

STATE OF NEW YORK

S. 7509--A

A. 9509--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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

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

LBD12674-04-8

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 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; providing for the repeal of certain provisions upon expiration thereof (Part II); to amend the tax law and the administrative code of the city of New York, in relation to addressing changes made to the internal revenue code by Public Law 115-97 (Part JJ); to amend the tax law, in relation to federal gross income and federal deductions allowed pursuant to the internal revenue code (Part KK); to amend the state finance law, in relation to establishing the charitable gifts trust fund and the health charitable account, and the elementary and secondary education charitable account; to amend the tax law, in relation to credits for contributions to accounts in the charitable gifts trust fund; to amend the education law and the general municipal law, in relation to authorizing school districts, counties and New York city to establish charitable funds; and to amend the real property tax law, in relation to authorizing such localities to provide a credit against real property taxes for such contributions (Part LL); and to amend the tax law and state finance law, in relation to the imposition of an employer compensation expense tax (Part MM)

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 MM. 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, including
7 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:

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

§ 2. This act shall take effect immediately.

PART B

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

(ii) The term "income" as used herein shall mean the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity; provided that if no such return was filed for the applicable income tax year, "income" shall mean the adjusted gross income that would have been so reported if such a return had been filed. Provided further, that effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each such individual must file a statement with the department showing the source or sources of his or her income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the secrecy provisions of the tax law to the same extent that a personal income tax return would be. The department shall make such forms and instructions available for the filing of such statements.

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

(iv) (A) Effective with applications for the enhanced exemption on final assessment rolls to be completed in two thousand ~~[three]~~ nineteen, the application form shall indicate that ~~[the]~~ all owners of the property and any owners' spouses residing on the premises ~~[may authorize the assessor to]~~ must have their income eligibility verified annually ~~[thereafter]~~ by the ~~[state]~~ department ~~[of taxation and finance, in lieu of]~~

~~furnishing copies of the applicable income tax return or returns with the application. If the owners of the property and any owners' spouses residing on the premises elect to participate in this program, which shall be known as the STAR income verification program, they]~~ and must furnish their taxpayer identification numbers in order to facilitate matching with records of the department. ~~[Thereafter, their]~~ The income eligibility of such persons shall be verified annually by the department, and the assessor shall not request income documentation from them~~[, unless such department advises the assessor that they do not satisfy the applicable income eligibility requirements, or that it is unable to determine whether they satisfy those requirements]~~. All applicants for the enhanced exemption and all assessing units shall be required to participate in this program, which shall be known as the STAR income verification program.

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

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

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

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

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

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

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

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

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

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

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

§ 6. Paragraph (c) of subdivision 6 of section 425 of the real property tax law is REPEALED.

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

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

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

~~(c) Whether or not the recipients of an enhanced STAR exemption have elected to participate in the STAR income verification program, the]~~ The assessor ~~[may review their]~~ shall review the continued compliance of recipients of the enhanced exemption with the applicable ownership and residency requirements to the same extent as if they were receiving a basic STAR exemption.

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

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

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

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

(b) If the determination removes, denies or decreases the taxpayer's exemption for that school year, the commissioner is authorized to collect the shortfall directly from the owners of the property, together with interest, by utilizing any of the procedures for collection, levy, and lien of personal income tax set forth in article twenty-two of the

1 tax law, and any other relevant procedures referenced within the
2 provisions of such article. When the commissioner implements the deter-
3 mination in this manner, he or she shall so notify the assessor and
4 county director of real property tax services, but no correction shall
5 be made to the assessment roll or tax roll for that school year, and no
6 corrected school tax bill shall be sent to the taxpayer for that school
7 year.

