for such
9 tobacco products. Such invoices or delivery tickets shall show the name
10 and address of the consignor or seller, the name and address of the
11 consignee or purchaser, the quantity and brands of the tobacco products
12 transported, and the name and address of the person who has or shall
13 assume the payment of the tax and the wholesale price or the tax paid or
14 payable. The absence of such invoices or delivery tickets shall be prima
15 facie evidence that such person is a dealer in tobacco products in this
16 state and subject to the requirements of this article.

17 § 8. Subdivision 3 of section 474 of the tax law, as added by chapter
18 61 of the laws of 1989, is amended to read as follows:

19 3. Every dealer or distributor or employee thereof, or other person
20 acting on behalf of a dealer or distributor, who shall possess or trans-
21 port more than fifty cigars [~~or~~], more than one pound of tobacco or more
22 than one hundred milliliters of vapor product upon the public highways,
23 roads or streets of the state, shall be required to have in his actual
24 possession invoices or delivery tickets for such tobacco products. Such
25 invoices or delivery tickets shall show the name and address of the
26 consignor or seller, the name and address of the consignee or purchaser,
27 the quantity and brands of the tobacco products transported, and the
28 name and address of the person who has or shall assume the payment of
29 the tax and the wholesale price or the tax paid or payable. The absence
30 of such invoices or delivery tickets shall be prima facie evidence that
31 the tax imposed by this article on tobacco products has not been paid
32 and is due and owing.

33 § 9. Subparagraph (i) of paragraph (b) of subdivision 1 of section 481
34 of the tax law, as amended by section 1 of part 0 of chapter 59 of the
35 laws of 2013, is amended to read as follows:

36 (i) In addition to any other penalty imposed by this article, the
37 commissioner may (A) impose a penalty of not more than six hundred
38 dollars for each two hundred cigarettes, or fraction thereof, in excess
39 of one thousand cigarettes in unstamped or unlawfully stamped packages
40 in the possession or under the control of any person or (B) impose a
41 penalty of not more than two hundred dollars for each ten unaffixed
42 false, altered or counterfeit cigarette tax stamps, imprints or
43 impressions, or fraction thereof, in the possession or under the control
44 of any person. In addition, the commissioner may impose a penalty of not
45 more than seventy-five dollars for each fifty cigars [~~or~~] one pound of
46 tobacco[~~7~~] or one hundred milliliters of vapor product, or fraction
47 thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of
48 tobacco or five hundred milliliters of vapor product in the possession
49 or under the control of any person and a penalty of not more than one
50 hundred fifty dollars for each fifty cigars [~~or~~], pound of tobacco or
51 one hundred milliliters of vapor product, or fraction thereof, in excess
52 of five hundred cigars [~~or~~], ten pounds of tobacco or one thousand
53 milliliters of vapor product in the possession or under the control of
54 any person, with respect to which the tobacco products tax has not been
55 paid or assumed by a distributor or tobacco products dealer; provided,
56 however, that any such penalty imposed shall not exceed seven thousand

1 five hundred dollars in the aggregate. The commissioner may impose a
2 penalty of not more than seventy-five dollars for each fifty cigars
3 [~~or~~], one pound of tobacco or one hundred milliliters of vapor product,
4 or fraction thereof, in excess of fifty cigars [~~or~~], one pound of tobac-
5 co or one hundred milliliters of vapor product in the possession or
6 under the control of any tobacco products dealer or distributor
7 appointed by the commissioner, and a penalty of not more than one
8 hundred fifty dollars for each fifty cigars [~~or~~], pound of tobacco, or
9 one hundred milliliters of vapor product, or fraction thereof, in excess
10 of two hundred fifty cigars [~~or~~], five pounds of tobacco or five hundred
11 milliliters of vapor product in the possession or under the control of
12 any such dealer or distributor, with respect to which the tobacco
13 products tax has not been paid or assumed by a distributor or a tobacco
14 products dealer; provided, however, that any such penalty imposed shall
15 not exceed fifteen thousand dollars in the aggregate.

16 § 10. Items (I) and (II) of clause (B) and items (I) and (II) of
17 clause (C) of subparagraph (ii) of paragraph (b) of subdivision 1 of
18 section 481 of the tax law, as added by chapter 262 of the laws of 2000,
19 are amended to read as follows:

20 (I) not less than twenty-five dollars but not more than one hundred
21 dollars for each fifty cigars [~~or~~], one pound of tobacco or one hundred
22 milliliters of vapor product, or fraction thereof, in excess of two
23 hundred fifty cigars [~~or~~], five pounds of tobacco or five hundred milli-
24 liters of vapor product knowingly in the possession or knowingly under
25 the control of any person, with respect to which the tobacco products
26 tax has not been paid or assumed by a distributor or tobacco products
27 dealer; and (II) not less than fifty dollars but not more than two
28 hundred dollars for each fifty cigars [~~or~~], pound of tobacco or one
29 hundred milliliters of vapor product, or fraction thereof, in excess of
30 five hundred cigars [~~or~~], ten pounds of tobacco or one thousand millili-
31 ters of vapor product knowingly in the possession or knowingly under the
32 control of any person, with respect to which the tobacco products tax
33 has not been paid or assumed by a distributor or tobacco products deal-
34 er; provided, however, that any such penalty imposed under this clause
35 shall not exceed ten thousand dollars in the aggregate.

36 (I) not less than twenty-five dollars but not more than one hundred
37 dollars for each fifty cigars [~~or~~], one pound of tobacco or one hundred
38 milliliters of vapor product, or fraction thereof, in excess of fifty
39 cigars [~~or~~], one pound of tobacco or one hundred milliliters of vapor
40 product knowingly in the possession or knowingly under the control of
41 any person, with respect to which the tobacco products tax has not been
42 paid or assumed by a distributor or tobacco products dealer; and (II)
43 not less than fifty dollars but not more than two hundred dollars for
44 each fifty cigars [~~or~~], pound of tobacco or one hundred milliliters of
45 vapor product, or fraction thereof, in excess of two hundred fifty
46 cigars [~~or~~], five pounds of tobacco or five hundred milliliters of vapor
47 product knowingly in the possession or knowingly under the control of
48 any person, with respect to which the tobacco products tax has not been
49 paid or assumed by a distributor or a tobacco products dealer; provided,
50 however, that any such penalty imposed under this clause shall not
51 exceed twenty thousand dollars in the aggregate.

52 § 11. Paragraph (a) of subdivision 2 of section 481 of the tax law, as
53 amended by chapter 552 of the laws of 2008, is amended to read as
54 follows:

55 (a) The possession within this state of more than four hundred ciga-
56 rettes in unstamped or unlawfully stamped packages [~~or~~], more than two

1 hundred fifty cigars, ~~[or]~~ more than five pounds of tobacco other than
2 roll-your-own tobacco, ~~[or]~~ more than thirty-six ounces of roll-your-own
3 tobacco by any person other than an agent or distributor, as the case
4 may be, or five hundred milliliters or more of vapor product at any one
5 time shall be presumptive evidence that such cigarettes or tobacco
6 products are subject to tax as provided by this article.

7 § 12. Subdivisions (a) and (h) of section 1814 of the tax law, as
8 amended by section 28 of subpart I of part V-1 of chapter 57 of the laws
9 of 2009, are amended to read as follows:

10 (a) Any person who willfully attempts in any manner to evade or defeat
11 the taxes imposed by article twenty of this chapter or payment thereof
12 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
13 or more, ~~[or]~~ (iii) four hundred forty pounds of tobacco or more, (iv)
14 forty-four thousand milliliters of vapor product or more or has previ-
15 ously been convicted two or more times of a violation of paragraph one
16 of this subdivision shall be guilty of a class E felony.

17 (h) (1) Any dealer, other than a distributor appointed by the commis-
18 sioner ~~[of taxation and finance]~~ under article twenty of this chapter,
19 who shall knowingly transport or have in his custody, possession or
20 under his control more than ten pounds of tobacco ~~[or]~~, more than five
21 hundred cigars or more than one thousand milliliters of vapor product
22 upon which the taxes imposed by article twenty of this chapter have not
23 been assumed or paid by a distributor appointed by the commissioner ~~[of~~
24 ~~taxation and finance]~~ under article twenty of this chapter, or other
25 person treated as a distributor pursuant to section four hundred seven-
26 ty-one-d of this chapter, shall be guilty of a misdemeanor punishable by
27 a fine of not more than five thousand dollars or by a term of imprison-
28 ment not to exceed thirty days.