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

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

12 (B) "Affiliated income" shall mean for purposes of the basic STAR
13 credit, the combined income of all of the owners of the parcel who
14 resided primarily thereon as of December thirty-first of the taxable
15 year, and of any owners' spouses residing primarily thereon as of such
16 date, and for purposes of the enhanced STAR credit, the combined income
17 of all of the owners of the parcel as of December thirty-first of the
18 taxable year, and of any owners' spouses residing primarily thereon as
19 of such date; provided that for both purposes the income to be so
20 combined shall be the "adjusted gross income" for the taxable year as
21 reported for federal income tax purposes, or that would be reported as
22 adjusted gross income if a federal income tax return were required to be
23 filed, reduced by distributions, to the extent included in federal
24 adjusted gross income, received from an individual retirement account
25 and an individual retirement annuity. For taxable years beginning on
26 and after January first, two thousand nineteen, where an income-eli-
27 bility determination is wholly or partly based upon the income of one or
28 more individuals who did not file a return pursuant to section six
29 hundred fifty-one of this article for the applicable income tax year,
30 then in order to be eligible for the credit authorized by this
31 subsection, each such individual must file a statement with the depart-
32 ment showing the source or sources of his or her income for that income
33 tax year, and the amount or amounts thereof, that would have been
34 reported on such a return if one had been filed. Such statement shall be
35 filed at such time, and in such form and manner, as may be prescribed by
36 the department, and shall be subject to the provisions of section six
37 hundred ninety-seven of this article to the same extent that a return
38 would be. The department shall make such forms and instructions avail-
39 able for the filing of such statements. Provided further, that if the
40 qualified taxpayer was an owner of the property during the taxable year
41 but did not own it on December thirty-first of the taxable year, then
42 the determination as to whether the income of an individual should be
43 included in "affiliated income" shall be based upon the ownership and/or
44 residency status of that individual as of the first day of the month
45 during which the qualified taxpayer ceased to be an owner of the proper-
46 ty, rather than as of December thirty-first of the taxable year.

47 § 11. No application for an enhanced exemption on a final assessment
48 roll to be completed in 2019 may be approved if the applicants have not
49 enrolled in the STAR income verification program established by subpara-
50 graph (iv) of paragraph (b) of subdivision 4 of section 425 of the real
51 property tax law as amended by section two of this act, regardless of
52 when the application was filed. The assessor shall notify such appli-
53 cants that participation in that program has become mandatory for all
54 applicants and that their applications cannot be approved unless they
55 enroll therein. The commissioner of taxation and finance shall provide

1 a form for assessors to use, at their option, when making this notifica-
2 tion.

3 § 12. This act shall take effect immediately.

4 PART C

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

7 ix. Whenever there has been a transfer or acquisition of a share or
8 shares in a cooperative housing corporation, and such share or shares
9 come with a right to occupy a unit or apartment located in property
10 owned by such corporation, a transfer report must be filed by the trans-
11 feree or transferees directly with the department of taxation and
12 finance, regardless of whether a deed is prepared, delivered or
13 recorded, as set forth in this paragraph. The fee imposed by subdivision
14 three of this section shall not apply to transfer reports filed directly
15 with the department of taxation and finance pursuant to this paragraph.
16 Such report shall be in a form prescribed by the commissioner of taxa-
17 tion and finance, must contain the information required to be included
18 by this subdivision, and in addition, must specify the number of shares
19 being transferred or acquired. When a real estate transfer tax return is
20 filed with such commissioner pursuant to section fourteen hundred nine
21 of the tax law in relation to such property, the report required by this
22 paragraph shall be filed concurrently therewith, but in no event shall
23 the report required by this paragraph be deemed to be a part of such
24 real estate transfer tax return.

25 x. Whenever there has been a transfer or acquisition of a controlling
26 interest in an entity with an interest in real property, a transfer
27 report must be filed by the transferee or transferees directly with the
28 department of taxation and finance, regardless of whether a deed is
29 prepared, delivered or recorded, as set forth in this paragraph. The fee
30 imposed by subdivision three of this section shall not apply to transfer
31 reports filed directly with the department of taxation and finance
32 pursuant to this paragraph. Such report shall be in a form prescribed by
33 the commissioner of taxation and finance, must contain the information
34 required to be included by this subdivision, and in addition, must spec-
35 ify the percentage of the ownership interest being transferred or
36 acquired. The transfer report shall indicate the percentage of the tran-
37 saction that is exempt from the real estate transfer tax as a mere
38 change in identity or form of ownership or organization where there is
39 no change in beneficial ownership pursuant to paragraph six of subdivi-
40 sion (b) of section fourteen hundred five of the tax law, if any. When
41 a real estate transfer tax return is filed with such commissioner pursu-
42 ant to section fourteen hundred nine of the tax law in relation to such
43 property, the report required by this paragraph shall be filed concur-
44 rently therewith, but in no event shall the report required by this
45 paragraph be deemed to be a part of such real estate transfer tax
46 return. For purposes of this paragraph, the terms "controlling interest"
47 and "interest in real property" shall have the same meaning as set forth
48 in section fourteen hundred one of the tax law, provided, however, that
49 the term "interest in real property" shall be limited to interests in
50 real property subject to real property tax assessment such as lands,
51 buildings, structures, and other improvements, and shall not include
52 development rights, air space, or air rights.

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

1

PART D

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

5 v. 1. On and after April first, nineteen hundred eighty-nine, the
6 commissioner of housing and community renewal shall have the power and
7 duty to enforce and ensure compliance with the provisions of this
8 section. However, the commissioner shall not have the power or duty to
9 enforce manufactured home park rules and regulations established under
10 subdivision f of this section.

11 2. On or before January first, nineteen hundred eighty-nine, each
12 manufactured home park owner or operator shall file a registration
13 statement with the commissioner and shall thereafter file an annual
14 registration statement on or before January first of each succeeding
15 year, up to and including two thousand eighteen. Thereafter, each manu-
16 factured home park owner or operator shall file quarterly registration
17 statements with the commissioner no later than twenty-one days after the
18 end of each calendar quarter. The commissioner, by regulation, shall
19 provide that such registration statement shall include ~~[only]~~ the names
20 of all persons owning an interest in the park, the names of all tenants
21 of the park, all services provided by the park owner to the tenants, and
22 such other information as the commissioner shall prescribe by regulation
23 after consultation with the commissioner of taxation and finance;
24 provided that in the case of a registration statement for the first
25 calendar quarter of a year, such statement shall also include a copy of
26 all current manufactured home park rules and regulations. The commis-
27 sioner shall provide the commissioner of taxation and finance with a
28 complete copy of each quarterly report no later than fifteen days after
29 the receipt thereof.

30 3. Whenever there shall be a violation of this section, an application
31 may be made by the commissioner of housing and community renewal in the
32 name of the people of the state of New York to a court or justice having
33 jurisdiction by a special proceeding to issue an injunction, and upon
34 notice to the defendant of not less than five days, to enjoin and
35 restrain the continuance of such violation; and if it shall appear to
36 the satisfaction of the court or justice that the defendant has, in
37 fact, violated this section, an injunction may be issued by such court
38 or justice, enjoining and restraining any further violation and with
39 respect to this subdivision, directing the filing of a registration
40 statement. In any such proceeding, the court may make allowances to the
41 commissioner of housing and community renewal of a sum not exceeding two
42 thousand dollars against each defendant, and direct restitution. When-
43 ever the court shall determine that a violation of this section has
44 occurred, the court may impose a civil penalty of not more than one
45 thousand five hundred dollars for each violation. Such penalty shall be
46 deposited in the manufactured home cooperative fund, created pursuant to
47 section fifty-nine-h of the private housing finance law. In connection
48 with any such proposed application, the commissioner of housing and
49 community renewal is authorized to take proof and make a determination
50 of the relevant facts and to issue subpoenas in accordance with the
51 civil practice law and rules. The provisions of this subdivision shall
52 not impair the rights granted under subdivision u of this section.

53 § 2. This act shall take effect immediately.

54

PART E

1 Section 1. Subsection (bbb) of section 606 of the tax law is REPEALED.
2 § 1-a. Section 3-d of the general municipal law is REPEALED.
3 § 1-b. Section 2023-b of the education law is REPEALED.
4 § 2. The general municipal law is amended by adding a new section 3-d
5 to read as follows:

6 § 3-d. Certification of compliance with tax levy limit. 1. Upon the
7 adoption of the budget of a local government unit, the chief executive
8 officer or budget officer of such local government unit shall certify to
9 the state comptroller and the commissioner of taxation and finance that
10 the budget so adopted does not exceed the tax levy limit prescribed in
11 section three-c of this article and, if the governing body of the local
12 government unit did enact a local law or approve a resolution to over-
13 ride the tax levy limit, that such local law or resolution was subse-
14 quently repealed. Such certification shall be made in a form and manner
15 prescribed by the state comptroller in consultation with the commis-
16 ioner of taxation and finance.

17 2. Notwithstanding any other law to the contrary, if such a certif-
18 ication has been made and the actual tax levy of the local government
19 unit exceeds the applicable tax levy limit, the excess amount shall be
20 placed in reserve and used in the manner prescribed by subdivision six
21 of section three-c of this article, even if a tax levy in excess of the
22 tax levy limit had been authorized for the applicable fiscal year by a
23 duly adopted local law or resolution.

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

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

31 § 2023-b. Certification of compliance with tax levy limit. 1. Upon
32 the adoption of the budget of an eligible school district, the chief
33 executive officer of such school district shall certify to the state
34 comptroller, the commissioner of taxation and finance and the commis-
35 sioner that the budget so adopted does not exceed the tax levy limit
36 prescribed by section two thousand twenty-three-a of this part. Such
37 certification shall be made in a form and manner prescribed by the state
38 comptroller in consultation with the commissioner of taxation and
39 finance and the commissioner.

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

46 3. Notwithstanding any provision of law to the contrary, every school
47 district that is subject to the provisions of section two thousand twen-
48 ty-three-a of this part shall report both its proposed budget and its
49 adopted budget to the office of the state comptroller and the commis-
50 sioner at the time and in the manner as they may prescribe, whether or
51 not such budget has been or will be certified as provided by this subdi-
52 vision.