29 (2) Any person, other than a dealer or a distributor appointed by the
30 commissioner under article twenty of this chapter, who shall knowingly
31 transport or have in his custody, possession or under his control more
32 than fifteen pounds of tobacco ~~[or]~~, more than seven hundred fifty
33 cigars or more than fifteen hundred milliliters or more of vapor product
34 upon which the taxes imposed by article twenty of this chapter have not
35 been assumed or paid by a distributor appointed by the commissioner
36 under article twenty of this chapter, or other person treated as a
37 distributor pursuant to section four hundred seventy-one-d of this chap-
38 ter shall be guilty of a misdemeanor punishable by a fine of not more
39 than five thousand dollars or by a term of imprisonment not to exceed
40 thirty days.

41 (3) Any person, other than a distributor appointed by the commissioner
42 under article twenty of this chapter, who shall knowingly transport or
43 have in his custody, possession or under his control twenty-five hundred
44 or more cigars ~~[or]~~, fifty or more pounds of tobacco or five thousand
45 milliliters or more of vapor product upon which the taxes imposed by
46 article twenty of this chapter have not been assumed or paid by a
47 distributor appointed by the commissioner under article twenty of this
48 chapter, or other person treated as a distributor pursuant to section
49 four hundred seventy-one-d of this chapter shall be guilty of a misde-
50 meanor. Provided further, that any person who has twice been convicted
51 under this subdivision shall be guilty of a class E felony for any
52 subsequent violation of this section, regardless of the amount of tobac-
53 co products involved in such violation.

54 (4) For purposes of this subdivision, such person shall knowingly
55 transport or have in his custody, possession or under his control tobac-
56 co ~~[or]~~, cigars or vapor products on which such taxes have not been

1 assumed paid by a distributor appointed by the commissioner where such
2 person has knowledge of the requirement of the tax on tobacco products
3 and, where to his knowledge, such taxes have not been assumed or paid on
4 such tobacco products by a distributor appointed by the commissioner of
5 taxation and finance.

6 § 13. Subdivisions (a) and (b) of section 1814-a of the tax law, as
7 added by chapter 61 of the laws of 1989, are amended to read as follows:

8 (a) Any person who, while not appointed as a distributor of tobacco
9 products pursuant to the provisions of article twenty of this chapter,
10 imports or causes to be imported into the state more than fifty cigars
11 [~~or~~], more than one pound of tobacco[~~7~~] or more than one hundred milli-
12 liters of vapor product for sale within the state, or produces, manufac-
13 tures or compounds tobacco products within the state shall be guilty of
14 a misdemeanor punishable by a fine of not more than five thousand
15 dollars or by a term of imprisonment not to exceed thirty days. If,
16 within any ninety day period, one thousand or more cigars [~~or five~~
17 ~~hundred~~], twenty pounds or more of tobacco or two thousand milliliters
18 or more of vapor product are imported or caused to be imported into the
19 state for sale within the state or are produced, manufactured or
20 compounded within the state by any person while not appointed as a
21 distributor of tobacco products, such person shall be guilty of a misde-
22 meanor. Provided further, that any person who has twice been convicted
23 under this section shall be guilty of a class E felony for any subse-
24 quent violation of this section, regardless of the amount of tobacco
25 products involved in such violation.

26 (b) For purposes of this section, the possession or transportation
27 within this state by any person, other than a tobacco products distribu-
28 tor appointed by the commissioner of taxation and finance, at any one
29 time of seven hundred fifty or more cigars [~~or~~], fifteen pounds or more
30 of tobacco or fifteen hundred milliliters or more of vapor product shall
31 be presumptive evidence that such tobacco products are possessed or
32 transported for the purpose of sale and are subject to the tax imposed
33 by section four hundred seventy-one-b of this chapter. With respect to
34 such possession or transportation, any provisions of article twenty of
35 this chapter providing for a time period during which the tax imposed by
36 such article may be paid shall not apply.

37 § 14. Subdivision (a) of section 1846-a of the tax law, as amended by
38 chapter 556 of the laws of 2011, is amended to read as follows:

39 (a) Whenever a police officer designated in section 1.20 of the crimi-
40 nal procedure law or a peace officer designated in subdivision four of
41 section 2.10 of such law, acting pursuant to his special duties, shall
42 discover any tobacco products in excess of five hundred cigars [~~or~~], ten
43 pounds of tobacco or one thousand milliliters of vapor product which are
44 being imported for sale in the state where the person importing or caus-
45 ing such tobacco products to be imported has not been appointed as a
46 distributor pursuant to section four hundred seventy-two of this chap-
47 ter, such police officer or peace officer is hereby authorized and
48 empowered forthwith to seize and take possession of such tobacco
49 products. Such tobacco products seized by a police officer or peace
50 officer shall be turned over to the commissioner. Such seized tobacco
51 products shall be forfeited to the state. All tobacco products forfeited
52 to the state shall be destroyed or used for law enforcement purposes,
53 except that tobacco products that violate, or are suspected of violat-
54 ing, federal trademark laws or import laws shall not be used for law
55 enforcement purposes. If the commissioner determines the tobacco
56 products may not be used for law enforcement purposes, the commissioner

1 must, within a reasonable time thereafter, upon publication in the state
 2 registry of a notice to such effect before the day of destruction,
 3 destroy such forfeited tobacco products. The commissioner may, prior to
 4 any destruction of tobacco products, permit the true holder of the
 5 trademark rights in the tobacco products to inspect such forfeited
 6 products in order to assist in any investigation regarding such tobacco
 7 products.

8 § 15. Subdivision (b) of section 1847 of the tax law, as added by
 9 chapter 61 of the laws of 1989, is amended to read as follows:

10 (b) Any peace officer designated in subdivision four of section 2.10
 11 of the criminal procedure law, acting pursuant to his special duties, or
 12 any police officer designated in section 1.20 of the criminal procedure
 13 law may seize any vehicle or other means of transportation used to
 14 import tobacco products in excess of five hundred cigars [~~or~~], ten
 15 pounds of tobacco or one thousand milliliters of vapor product for sale
 16 where the person importing or causing such tobacco products to be
 17 imported has not been appointed a distributor pursuant to section four
 18 hundred seventy-two of this chapter, other than a vehicle or other means
 19 of transportation used by any person as a common carrier in transaction
 20 of business as such common carrier, and such vehicle or other means of
 21 transportation shall be subject to forfeiture as hereinafter in this
 22 section provided.

23 § 16. This act shall take effect on the one hundred eightieth day
 24 after it shall have become a law, and shall apply to vapor products that
 25 first become subject to taxation under article 20 of the tax law on or
 26 after such date.

27 PART CC

28 Section 1. The tax law is amended by adding a new article 20-C to read
 29 as follows:

30 ARTICLE 20-C

31 OPIOID EPIDEMIC SURCHARGE

32 Section 492. Definitions.

33 493. Imposition of surcharge.

34 494. Returns to be secret.

35 § 492. Definitions. When used in this article, the following terms
 36 shall have the following meanings:

37 1. "Opioid" shall mean an "opiate" as defined by subdivision twenty-
 38 three of section thirty-three hundred two of the public health law, and
 39 any natural, synthetic, or semisynthetic "narcotic drug" as defined by
 40 subdivision twenty-two of such section, that has agonist, partial agon-
 41 ist, or agonist/antagonist morphine-like activities or effects similar
 42 to natural opium alkaloids and any derivative, congener, or combination
 43 thereof, listed in schedules II-IV of section thirty-three hundred six
 44 of the public health law.

45 2. "Unit" shall mean the dosage form of an opioid-containing drug
 46 including, but not limited to, tablets, capsules, suppositories, topical
 47 (transdermal), buccal or any other dosage form, such as weight or
 48 volume.

49 3. "Unit strength" shall mean the amount of opioid in a unit, as meas-
 50 ured by weight, volume, concentration or other metric.

51 4. "Morphine milligram equivalent conversion factor" shall mean that
 52 reference standard of a particular opioid as it relates in potency to
 53 morphine as determined by the commissioner of health.