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

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

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

§ 925-b. Extension; certain persons sixty-five years of age or over. Notwithstanding any contrary provision of this chapter, or any general, special or local law, code or charter, the governing body of a municipal corporation other than a county may, by resolution adopted prior to the levy of any taxes on real property located within such municipal corporation, authorize an extension of no more than five business days for the payment of taxes without interest or penalty to any resident of such municipal corporation who has received an exemption pursuant to subdivision four of section four hundred twenty-five or four hundred sixty-seven of this chapter, or a credit pursuant to subsection (eee) of section six hundred six of the tax law, related to a principal residence located within such municipal corporation. If such an extension is granted, and any taxes are not paid by the final date so provided, those taxes shall be subject to the same interest and penalties that would have applied if no extension had been granted.

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

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

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

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

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

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

(g) Computation and certification by commissioner. It shall be the responsibility of the commissioner to compute the exempt amount for each assessing unit in each county in the manner provided herein, and to

certify the same to the assessor of each assessing unit and to the county director of real property tax services of each county. Such certification shall be made at least twenty days before the last date prescribed by law for the filing of the tentative assessment roll. Provided, however, that where school taxes are levied on a prior year assessment roll, or on a final assessment roll that was filed more than one year after the tentative roll was filed, such certification shall be made no later than fifteen days after the publication of the data needed to compute the base figure for the enhanced STAR exemption pursuant to clause (A) of subparagraph (vi) of paragraph (b) of this subdivision, and provided further, that upon receipt of such certification, the assessor shall thereupon be authorized and directed to correct the assessment roll to reflect the exempt amount so certified, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections.

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

(A) A married couple may not receive a credit pursuant to this subsection on more than one residence during any given taxable year, unless living apart due to legal separation. Nor may a married couple receive a credit pursuant to this subsection on one residence while receiving an exemption pursuant to section four hundred twenty-five of the real property tax law on another residence, unless living apart due to legal separation.

§ 9. This act shall take effect immediately; provided, however, that section 3-d of the general municipal law, as added by section two of this act, shall expire and be deemed repealed on the same date and in the same manner as section 1 of part A of chapter 97 of the laws of 2011, expires and is deemed repealed, and provided that section 2023-b of the education law, as added by section three of this act, shall expire and be deemed repealed on the same date and in the same manner as section 2 of part A of chapter 97 of the laws of 2011, expires and is deemed repealed, and provided further that the amendments to paragraph 6 of subsection (eee) of section 606 of the tax law made by section eight of this act shall take effect immediately and shall apply to taxable 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 collectively 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 General Municipal Law and section 2023-b of the Education Law.

PART F

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

1. The comptroller shall pay taxes levied on lands of the state in each county pursuant to the foregoing sections of this title, out of moneys appropriated by the legislature therefor, to the county treasurer for appropriate distribution upon submission of a statement of such taxes by him or her in such form and executed in such manner by the

1 county treasurer as may be required by the comptroller. Provided, howev-
2 er, that in the case of lands which are taxable pursuant to subdivision
3 (j) of section five hundred thirty-two of this title, the comptroller
4 shall pay such taxes. Such payment shall be requested, processed and
5 paid separately from all other taxes that are payable to the county
6 treasurer pursuant to this section. Provided further, that on and after
7 April first, two thousand eighteen, once taxes have been paid on a taxa-
8 ble parcel of state land pursuant to this subdivision, the amount of
9 taxes due and payable on that parcel thereafter shall be calculated by
10 the comptroller in accordance with the provisions of subdivision three
11 of this section.

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

17 (a) In the case of a local government, the taxes so payable shall
18 equal the taxes that were payable on that parcel in the prior fiscal
19 year of the local government multiplied by the allowable levy growth
20 factor. As used in this paragraph, the terms "local government," "prior
21 fiscal year" and "allowable levy growth factor" shall have the same
22 meanings as set forth in section three-c of the general municipal law,
23 provided that if such section is no longer in effect on the date such
24 taxes are paid, such terms shall be deemed to have the meanings set
25 forth in such section as it read on the last date on which it was in
26 effect.

27 (b) In the case of a school district, the taxes so payable shall equal
28 the taxes that were payable on that parcel in the prior school year of
29 the school district multiplied by the allowable levy growth factor. As
30 used in this paragraph, the terms "school district," "prior school year"
31 and "allowable levy growth factor" shall have the same meanings as set
32 forth in section two thousand twenty-three-a of the education law,
33 provided that if such section is no longer in effect on the date such
34 taxes are paid, such terms shall be deemed to have the meanings set
35 forth in such section as it read on the last date on which it was in
36 effect.