1 5. "Morphine milligram equivalent" shall mean a unit multiplied by its
2 unit strength multiplied by the morphine milligram equivalent conversion
3 factor of the opioid contained in such unit.

4 6. "Establishment" shall mean any person, firm, corporation or associ-
5 ation required to be registered with the education department pursuant
6 to section sixty-eight hundred eight or section sixty-eight hundred
7 eight-b of the education law, as well as any person, firm, corporation
8 or association that would be required to be registered with the educa-
9 tion department pursuant to such section sixty-eight hundred eight-b but
10 for the exception in subdivision two of such section.

11 7. "Invoice" shall mean the invoice, sales slip, memorandum of sale,
12 or other document evidencing a sale of an opioid.

13 § 493. Imposition of surcharge. 1. There is hereby imposed a surcharge
14 on the sale of any opioid of two cents per morphine milligram equivalent
15 sold. Such surcharge shall be imposed on the first sale of such opioid
16 in the state, except that such surcharge shall not apply when such sale
17 is to any program operated pursuant to article thirty-two of the mental
18 hygiene law. This surcharge shall be charged against, and be paid by,
19 the establishment making the first sale of such opioid in the state, and
20 shall not be added as a separate charge or line item on any invoice
21 given to the customer or otherwise passed down to the customer. However,
22 an establishment liable for the surcharge imposed by this article shall
23 clearly note on the invoice for the first sale of an opioid in the state
24 its liability for the surcharge, along with its name, address, and
25 taxpayer identification number. All sales of an opioid in this state
26 shall be presumed to be the first sale of such, and shall also be
27 presumed to be subject to the surcharge imposed by this article, unless
28 the contrary is established by the seller.

29 2. Every establishment liable for the surcharge imposed by this arti-
30 cle shall file with the commissioner a return, on forms prescribed by
31 the commissioner, indicating the total morphine milligram equivalent of
32 opioids it sold in the state, the total morphine milligram equivalent of
33 such opioids that are subject to the surcharge imposed by this article,
34 the amount of surcharge due thereon, and such further information as the
35 commissioner may require. Such returns shall be due on or before the
36 twentieth day of each month, and shall cover all opioid sales in the
37 state made in the month prior, except that the first return required to
38 be filed pursuant to this section shall be due on or before January
39 twentieth, two thousand nineteen and shall cover all opioid sales occur-
40 ring in the period between the effective date of this article and Decem-
41 ber thirty-first, two thousand eighteen. Every establishment required
42 to file a return under this section shall, at the time of filing such
43 return, pay to the commissioner the total amount of surcharge due for
44 the period covered by such return. If a return is not filed when due,
45 the surcharge shall be due on the day on which the return is required to
46 be filed. The commissioner may require that the returns and payments
47 required by this article be filed or paid electronically.

48 3. Establishments making sales of opioids in this state shall maintain
49 all invoices pertaining to such sales for six years after the return
50 reporting such sales is filed with the commissioner, unless the commis-
51 sioner provides for a different retention period by rule or regulation.
52 The establishment shall produce such records upon demand by the commis-
53 sioner.

54 4. Whenever the commissioner shall determine that any moneys received
55 under the provisions of this article were paid in error, he or she may
56 cause the same to be refunded, with interest, except that no interest

1 shall be allowed or paid if the amount thereof would be less than one
2 dollar. Such interest shall be at the overpayment rate set by the
3 commissioner pursuant to subdivision twenty-sixth of section one hundred
4 seventy-one of this chapter, or if no rate is set, at the rate of six
5 percent per annum, from the date when the surcharge, penalty or interest
6 to be refunded was paid to a date preceding the date of the refund check
7 by not more than thirty days. Provided, however, that for the purposes
8 of this subdivision, any surcharge paid before the last day prescribed
9 for its payment shall be deemed to have been paid on such last day. Such
10 moneys received under the provisions of this article that the commis-
11 sioner shall determine were paid in error, may be refunded out of funds
12 in the custody of the comptroller to the credit of such surcharges
13 provided an application therefor is filed with the commissioner within
14 two years from the time the erroneous payment was made.

15 5. The provisions of article twenty-seven of this chapter shall apply
16 to the surcharge imposed by this article in the same manner and with the
17 same force and effect as if the language of such article had been incor-
18 porated in full into this section and had expressly referred to the
19 surcharge imposed by this article, except to the extent that any
20 provision of such article is either inconsistent with a provision of
21 this article or is not relevant to this article.

22 6. (a) The surcharges, interest, and penalties imposed by this article
23 and collected or received by the commissioner shall be deposited daily
24 with such responsible banks, banking houses or trust companies, as may
25 be designated by the state comptroller, to the credit of the opioid
26 prevention, treatment and recovery account established pursuant to
27 section ninety-seven-aaaaa of the state finance law. An account may be
28 established in one or more of such depositories. Such deposits will be
29 kept separate and apart from all other money in the possession of the
30 state comptroller. The state comptroller shall require adequate security
31 from all such depositories. Of the total revenue collected or received
32 under this article, the state comptroller shall retain such amount as
33 the commissioner may determine to be necessary for refunds under this
34 article. The commissioner is authorized and directed to deduct from the
35 amounts it receives under this article, before deposit into the trust
36 accounts designated by the state comptroller, a reasonable amount neces-
37 sary to effectuate refunds of appropriations of the department to reim-
38 burse the department for the costs incurred to administer, collect and
39 distribute the surcharge imposed by this article.

40 (b) On or before the twelfth and twenty-sixth day of each succeeding
41 month, after reserving such amount for such refunds and deducting such
42 amounts for such costs, as provided for in paragraph (a) of this subdivi-
43 vision, the commissioner shall certify to the state comptroller the
44 amount of all revenues so received during the prior month because of the
45 surcharges, interest and penalties so imposed. The amount of revenues so
46 certified shall be paid over by the fifteenth and the final business day
47 of each succeeding month from such account into the opioid prevention,
48 treatment and recovery account established pursuant to section ninety-
49 seven-aaaaa of the state finance law.

50 7. The commissioners of education and health shall cooperate with the
51 commissioner in administering this surcharge, including sharing with the
52 commissioner pertinent information about establishments upon the request
53 of the commissioner.

54 § 494. Returns to be secret. 1. Except in accordance with proper judi-
55 cial order or as in this section or otherwise provided by law, it shall
56 be unlawful for the commissioner, any officer or employee of the depart-

1 ment, or any officer or person who, pursuant to this section, is permit-
2 ted to inspect any return or report or to whom a copy, an abstract or a
3 portion of any return or report is furnished, or to whom any information
4 contained in any return or report is furnished, or any person engaged or
5 retained by such department on an independent contract basis or any
6 person who in any manner may acquire knowledge of the contents of a
7 return or report filed pursuant to this article to divulge or make known
8 in any manner the contents or any other information relating to the
9 business of an establishment contained in any return or report required
10 under this article. The officers charged with the custody of such
11 returns or reports shall not be required to produce any of them or
12 evidence of anything contained in them in any action or proceeding in
13 any court, except on behalf of the state, the state department of
14 health, the state department of education or the commissioner in an
15 action or proceeding under the provisions of this chapter or on behalf
16 of the state or the commissioner in any other action or proceeding
17 involving the collection of a tax due under this chapter to which the
18 state or the commissioner is a party or a claimant or on behalf of any
19 party to any action or proceeding under the provisions of this article,
20 when the returns or the reports or the facts shown thereby are directly
21 involved in such action or proceeding, in any of which events the court
22 may require the production of, and may admit in evidence so much of said
23 returns or reports or of the facts shown thereby as are pertinent to the
24 action or proceeding and no more. Nothing herein shall be construed to
25 prohibit the commissioner, in his or her discretion, from allowing the
26 inspection or delivery of a certified copy of any return or report filed
27 under this article, or from providing any information contained in any
28 such return or report, by or to a duly authorized officer or employee of
29 the state department of health or the state department of education; nor
30 to prohibit the inspection or delivery of a certified copy of any return
31 or report filed under this article, or the provision of any information
32 contained therein, by or to the attorney general or other legal repre-
33 sentatives of the state when an action shall have been recommended or
34 commenced pursuant to this chapter in which such returns or reports or
35 the facts shown thereby are directly involved; nor to prohibit the
36 commissioner from providing or certifying to the division of budget or
37 the comptroller the total number of returns or reports filed under this
38 article in any reporting period and the total collections received ther-
39 efrom; nor to prohibit the inspection of the returns or reports required
40 under this article by the comptroller or duly designated officer or
41 employee of the state department of audit and control, for purposes of
42 the audit of a refund of any surcharge paid by an establishment or other
43 person under this article; nor to prohibit the delivery to an establish-
44 ment, or a duly authorized representative of such establishment, a
45 certified copy of any return or report filed by such establishment
46 pursuant to this article, nor to prohibit the publication of statistics
47 so classified as to prevent the identification of particular returns or
48 reports and the items thereof.

49 2. (a) Any officer or employee of the state who willfully violates the
50 provisions of subdivision one of this section shall be dismissed from
51 office and be incapable of holding any public office in this state for a
52 period of five years thereafter.

53 (b) A violation of this article shall be considered a violation of
54 secrecy provisions under article thirty-seven of this chapter.

55 § 2. Section 1825 of the tax law, as amended by section 20 of part AAA
56 of chapter 59 of the laws of 2017, is amended to read as follows:

1 § 1825. Violation of secrecy provisions of the tax law.--Any person
2 who violates the provisions of [~~subdivision (b) of section twenty-one,~~
3 subdivision one of section two hundred two, subdivision eight of section
4 two hundred eleven, subdivision (a) of section three hundred fourteen,
5 subdivision one or two of section four hundred thirty-seven, section
6 four hundred eighty-seven, section four hundred ninety-four, subdivision
7 one or two of section five hundred fourteen, subsection (e) of section
8 six hundred ninety-seven, subsection (a) of section nine hundred nine-
9 ty-four, subdivision (a) of section eleven hundred forty-six, section
10 twelve hundred eighty-seven, section twelve hundred ninety-six, subdivi-
11 sion (a) of section fourteen hundred eighteen, subdivision (a) of
12 section fifteen hundred eighteen, subdivision (a) of section fifteen
13 hundred fifty-five of this chapter, and subdivision (e) of section
14 11-1797 of the administrative code of the city of New York shall be
15 guilty of a misdemeanor.

16 § 3. The state finance law is amended by adding a new section 97-aaaaa
17 to read as follows:

18 § 97-aaaaa. Opioid prevention, treatment and recovery account. 1.
19 There is hereby established in the joint custody of the state comp-
20 troller and the commissioner of taxation and finance an account of the
21 miscellaneous special revenue account to be known as the "opioid
22 prevention, treatment and recovery account".

23 2. Moneys in the opioid prevention, treatment and recovery account
24 shall be kept separate and shall not be commingled with any other moneys
25 in the custody of the state comptroller and the commissioner of taxation
26 and finance.

27 3. The opioid prevention, treatment and recovery account shall consist
28 of moneys appropriated for the purpose of such account, moneys trans-
29 ferred to such account pursuant to law, contributions consisting of
30 promises or grants of any money or property of any kind or value, or any
31 other thing of value, including grants or other financial assistance
32 from any agency of government and moneys required by the provisions of
33 this section or any other law to be paid into or credited to this
34 account. The account shall also consist of moneys received from any
35 litigation or enforcement actions initiated against opioid pharmaceu-
36 tical manufacturers, distributors and wholesalers.

37 4. Moneys of the opioid prevention, treatment and recovery account,
38 when allocated, shall be available, subject to the approval of the
39 director of the budget, to support programs operated by the New York
40 state office of alcoholism and substance abuse services or agencies
41 certified, authorized, approved or otherwise funded by the New York
42 state office of alcoholism and substance abuse services to provide
43 opioid treatment, recovery and prevention and education services; and to
44 provide support for the prescription monitoring program registry if
45 established.

46 5. At the request of the budget director, the state comptroller shall
47 transfer moneys to support the costs of opioid treatment, recovery,
48 prevention, education services, and other related programs, from the
49 opioid prevention, treatment and recovery account to any other fund of
50 the state.

51 6. Notwithstanding the provisions of any general or special law, no
52 moneys shall be available from the opioid prevention, treatment and
53 recovery account until a certificate of allocation and a schedule of
54 amounts to be available therefor shall have been issued by the director
55 of the budget, upon the recommendation of the commissioner of the office
56 of alcoholism and substance abuse services, and a copy of such certif-

1 icate filed with the comptroller, the chairman of the senate finance
2 committee and the chairman of the assembly ways and means committee.
3 Such certificate may be amended from time to time by the director of the
4 budget, upon the recommendation of the commissioner of the office of
5 alcoholism and substance abuse services, and a copy of such amendment
6 shall be filed with the comptroller, the chairman of the senate finance
7 committee and the chairman of the assembly ways and means committee.

8 7. The moneys, when allocated, shall be paid out of the opioid
9 prevention, treatment and recovery account, pursuant to subdivision four
10 of this section, and subject to the approval of the director of the
11 budget, on the audit and warrant of the comptroller on vouchers certi-
12 fied or approved by (a) the commissioner of the office of alcoholism and
13 substance abuse services or his or her designee; or (b) the commissioner
14 of the department of health or his or her designee.

15 § 4. This act shall take effect July 1, 2018.

16 PART DD

17 Section 1. The tax law is amended by adding a new section 1521 to read
18 as follows:

19 § 1521. Healthcare insurance windfall profit fee. (a) In addition to
20 all taxes, surcharges, and fees imposed under this chapter, the insur-
21 ance law, the financial services law, and the public health law, there
22 is hereby imposed for each taxable year beginning after December thir-
23 ty-first, two thousand seventeen, a fourteen percent surcharge on the
24 net underwriting gain from the sale of health insurance written on risks
25 located or resident within this state of every corporation (1) author-
26 ized to transact an insurance business in this state, or (2) that is a
27 health maintenance organization required to obtain a certificate of
28 authority under article forty-four of the public health law.

29 (b) For purposes of this section, the term "health insurance" shall
30 mean comprehensive hospital and medical expense insurance including,
31 without limitation, comprehensive coverage issued by a health mainte-
32 nance organization, disability income insurance, accident insurance,
33 medicare supplement insurance, specified disease insurance, dental
34 insurance, vision insurance, stop-loss insurance, fixed indemnity insur-
35 ance, and hospital indemnity insurance.

36 (c)(1) For each taxable year, the "net underwriting gain from the sale
37 of health insurance written on risks located or resident within this
38 state" shall equal a corporation's gross receipts from the sale of
39 health insurance written on risks located or resident within New York
40 less the corporation's claims and administrative expenses related to the
41 gross receipts. The computation of "gross receipts from the sale of
42 health insurance written on risks located or resident within New York"
43 and "claims and administrative expenses related to gross receipts" shall
44 be made pursuant to the rules set forth in regulations to be promulgated
45 by the superintendent of financial services.

46 (2) For each taxable year, the "net underwriting gain from the opera-
47 tion of a managed care organization business regulated by the department
48 of health" shall equal a corporation's gross receipts from the operation
49 of a managed care organization business regulated by the department of
50 health less the corporation's claims and administrative expenses related
51 to such gross receipts. The computation of "gross receipts from the
52 operation of a managed care organization business regulated by the
53 department of health" and "claims and administrative expenses related to

1 gross receipts" shall be made pursuant to the rules set forth in regu-
2 lations to be promulgated by the superintendent of financial services.

3 (d) Notwithstanding any law to the contrary, the surcharge imposed by
4 this section shall not be deductible by a corporation in determining its
5 liability for any other tax, surcharge, or fee imposed under any law.

6 (e) Notwithstanding any law to the contrary, the surcharge imposed by
7 this section shall not be considered by any corporation, and shall not
8 be deemed to be an expense, cost, or liability, for purposes of estab-
9 lishing or setting the rate to be charged for any health insurance poli-
10 cy.

11 (f) The surcharge imposed by this section shall be calculated by each
12 corporation on an annual basis without regard to the items of gain or
13 loss from any other period.