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

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

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

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

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

54 (iv) Such lands shall be entered on the exempt portion of the assess-
55 ment roll, notwithstanding the fact that they are taxable pursuant to
56 this title. Provided, that no such entry shall be made in the case of an

1 assessment adjustment made by the commissioner pursuant to paragraph (c)
2 of subdivision three of section five hundred forty-two of this title or
3 section 15-2115 of the environmental conservation law, or in the case of
4 state aid payable pursuant to section five hundred forty-five of this
5 title due to a reduction in the assessment of taxable state land.

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

8 (vi) When a school district receives payments of taxes on state lands
9 pursuant to this subdivision, any actual valuation computed for such
10 school district pursuant to paragraph c of subdivision one of section
11 thirty-six hundred two of the education law shall include the actual
12 valuation equivalent of those payments. The commissioner shall determine
13 such actual valuation equivalent by dividing the payment made, as
14 reported to such commissioner by the comptroller, by the school tax rate
15 that was applied to real property on that year's assessment roll or, if
16 applicable, the special apportionment rate determined pursuant to
17 section twelve hundred twenty-seven of this chapter and dividing such
18 result by the final state equalization rate for that roll. The actual
19 valuation equivalent shall be reported to the state comptroller and the
20 commissioner of education, and shall be used by the commissioner of
21 education in the determination of any state average that uses real prop-
22 erty taxes levied against and/or actual valuation based upon the corre-
23 sponding assessment roll. Each school district receiving payments of
24 taxes on state lands pursuant to this subdivision shall annually report
25 those payments to the commissioner of education, with a copy to the
26 commissioner, as a condition to receiving any aid pursuant to section
27 thirty-six hundred two of the education law.

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

32 § 2. This act shall take effect immediately.

33 PART G

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

37 § 4. This act shall take effect on the first of January of the second
38 calendar year commencing after this act shall have become a law and
39 shall apply to assessment rolls with taxable status dates on or after
40 such date; provided, however, that this act shall expire and be deemed
41 repealed [~~four~~ eight years after such effective date; and provided,
42 further, that no assessment of local public utility mass real property
43 appearing on the municipal assessment roll with a taxable status date
44 occurring in the first calendar year after this act shall have become a
45 law shall be less than ninety percent or more than one hundred ten
46 percent of the assessment of the same property on the date this act
47 shall have become a law.

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

51 3. (a) For assessment rolls with taxable status dates in each of the
52 three calendar years including and following the year in which this
53 section shall take effect, the commissioner shall establish no assess-
54 ment ceiling that is less than ninety percent or more than one hundred

ten percent of the assessment of such local public utility mass real property appearing on the municipal assessment roll with a taxable status date occurring in the second preceding calendar year from when this section shall take effect, except that the commissioner may establish assessment ceilings below the ninety percent level or above the one hundred ten percent level to take into account any change in level of assessment and/or to take into account any additions or retirements to public utility mass real property or litigation affecting the value or taxable status of the local public utility mass real property initiated prior to the effective date of this section.

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

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

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

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

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

PART H

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

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

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

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

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

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

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

PART I

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

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

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

(A) All employers described in paragraph one of subsection (a) of section six hundred seventy-one of this part, including those whose wages paid are not sufficient to require the withholding of tax from the wages of any of their employees, all employers required to provide the wage reporting information for the employees described in subdivision one of section one hundred seventy-one-a of this chapter, and all

1 employers liable for unemployment insurance contributions or for
2 payments in lieu of such contributions pursuant to article eighteen of
3 the labor law, shall file a quarterly combined withholding, wage report-
4 ing and unemployment insurance return detailing the preceding calendar
5 quarter's withholding tax transactions, such quarter's wage reporting
6 information, such quarter's withholding reconciliation information, such
7 quarter's unemployment insurance contributions, and such other related
8 information as the commissioner of taxation and finance or the commis-
9 sioner of labor, as applicable, may prescribe. [~~In addition, the return
10 covering the last calendar quarter of each year shall also include with-
11 holding reconciliation information for such calendar year.~~] Such returns
12 shall be filed no later than the last day of the month following the
13 last day of each calendar quarter.