14 (g) (1) The superintendent of financial services shall have the power,
15 duty and responsibility to examine returns of a corporation filed with
16 him or her pursuant to this section and, together with any other infor-
17 mation within his or her possession or that may come into his or her
18 possession, to ascertain the correct amount of surcharge imposed under
19 this section of any corporation. For the purpose of ascertaining the
20 correctness of any such surcharge imposed under this section or for the
21 purpose of making an estimate of the surcharge liability under this
22 section of any corporation, the superintendent of financial services
23 shall have the power to examine or cause to have examined by any agent
24 or representative designated by him or her for that purpose, any books,
25 papers, records or memoranda bearing upon the matters required to be
26 included in the return.

27 (2) If the superintendent of financial services ascertains that the
28 amount of surcharge imposed under this section as shown on the return of
29 any corporation is less than the amount of surcharge disclosed by his or
30 her examination, he or she shall propose, in writing, to the commission-
31 er the issuance of a notice of deficiency for the amount due. If a
32 corporation fails to file a return with the superintendent of financial
33 services within the time required for the filing of such return (with
34 regard to any extension of time for the filing thereof), the superinten-
35 dent of financial services shall make an estimate of the amount of
36 surcharge due for the period in respect to which such corporation failed
37 to file the return. The estimate shall be made from any available infor-
38 mation which is in the possession or may come into the possession of the
39 superintendent of financial services and he or she shall propose, in
40 writing, to the commissioner the issuance of a notice of deficiency for
41 the amount of such estimated surcharge. Any proposal pursuant to this
42 paragraph shall set forth the basis thereof and the details of its
43 computation.

44 (3) The commissioner shall, on receipt of a proposal from the super-
45 intendent of financial services pursuant to paragraph two of this subdi-
46 vision, take appropriate action under this chapter for the assessment
47 and collection of the amount of surcharge, together with interest and
48 penalties, shown by such proposal to be due. The superintendent of
49 financial services shall be required to assist the commissioner in
50 defending the correctness of the amount assessed at any conference at
51 the bureau of conciliation and mediation services and at the division of
52 tax appeals.

53 (4) Subject to the consent of the superintendent of financial services
54 and notwithstanding any other provisions of law to the contrary, the
55 commissioner may delegate such other of his or her powers and duties
56 with respect to the administration and collection of the taxes imposed

1 under this section to the superintendent of financial services, as the
2 commissioner finds necessary in order to facilitate such administration
3 and collection.

4 (5) The superintendent of financial services shall have the authority
5 to issue such rules and regulations that are necessary to implement the
6 provisions of this section.

7 (h) (1) Every corporation subject to the surcharge in subdivision (a)
8 of this section, shall annually, on or before the fifteenth day of the
9 third month following the close of its taxable year, transmit to the
10 superintendent of financial services a return in a form prescribed by
11 the superintendent of financial services setting forth such information
12 as such superintendent may prescribe and every corporation which ceases
13 to be subject to the surcharge imposed by this section shall transmit to
14 the superintendent of financial services a return on the date of such
15 cessation or at such other time as such superintendent may require
16 covering each year or period for which no return was theretofore filed.
17 A copy of each return required under this subdivision shall also be
18 transmitted to the commissioner at or before the times specified for
19 filing such returns with the commissioner.

20 (2) Every corporation shall also transmit such other returns and such
21 facts and information as the superintendent of financial services may
22 require in the administration of this section.

23 (3) The superintendent of financial services may grant a reasonable
24 extension of time for filing returns whenever good cause exists. An
25 automatic extension of four months for the filing of its return shall be
26 allowed any corporation, if within the time prescribed by paragraph one
27 of this subdivision, such corporation files with the superintendent of
28 financial services an application for extension in such form as the
29 superintendent of financial services may prescribe and pays on or before
30 the date of such filing the amount properly estimated as its surcharge.

31 (4) Every return shall have annexed thereto a certification by the
32 president, vice president, treasurer, assistant treasurer, chief
33 accounting officer or any other officer of the corporation duly author-
34 ized so to act to the effect that the statements contained therein are
35 true. The fact that an individual's name is signed on a certification of
36 the return shall be prima facie evidence that such individual is author-
37 ized to sign and certify the return on behalf of the corporation.

38 (5) Each corporation subject to the surcharge in subdivision (a) of
39 this section shall file a separate return for each year such corporation
40 is subject to the surcharge.

41 (6) In case it shall appear to the superintendent of financial
42 services that any agreement, understanding or arrangement exists between
43 the corporation and any other entity, person or firm whereby the activ-
44 ity, business, income or capital of the corporation is improperly or
45 inaccurately reflected, the superintendent of financial services is
46 authorized and empowered in his or her discretion and in such manner as
47 he or she may determine, to adjust items of income, deductions and capi-
48 tal so as equitably to determine the surcharge. Where (A) any corpo-
49 ration conducts its activity or business under any agreement, arrange-
50 ment or understanding in such manner as either directly or indirectly to
51 benefit its members or stockholders, or any of them, or any person or
52 persons directly or indirectly interested in such activity or business,
53 by entering into any transaction at more or less than a fair price
54 which, but for such agreement, arrangement or understanding, might have
55 been paid or received therefor, or (B) any corporation, a substantial
56 portion of whose capital stock is owned either directly or indirectly by

1 another corporation, enters into any transaction with such other corpo-
2 ration on such terms as to create an improper gain or loss amount, the
3 superintendent of financial services may include in the corporation's
4 gain subject to the surcharge the fair amounts, which, but for such
5 agreement, arrangement or understanding, the corporation might have
6 derived from such transaction.

7 (i) (1) To the extent the surcharge imposed by this section shall not
8 have been previously paid, the surcharge, or the balance thereof, shall
9 be payable to the superintendent of financial services in full at the
10 time the corporation's return is required to be filed.

11 (2) If the corporation, within the time prescribed by subdivision (f)
12 of this section, shall have applied for an automatic extension of time
13 to file its annual return and shall have paid to the superintendent of
14 financial services on or before the date such application is filed an
15 amount properly estimated as provided by said subdivision, the only
16 amount payable in addition to the surcharge shall be interest at the
17 underpayment rate set by the commissioner pursuant to subsection (e) of
18 section one thousand ninety-six of this chapter or, if no rate is set,
19 at the rate of six percent per annum upon the amount by which the
20 surcharge, or portion thereof payable on or before the date the return
21 was required to be filed, exceeds the amount so paid. For the purposes
22 of the preceding sentence:

23 (A) an amount so paid shall be deemed properly estimated if it is
24 either (i) not less than ninety percent of the surcharge as finally
25 determined, or (ii) not less than the surcharge shown on the corpo-
26 ration's return for the preceding taxable year, if such preceding year
27 was a taxable year of twelve months; and

28 (B) the time when a return is required to be filed shall be determined
29 without regard to any extension of time for filing such return.

30 (3) The superintendent of financial services may grant a reasonable
31 extension of time for payment of any surcharge imposed by this section
32 under such conditions as he or she deems just and proper.

33 (j) All surcharges, interest and penalties collected or received by
34 the superintendent of financial services under this section shall be
35 deposited into the health care reform act (HCRA) resources fund pursuant
36 to section ninety-two-dd of the state finance law.

37 (k) The provisions of article twenty-seven of this chapter shall apply
38 to the provisions of this section in the same manner and with the same
39 force and effect as if the language of such article twenty-seven had
40 been incorporated in full into this article and had expressly referred
41 to the surcharge under this section, except to the extent that any such
42 provision is either inconsistent with a provision of this section or is
43 not relevant to this section. The superintendent of financial services
44 shall have the same power and authority that the commissioner has under
45 article twenty-seven of this chapter.

46 § 2. This act shall take effect immediately.

47 PART EE

48 Section 1. Subdivision 1 of Section 208 of the racing, pari-mutuel
49 wagering and breeding law, as amended by chapter 140 of the laws of
50 2008, is amended to read as follows:

51 1. In consideration of the franchise and in accordance with its fran-
52 chise agreement, the franchised corporation shall remit to the state,
53 each year, no later than April fifth, a franchise fee payment. The fran-
54 chise fee shall be calculated and equal to the lesser of paragraph (a)

1 or (b) of this subdivision as follows: (a) adjusted net income, includ-
2 ing all sources of audited generally accepted accounting principles net
3 income as of December thirty-first (i) plus the amount of depreciation
4 and amortization for such year as set forth on the statement of cash
5 flows (ii) less the amount received by the franchised corporation for
6 capital expenditures and (iii) less principal payments made for the
7 repayment of debt; or (b) operating cash which is defined as cash avail-
8 able on December thirty-first (i) which excludes all restricted cash
9 accounts, segregated accounts as per audited financial statements and
10 cash on hand needed to fund the on-track pari-mutuel operations through
11 the vault, (ii) less [~~forty-five~~ ninety days of operating expenses
12 pursuant to generally accepted accounting principles which shall be an
13 average calculated by dividing the current year's annual budget by the
14 number of days in such year and multiplying that number by [~~forty-five~~
15 ninety.

16 § 2. Section 203 of the racing, pari-mutuel wagering and breeding law,
17 as amended by chapter 18 of the laws of 2008, is amended to read as
18 follows:

19 § 203. Right to hold race meetings and races. 1. Any corporation
20 formed under the provisions of this article, if so claimed in its
21 certificate of organization, and if it shall comply with all the
22 provisions of this article, and any other corporation entitled to the
23 benefits and privileges of this article as hereinafter provided, shall
24 have the power and the right to hold one or more running race meetings
25 in each year, and to hold, maintain and conduct running races at such
26 meetings. At such running race meetings the corporation, or the owners
27 of horses engaged in such races, or others who are not participants in
28 the race, may contribute purses, prizes, premiums or stakes to be
29 contested for, but no person or persons other than the owner or owners
30 of a horse or horses contesting in a race shall have any pecuniary
31 interest in a purse, prize, premium or stake contested for in such race,
32 or be entitled to or receive any portion thereof after such race is
33 finished, and the whole of such purse, prize, premium or stake shall be
34 allotted in accordance with the terms and conditions of such race. Races
35 conducted by a franchised corporation shall be permitted only between
36 sunrise and sunset.

37 2. Notwithstanding any other provision of law to the contrary, a fran-
38 chised corporation shall be permitted to conduct races after sunset at
39 the Belmont Park racetrack, only on the main track in its current
40 configuration, only if such races conclude before half past ten o' clock
41 post meridian, and only if such races occur on Thursdays, Fridays or
42 Saturdays. The franchised corporation shall coordinate with a harness
43 racing association or corporation authorized to operate in Westchester
44 county to ensure that the starting times of all such races are stag-
45 gered.

46 3. A track first licensed after January first, nineteen hundred nine-
47 ty, shall not conduct the simulcasting of thoroughbred races within
48 district one, in accordance with article ten of this chapter on days
49 that a franchised corporation is not conducting a race meeting. In no
50 event shall thoroughbred races conducted by a track first licensed after
51 January first, nineteen hundred ninety be conducted after eight o'clock
52 post meridian.

53 § 3. An advisory committee shall be established by the governor
54 comprised of individuals with demonstrated interest in the performance
55 of thoroughbred and standardbred race horses to review the present
56 structure, operations and funding of equine drug testing and research

1 conducted pursuant to article nine of the racing, pari-mutuel wagering
2 and breeding law. Recommendations shall be delivered to the temporary
3 president of the Senate, speaker of the Assembly and Governor by Decem-
4 ber 1, 2018 regarding the future of such research, testing and funding.
5 Members of the board shall not be considered policymakers.

6 § 4. This act shall take effect immediately; provided, however, that
7 the amendments to section 203 of the racing, pari-mutuel wagering and
8 breeding law made by section two of this act shall expire and be deemed
9 repealed 4 years after the first night of racing conducted after sunset
10 pursuant to this act; provided that the New York Racing Association
11 shall notify the legislative bill drafting commission of the date of
12 such night of racing in order that the commission may maintain an accu-
13 rate and timely effective data base of the official text of the laws of
14 the state of New York in furtherance of effectuating the provisions of
15 section 44 of the legislative law and section 70-b of the public offi-
16 cers law.

17 PART FF

18 Section 1. Subdivision 2 of section 254 of the racing, pari-mutuel
19 wagering and breeding law is amended by adding a new paragraph h to read
20 as follows:

21 h. An amount as shall be determined by the fund to support and promote
22 the ongoing care of retired horses, provided, however, that the fund
23 shall not be required to make any allocation for such purposes.

24 § 2. Subdivision 1 of section 332 of the racing, pari-mutuel wagering
25 and breeding law is amended by adding a new paragraph j to read as
26 follows:

27 j. An amount as shall be determined by the fund to support and promote
28 the ongoing care of retired horses, provided, however, that the fund
29 shall not be required to make any allocation for such purposes.

30 § 3. This act shall take effect immediately.

31 PART GG

32 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
33 racing, pari-mutuel wagering and breeding law, as amended by section 1
34 of part OO of chapter 59 of the laws of 2017, is amended to read as
35 follows:

36 (a) Any racing association or corporation or regional off-track
37 betting corporation, authorized to conduct pari-mutuel wagering under
38 this chapter, desiring to display the simulcast of horse races on which
39 pari-mutuel betting shall be permitted in the manner and subject to the
40 conditions provided for in this article may apply to the commission for
41 a license so to do. Applications for licenses shall be in such form as
42 may be prescribed by the commission and shall contain such information
43 or other material or evidence as the commission may require. No license
44 shall be issued by the commission authorizing the simulcast transmission
45 of thoroughbred races from a track located in Suffolk county. The fee
46 for such licenses shall be five hundred dollars per simulcast facility
47 and for account wagering licensees that do not operate either a simul-
48 cast facility that is open to the public within the state of New York or
49 a licensed racetrack within the state, twenty thousand dollars per year
50 payable by the licensee to the commission for deposit into the general
51 fund. Except as provided in this section, the commission shall not
52 approve any application to conduct simulcasting into individual or group

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

38 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
39 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
40 section 2 of part 00 of chapter 59 of the laws of 2017, is amended to
41 read as follows:

42 (iii) Of the sums retained by a receiving track located in Westchester
43 county on races received from a franchised corporation, for the period
44 commencing January first, two thousand eight and continuing through June
45 thirtieth, two thousand [~~eighteen~~ nineteen], the amount used exclusively
46 for purses to be awarded at races conducted by such receiving track
47 shall be computed as follows: of the sums so retained, two and one-half
48 percent of the total pools. Such amount shall be increased or decreased
49 in the amount of fifty percent of the difference in total commissions
50 determined by comparing the total commissions available after July twen-
51 ty-first, nineteen hundred ninety-five to the total commissions that
52 would have been available to such track prior to July twenty-first,
53 nineteen hundred ninety-five.

54 § 3. The opening paragraph of subdivision 1 of section 1014 of the
55 racing, pari-mutuel wagering and breeding law, as amended by section 3

1 of part 00 of chapter 59 of the laws of 2017, is amended to read as
2 follows:

3 The provisions of this section shall govern the simulcasting of races
4 conducted at thoroughbred tracks located in another state or country on
5 any day during which a franchised corporation is conducting a race meet-
6 ing in Saratoga county at Saratoga thoroughbred racetrack until June
7 thirtieth, two thousand [~~eighteen~~] nineteen and on any day regardless of
8 whether or not a franchised corporation is conducting a race meeting in
9 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
10 two thousand [~~eighteen~~] nineteen. On any day on which a franchised
11 corporation has not scheduled a racing program but a thoroughbred racing
12 corporation located within the state is conducting racing, every off-
13 track betting corporation branch office and every simulcasting facility
14 licensed in accordance with section one thousand seven (that have
15 entered into a written agreement with such facility's representative
16 horsemen's organization, as approved by the commission), one thousand
17 eight, or one thousand nine of this article shall be authorized to
18 accept wagers and display the live simulcast signal from thoroughbred
19 tracks located in another state or foreign country subject to the
20 following provisions:

21 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
22 and breeding law, as amended by section 4 of part 00 of chapter 59 of
23 the laws of 2017, is amended to read as follows:

24 1. The provisions of this section shall govern the simulcasting of
25 races conducted at harness tracks located in another state or country
26 during the period July first, nineteen hundred ninety-four through June
27 thirtieth, two thousand [~~eighteen~~] nineteen. This section shall super-
28 sede all inconsistent provisions of this chapter.