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

17 (3) Failure to provide complete and correct employee withholding
18 reconciliation information. In the case of a failure by an employer to
19 provide complete and correct [~~annual~~] quarterly withholding information
20 relating to individual employees on a quarterly combined withholding,
21 wage reporting and unemployment insurance return covering [~~the last~~]
22 each calendar quarter of a year, such employer shall, unless it is shown
23 that such failure is due to reasonable cause and not due to willful
24 neglect, pay a penalty equal to the product of fifty dollars multiplied
25 by the number of employees for whom such information is incomplete or
26 incorrect; provided, however, that if the number of such employees
27 cannot be determined from the quarterly combined withholding, wage
28 reporting and unemployment insurance return, the commissioner may
29 utilize any information in the commissioner's possession in making such
30 determination. The total amount of the penalty imposed pursuant to this
31 paragraph on an employer for any such failure for [~~the last~~] each calen-
32 dar quarter of a year shall not exceed ten thousand dollars.

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

35 PART J

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

40 (i) The receipts from every sale, other than sales for resale, of
41 beer, wine or other alcoholic beverages or any other drink of any
42 nature, or from every sale, other than sales for resale, of food and
43 drink of any nature or of food alone, when sold in or by restaurants,
44 taverns or other establishments in this state, or by caterers, including
45 in the amount of such receipts any cover, minimum, entertainment or
46 other charge made to patrons or customers (except those receipts taxed
47 pursuant to subdivision (f) of this section):

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

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

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

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

PART K

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

§ 171-z. Information sharing with the comptroller regarding unclaimed funds. 1. Notwithstanding any other law, the commissioner is authorized to release to the comptroller information regarding fixed and final unwarranted debts of taxpayers for purposes of collecting unclaimed funds from the comptroller to satisfy fixed and final unwarranted debts owed by taxpayers. For purposes of this section, the term "unwarranted debt" shall mean past-due tax liabilities, including unpaid tax, interest and penalty, that the commissioner is required by law to collect and that have become fixed and final such that the taxpayer no longer has any right to administrative or judicial review and a warrant has not been filed; and the term "taxpayer" shall mean any individual, corporation, partnership, limited liability partnership or company, partner, member, manager, sole proprietorship, estate, trust, fiduciary or entity, who or which has been identified as owing taxes to the state. This section shall not be deemed to abrogate or limit in any way the powers and authority of the comptroller to set off debts owed the state from unclaimed funds, under the constitution of the state or any other law.

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

§ 2. This act shall take effect immediately.

PART L

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

2. All communications and information relating to a person receiving public assistance or care obtained by any social services official, service officer, or employee in the course of his or her work shall be considered confidential and, except as otherwise provided in this section, shall be disclosed only to the commissioner, or his or her authorized representative, the commissioner of labor, or his or her authorized representative, the commissioner of health, or his or her authorized representative, the commissioner of taxation and finance, or his or her authorized representative (other than the disclosure of information that has been prohibited by federal law), the welfare

1 inspector general, or his or her authorized representative, the county
2 board of supervisors, city council, town board or other board or body
3 authorized and required to appropriate funds for public assistance and
4 care in and for such county, city or town or its authorized represen-
5 tative or, by authority of the county, city or town social services
6 official, to a person or agency considered entitled to such information.
7 Nothing herein shall preclude a social services official from report-
8 ing to an appropriate agency or official, including law enforcement
9 agencies or officials, known or suspected instances of physical or
10 mental injury, sexual abuse or exploitation, sexual contact with a minor
11 or negligent treatment or maltreatment of a child of which the official
12 becomes aware in the administration of public assistance and care nor
13 shall it preclude communication with the federal immigration and natur-
14 alization service regarding the immigration status of any individual.

15 § 2. This act shall take effect immediately.

16 PART M

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

19 § 44. Investment management services. (a) For purposes of this
20 section, the term "investment management services" to a partnership, S
21 corporation or entity includes (1) rendering investment advice regarding
22 the purchase or sale of securities as defined in paragraph two of
23 subsection (c) of section four hundred seventy-five of the internal
24 revenue code without regard to the last sentence thereof, real estate
25 held for rental or investment, interests in partnerships, commodities as
26 defined in paragraph two of subsection (e) of section four hundred
27 seventy-five of the internal revenue code, or options or derivative
28 contracts with respect to any of the foregoing; (2) managing, acquiring,
29 or disposing of any such asset; (3) arranging financing with respect to
30 the acquisition of any such asset; and (4) related activities in support
31 of any service described in paragraphs one, two, or three of this subdi-
32 vision.

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

35 (1) where a partner performs investment management services for the
36 partnership, the partner will not be treated as a partner for purposes
37 of this chapter with respect to the amount of the partner's distributive
38 share of income, gain, loss and deduction, including any guaranteed
39 payments, that is in excess of the amount such distributive share would
40 have been if the partner had performed no investment management services
41 for the partnership. Instead, such excess amount shall be treated for
42 purposes of article nine-A of this chapter as a business receipt for
43 services and for purposes of article twenty-two of this chapter as
44 income attributable to a trade, business, profession or occupation.
45 Provided, however, the amount of the distributive share that would have
46 been determined if the partner performed no investment management
47 services shall not be less than zero.