29 § 5. The opening paragraph of subdivision 1 of section 1016 of the
30 racing, pari-mutuel wagering and breeding law, as amended by section 5
31 of part 00 of chapter 59 of the laws of 2017, is amended to read as
32 follows:

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

50 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
51 wagering and breeding law, as amended by section 6 of part 00 of chapter
52 59 of the laws of 2017, is amended to read as follows:

53 Notwithstanding any other provision of this chapter, for the period
54 July twenty-fifth, two thousand one through September eighth, two thou-
55 sand [~~seventeen~~] eighteen, when a franchised corporation is conducting a
56 race meeting within the state at Saratoga Race Course, every off-track

1 betting corporation branch office and every simulcasting facility
2 licensed in accordance with section one thousand seven (that has entered
3 into a written agreement with such facility's representative horsemen's
4 organization as approved by the commission), one thousand eight or one
5 thousand nine of this article shall be authorized to accept wagers and
6 display the live simulcast signal from thoroughbred tracks located in
7 another state, provided that such facility shall accept wagers on races
8 run at all in-state thoroughbred tracks which are conducting racing
9 programs subject to the following provisions; provided, however, no such
10 written agreement shall be required of a franchised corporation licensed
11 in accordance with section one thousand seven of this article.

12 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
13 racing, pari-mutuel wagering and breeding law and other laws relating to
14 simulcasting, as amended by section 7 of part 00 of chapter 59 of the
15 laws of 2017, is amended to read as follows:

16 § 32. This act shall take effect immediately and the pari-mutuel tax
17 reductions in section six of this act shall expire and be deemed
18 repealed on July 1, [~~2018~~ 2019]; provided, however, that nothing
19 contained herein shall be deemed to affect the application, qualifica-
20 tion, expiration, or repeal of any provision of law amended by any
21 section of this act, and such provisions shall be applied or qualified
22 or shall expire or be deemed repealed in the same manner, to the same
23 extent and on the same date as the case may be as otherwise provided by
24 law; provided further, however, that sections twenty-three and twenty-
25 five of this act shall remain in full force and effect only until May 1,
26 1997 and at such time shall be deemed to be repealed.

27 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
28 racing, pari-mutuel wagering and breeding law and other laws relating to
29 simulcasting and the imposition of certain taxes, as amended by section
30 8 of part 00 of chapter 59 of the laws of 2017, is amended to read as
31 follows:

32 § 54. This act shall take effect immediately; provided, however,
33 sections three through twelve of this act shall take effect on January
34 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
35 ing law, as added by section thirty-eight of this act, shall expire and
36 be deemed repealed on July 1, [~~2018~~ 2019]; and section eighteen of this
37 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
38 two of this act shall take effect as of the same date as chapter 772 of
39 the laws of 1989 took effect.

40 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
41 pari-mutuel wagering and breeding law, as amended by section 9 of part
42 00 of chapter 59 of the laws of 2017, is amended to read as follows:

43 (a) The franchised corporation authorized under this chapter to
44 conduct pari-mutuel betting at a race meeting or races run thereat shall
45 distribute all sums deposited in any pari-mutuel pool to the holders of
46 winning tickets therein, provided such tickets be presented for payment
47 before April first of the year following the year of their purchase,
48 less an amount which shall be established and retained by such fran-
49 chised corporation of between twelve to seventeen per centum of the
50 total deposits in pools resulting from on-track regular bets, and four-
51 teen to twenty-one per centum of the total deposits in pools resulting
52 from on-track multiple bets and fifteen to twenty-five per centum of the
53 total deposits in pools resulting from on-track exotic bets and fifteen
54 to thirty-six per centum of the total deposits in pools resulting from
55 on-track super exotic bets, plus the breaks. The retention rate to be
56 established is subject to the prior approval of the gaming commission.

1 Such rate may not be changed more than once per calendar quarter to be
2 effective on the first day of the calendar quarter. "Exotic bets" and
3 "multiple bets" shall have the meanings set forth in section five
4 hundred nineteen of this chapter. "Super exotic bets" shall have the
5 meaning set forth in section three hundred one of this chapter. For
6 purposes of this section, a "pick six bet" shall mean a single bet or
7 wager on the outcomes of six races. The breaks are hereby defined as the
8 odd cents over any multiple of five for payoffs greater than one dollar
9 five cents but less than five dollars, over any multiple of ten for
10 payoffs greater than five dollars but less than twenty-five dollars,
11 over any multiple of twenty-five for payoffs greater than twenty-five
12 dollars but less than two hundred fifty dollars, or over any multiple of
13 fifty for payoffs over two hundred fifty dollars. Out of the amount so
14 retained there shall be paid by such franchised corporation to the
15 commissioner of taxation and finance, as a reasonable tax by the state
16 for the privilege of conducting pari-mutuel betting on the races run at
17 the race meetings held by such franchised corporation, the following
18 percentages of the total pool for regular and multiple bets five per
19 centum of regular bets and four per centum of multiple bets plus twenty
20 per centum of the breaks; for exotic wagers seven and one-half per
21 centum plus twenty per centum of the breaks, and for super exotic bets
22 seven and one-half per centum plus fifty per centum of the breaks. For
23 the period June first, nineteen hundred ninety-five through September
24 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be
25 three per centum and such tax on multiple wagers shall be two and one-
26 half per centum, plus twenty per centum of the breaks. For the period
27 September tenth, nineteen hundred ninety-nine through March thirty-
28 first, two thousand one, such tax on all wagers shall be two and six-
29 tenths per centum and for the period April first, two thousand one
30 through December thirty-first, two thousand ~~eighteen~~ **nineteen**, such
31 tax on all wagers shall be one and six-tenths per centum, plus, in each
32 such period, twenty per centum of the breaks. Payment to the New York
33 state thoroughbred breeding and development fund by such franchised
34 corporation shall be one-half of one per centum of total daily on-track
35 pari-mutuel pools resulting from regular, multiple and exotic bets and
36 three per centum of super exotic bets provided, however, that for the
37 period September tenth, nineteen hundred ninety-nine through March thir-
38 ty-first, two thousand one, such payment shall be six-tenths of one per
39 centum of regular, multiple and exotic pools and for the period April
40 first, two thousand one through December thirty-first, two thousand
41 ~~eighteen~~ **nineteen**, such payment shall be seven-tenths of one per
42 centum of such pools.

43 § 10. This act shall take effect immediately.

44 PART HH

45 Section 1. Subdivision 4 of section 97-nnnn of the state finance law
46 is REPEALED.

47 § 2. Subdivisions 5 and 6 of section 97-nnnn of the state finance law
48 are renumbered subdivisions 4 and 5.

49 § 3. This act shall take effect April 1, 2018.

50 PART II

1 Section 1. Subparagraphs (ii) and (iii) of paragraph 1 of subdivision
2 b of section 1612 of the tax law are REPEALED and a new subparagraph
3 (ii) is added to read as follows:

4 (ii) less a vendor's fee the amount of which is to be paid for serving
5 as a lottery agent to the track operator of a vendor track or the opera-
6 tor of any other video lottery gaming facility authorized pursuant to
7 section sixteen hundred seventeen-a of this article:

8 (A) when a vendor track is located within development zone one as
9 defined by section thirteen hundred ten of the racing, pari-mutuel
10 wagering and breeding law, at a rate of thirty-nine and one-half percent
11 of the total revenue wagered at the vendor track after payout for prizes
12 pursuant to this chapter;

13 (B) when a vendor track is located within development zone two as
14 defined by section thirteen hundred ten of the racing, pari-mutuel
15 wagering and breeding law, at a rate of forty-three and one-half percent
16 of the total revenue wagered at the vendor track after payout for prizes
17 pursuant to this chapter; provided, however, at a vendor track located
18 within fifteen miles of a destination resort gaming facility authorized
19 pursuant to article thirteen of the racing, pari-mutuel wagering and
20 breeding law or that is located more than fifteen miles but within fifty
21 miles of a Native American class III gaming facility as defined in 25
22 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of fifty-one
23 percent of the total revenue wagered at the vendor track after payout
24 for prizes pursuant to this chapter; and that at a vendor track located
25 within fifteen miles of a Native American class III gaming facility as
26 defined in 25 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of
27 fifty-six percent of the total revenue wagered at the vendor track after
28 payout for prizes pursuant to this chapter;