48 (2) where a shareholder performs investment management services for
49 the S corporation, the shareholder will not be treated as a shareholder
50 for purposes of this chapter with respect to the amount of the share-
51 holder's pro rata share of income, gain, loss and deduction that is in
52 excess of the amount such pro rata share would have been if the share-
53 holder had performed no investment management services. Instead, such
54 excess amount shall be treated for purposes of article twenty-two of

1 this chapter as income attributable to a trade, business, profession or
2 occupation. Provided, however, the amount of the pro rata share that
3 would have been determined if the shareholder performed no services
4 shall not be less than zero.

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

10 (c) In addition to any other taxes or surcharges imposed pursuant to
11 article nine-A or twenty-two of this chapter, any corporation, partner
12 or shareholder providing investment management services shall be subject
13 to an additional tax, referred to as the "carried interest fairness
14 fee". Such carried interest fairness fee shall be equal to seventeen
15 percent of the excess amount determined pursuant to subdivision (b) of
16 this section; provided, however, (i) in the case of a corporation or
17 shareholder of an S corporation providing such investment management
18 services, such fee shall be equal to seventeen percent of the excess
19 amount apportioned to the state by applying the corporation's or S
20 corporation's apportionment factor determined under section two hundred
21 ten-A of this chapter; (ii) in the case of a nonresident partner provid-
22 ing such investment management services, such fee shall be equal to
23 seventeen percent of the excess amount derived from New York sources as
24 determined under section six hundred thirty-two of this chapter. Such
25 carried interest fairness fee shall be administered in accordance with
26 article nine-A or twenty-two of this chapter, as applicable, until such
27 time as the commissioner of taxation and finance has notified the legis-
28 lative bill drafting commission that federal legislation has been
29 enacted that treats the provision of investment management services for
30 federal tax purposes substantially the same as provided in this section.

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

34 (a) (i) The term "investment income" means income, including capital
35 gains in excess of capital losses, from investment capital, to the
36 extent included in computing entire net income, less, (A) in the
37 discretion of the commissioner, any interest deductions allowable in
38 computing entire net income which are directly or indirectly attribut-
39 able to investment capital or investment income, and (B) any net capital
40 gain included in federal taxable income that must be recharacterized as
41 a business receipt pursuant to section forty-four of this chapter;
42 provided, however, that in no case shall investment income exceed entire
43 net income. (ii) If the amount of interest deductions subtracted under
44 subparagraph (i) of this paragraph exceeds investment income, the excess
45 of such amount over investment income must be added back to entire net
46 income. (iii) If the taxpayer's investment income determined without
47 regard to the interest deductions subtracted under subparagraph (i) of
48 this paragraph comprises more than eight percent of the taxpayer's
49 entire net income, investment income determined without regard to such
50 interest deductions cannot exceed eight percent of the taxpayer's entire
51 net income.

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

54 (b) Character of items. [Each] Except as provided in section forty-
55 four of this chapter, each item of partnership and S corporation income,
56 gain, loss, or deduction shall have the same character for a partner or

1 shareholder under this article as for federal income tax purposes. Where
2 an item is not characterized for federal income tax purposes, it shall
3 have the same character for a partner or shareholder as if realized
4 directly from the source from which realized by the partnership or S
5 corporation or incurred in the same manner as incurred by the partner-
6 ship or S corporation.

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

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

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

20 ~~[It]~~ Except as otherwise provided in section forty-four of this chap-
21 ter, in determining the sources of a nonresident partner's income, no
22 effect shall be given to a provision in the partnership agreement
23 which--

24 § 6. For taxable years beginning on or after January 1, 2018 and
25 before January 1, 2019, (i) no addition to tax under subsection (c) of
26 section 685 or subsection (c) of section 1085 of the tax law shall be
27 imposed with respect to any underpayment attributable to the amendments
28 made by this act of any estimated taxes that are required to be paid
29 prior to the effective date of this act, provided that the taxpayer
30 timely made those payments; and (ii) the required installment of esti-
31 mated tax described in clause (ii) of subparagraph (B) of paragraph 3 of
32 subsection (c) of section 685 of the tax law, and the exception to addi-
33 tion for underpayment of estimated tax described in paragraph 1 or 2 of
34 subsection (d) of section 1085 of the tax law, in relation to the
35 preceding year's return, shall be calculated as if the amendments made
36 by this act had been in effect for that entire preceding year.