29 (C) when a video lottery facility is operated at Aqueduct racetrack,
30 at a rate of forty-seven percent of the total revenue wagered at the
31 video lottery gaming facility after payout for prizes pursuant to this
32 chapter; provided, however, upon the earlier of the designation of one
33 thousand video lottery devices as hosted pursuant to paragraph four of
34 subdivision a of section sixteen hundred seventeen-a of this article or
35 April first, two thousand nineteen, such rate shall be fifty percent of
36 the total revenue wagered at the video lottery gaming facility after
37 payout for prizes pursuant to this chapter;

38 (D) when a video lottery gaming facility is located in either Nassau
39 or Suffolk counties and is operated by a corporation established pursu-
40 ant to section five hundred two of the racing, pari-mutuel wagering and
41 breeding law, at a rate of forty-five percent of the total revenue
42 wagered at the video lottery gaming facility after payout for prizes
43 pursuant to this chapter;

44 (E) notwithstanding any provision of law to the contrary, when a
45 vendor track is located within region one or two of development zone
46 two, as such zone is defined in section thirteen hundred ten of the
47 racing, pari-mutuel wagering and breeding law, or is located within
48 region six of such development zone two and is located within Ontario
49 county, such vendor track shall be entitled to receive an additional
50 commission. The additional commission received by the vendor track shall
51 be the adjusted commission calculated pursuant to subclause (II) of this
52 clause; provided, however, the additional commission shall not exceed an
53 amount calculated pursuant to subclause (I) of this clause.

54 (I) The maximum additional commission payable for any fiscal year
55 shall be an amount equal to the base vendor fee less the adjusted
56 current vendor fee. The adjusted current vendor fee is calculated as the

1 vendor fee that the facility would have received during the current
2 fiscal year under the payment schedule established by this paragraph as
3 it existed on March thirty-first, two thousand seventeen. The base
4 vendor fee is calculated as the vendor fee that the facility received
5 during the twelve-month period immediately preceding the opening of a
6 gaming facility in the same region as the vendor track. For the purposes
7 of this calculation, a vendor fee shall exclude any distributions
8 required by paragraph two of this subdivision. For the purposes of this
9 clause, Seneca and Wayne counties shall be deemed to be located within
10 region six of development zone two.

11 (II) The adjusted commission is a percentage of the total revenue
12 wagered at the vendor track after payout for prizes pursuant to this
13 chapter. That percentage is calculated by subtracting the effective tax
14 rate on all gross gaming revenue paid by a gaming facility within the
15 same region as the vendor track from the education percentage. The
16 education percentage is ninety percent less the percentage of the vendor
17 track's vendor fee. For purposes of this clause, Seneca and Wayne coun-
18 ties shall be deemed to be located within region six of development zone
19 two.

20 (III) The additional commission paid pursuant to this subparagraph
21 shall commence with the state fiscal year ending on March thirty-first,
22 two thousand eighteen and shall be paid to a vendor track no later than
23 sixty days after the close of the fiscal year. The additional commission
24 authorized by this clause shall only be applied to revenue wagered at a
25 vendor track while a gaming facility in the same region as that vendor
26 track is open and operating pursuant to an operation certificate issued
27 pursuant to section thirteen hundred thirty-one of the racing, pari-mu-
28 tuel wagering and breeding law.

29 (F) Notwithstanding any provision of law to the contrary, any opera-
30 tors of a vendor track or the operators of any other video lottery
31 gaming facility eligible to receive a capital award as of December thir-
32 ty-first, two thousand seventeen shall deposit from their vendor fee
33 into a segregated account an amount equal to four percent of the first
34 sixty-two million five hundred thousand dollars of revenue wagered at
35 the vendor track after payout for prizes pursuant to this chapter to be
36 used exclusively for capital investments, except for Aqueduct, which
37 shall deposit into a segregated account an amount equal to one percent
38 of all revenue wagered at the video lottery gaming facility after payout
39 for prizes pursuant to this chapter until the earlier of the designation
40 of one thousand video lottery devices as hosted pursuant to paragraph
41 four of subdivision a of section sixteen hundred seventeen-a of this
42 article or April first, two thousand nineteen, when at such time four
43 percent of all revenue wagered at the video lottery gaming facility
44 after payout for prizes pursuant to this chapter shall be deposited into
45 a segregated account for capital investments. Vendor tracks and video
46 lottery gaming facilities shall be permitted to withdraw funds for
47 projects approved by the commission to improve the facilities of the
48 vendor track or video lottery gaming facility which enhance or maintain
49 the video lottery gaming facility including, but not limited to hotels,
50 other lodging facilities, entertainment facilities, retail facilities,
51 dining facilities, events arenas, parking garages and other improvements
52 and amenities customary to a gaming facility, provided, however, the
53 vendor tracks and video lottery gaming facilities shall be permitted to
54 withdraw funds for unreimbursed capital awards approved prior to the
55 effective date of this subparagraph. Any proceeds from the divestiture
56 of any assets acquired through these capital funds or any prior capital

1 award must be deposited into this segregated account, provided that if
2 the vendor track or video lottery gaming facility ceases use of such
3 asset for gaming purposes or transfers the asset to a related party,
4 such vendor track or video lottery gaming facility shall deposit an
5 amount equal to the fair market value of that asset into the account. In
6 the event a vendor track or video lottery gaming facility ceases gaming
7 operations, any balance in the account along with an amount equal to the
8 value of all remaining assets acquired through this fund or prior capi-
9 tal awards shall be returned to the state for deposit into the state
10 lottery fund for education aid, except for Aqueduct, which shall return
11 to the state for deposit into the state lottery fund for education aid
12 all amounts in excess of the amount needed to fund a project pursuant to
13 an agreement with the operator to construct an expansion of the facili-
14 ty, hotel, and convention and exhibition space requiring a minimum capi-
15 tal investment of three hundred million dollars and any subsequent
16 amendments to such agreement. The comptroller or his legally authorized
17 representative is authorized to audit any and all expenditures made out
18 of these segregated capital accounts. Notwithstanding the preceding, a
19 vendor track located in Ontario county may withdraw up to two million
20 dollars from this account for the purpose of constructing a turf course
21 at the vendor track.

22 (G) Notwithstanding any provision of law to the contrary, free play
23 allowance credits authorized by the division pursuant to subdivision f
24 of section sixteen hundred seventeen-a of this article shall not be
25 included in the calculation of the total amount wagered on video lottery
26 games, the total amount wagered after payout of prizes, the vendor fees
27 payable to the operators of video lottery gaming facilities, fees paya-
28 ble to the division's video lottery gaming equipment contractors, or
29 racing support payments.

30 (H) Notwithstanding any provision of law to the contrary, the operator
31 of a vendor track or the operator of any other video lottery gaming
32 facility shall fund a marketing and promotion program out of the
33 vendor's fee. Each operator shall submit an annual marketing plan for
34 the review and approval of the commission and any other required docu-
35 ments detailing promotional activities as prescribed by the commission.
36 The commission shall have the right to reject any advertisement or
37 promotion that does not properly represent the mission or interests of
38 the lottery or its programs.

39 (I) Notwithstanding clause (F) of this subparagraph, the commission
40 shall be able to authorize a vendor track located within Oneida county,
41 within fifteen miles of a Native American class III gaming facility, and
42 who has maintained at least ninety percent of full-time equivalent
43 employees as they employed in the year two thousand sixteen, to withdraw
44 funds from the segregated account established in clause (F) of this
45 subparagraph up to an amount equal to four percent of the total revenue
46 wagered at the vendor track after payout for prizes pursuant to this
47 chapter each year, for operations.

48 § 2. This act shall take effect immediately; provided, however, clause
49 (I) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612
50 of the tax law as added by section one of this act shall expire and be
51 deemed repealed June 29, 2019.

52 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
53 sion, section or part of this act shall be adjudged by any court of
54 competent jurisdiction to be invalid, such judgment shall not affect,
55 impair, or invalidate the remainder thereof, but shall be confined in
56 its operation to the clause, sentence, paragraph, subdivision, section

1 or part thereof directly involved in the controversy in which such judg-
2 ment shall have been rendered. It is hereby declared to be the intent of
3 the legislature that this act would have been enacted even if such
4 invalid provisions had not been included herein.

5 § 3. This act shall take effect immediately, provided, however, that
6 the applicable effective date of Parts A through II of this act shall be
7 as specifically set forth in the last section of such Parts.