37 § 7. This act shall take effect upon the enactment into law by the
38 states of Connecticut, New Jersey, Massachusetts and Pennsylvania of
39 legislation having substantially the same effect as this act and the
40 enactments by such states have taken effect in each state and shall
41 apply for taxable years beginning on or after such date; provided,
42 however, if the states of Connecticut, New Jersey, Massachusetts and
43 Pennsylvania have already enacted such legislation, this act shall take
44 effect immediately and shall apply for taxable years beginning on or
45 after January 1, 2018; provided further that the commissioner of taxa-
46 tion and finance shall notify the legislative bill drafting commission
47 upon the enactment of such legislation by the states of Connecticut, New
48 Jersey, Massachusetts and Pennsylvania in order that such commission may
49 maintain an accurate and timely effective data base of the official text
50 of the laws of the state of New York in furtherance of effectuating the
51 provisions of section 44 of the legislative law and section 70-b of the
52 public officers law.

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

3 § 2016. Judicial review. A decision of the tax appeals tribunal, which
4 is not subject to any further administrative review, shall finally and
5 irrevocably decide all the issues which were raised in proceedings
6 before the division of tax appeals upon which such decision is based
7 unless, within four months after notice of such decision is served by
8 the tax appeals tribunal upon every party to the proceeding before such
9 tribunal by certified mail or personal service, the petitioner who
10 commenced the proceeding [~~petitions~~] or the commissioner, or both, peti-
11 tion for judicial review in the manner provided by article seventy-eight
12 of the civil practice law and rules, except as otherwise provided in
13 this [~~section~~] chapter. Such service by certified mail shall be
14 complete upon deposit of such notice, enclosed in a post-paid properly
15 addressed wrapper, in a post office or official depository under the
16 exclusive care and custody of the United States postal service. [~~The~~]
17 Where the petitioner who commenced the proceeding before the division of
18 tax appeals files a petition for judicial review, the petition shall
19 designate the tax appeals tribunal and the commissioner [~~of taxation and~~
20 ~~finance~~] as respondents in the proceeding for judicial review. Where
21 the commissioner files a petition for judicial review, the petition
22 shall designate the tax appeals tribunal and the petitioner who
23 commenced the proceeding before the division of tax appeals as respond-
24 ents in the proceeding for judicial review. The tax appeals tribunal
25 shall not participate in proceedings for judicial review of its deci-
26 sions and such proceedings for judicial review shall be commenced in the
27 appellate division of the supreme court, third department. In all other
28 respects the provisions and standards of article seventy-eight of the
29 civil practice law and rules shall apply. The record to be reviewed in
30 such proceedings for judicial review shall include the determination of
31 the administrative law judge, the decision of the tax appeals tribunal,
32 the stenographic transcript of the hearing before the administrative law
33 judge, the transcript of any oral proceedings before the tax appeals
34 tribunal and any exhibit or document submitted into evidence at any
35 proceeding in the division of tax appeals upon which such decision is
36 based.

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

40 PART O

41 Section 1. Subparagraph (B) of paragraph 1 of subsection (b) of
42 section 605 of the tax law, as amended by chapter 28 of the laws of
43 1987, is amended to read as follows:

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

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

53 (2) who [~~is not domiciled in such city but~~] maintains a permanent
54 place of abode in such city and spends in the aggregate more than one

1 hundred eighty-three days of the taxable year in such city, whether or
2 not domiciled in this city for any portion of the taxable year, unless
3 such individual is in active service in the armed forces of the United
4 States.

5 § 3. Subparagraph (B) of paragraph 1 of subdivision (b) of section
6 11-1705 of the administrative code of the city of New York, as amended
7 by chapter 333 of the laws of 1987, is amended to read as follows:

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

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

17 PART P

18 Section 1. Paragraph (1) of subsection (c-1) of section 606 of the tax
19 law, as amended by section 1 of part L1 of chapter 109 of the laws of
20 2006, is amended to read as follows:

21 (1) A resident taxpayer shall be allowed a credit as provided herein
22 equal to the greater of one hundred dollars times the number of qualify-
23 ing children of the taxpayer or the applicable percentage of the child
24 tax credit allowed the taxpayer under section twenty-four of the inter-
25 nal revenue code for the same taxable year for each qualifying child.
26 Provided, however, in the case of a taxpayer whose federal adjusted
27 gross income exceeds the applicable threshold amount set forth by
28 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
29 equal to the applicable percentage of the child tax credit allowed the
30 taxpayer under section 24 of the Internal Revenue Code for each qualify-
31 ing child. For the purposes of this subsection, a qualifying child shall
32 be a child who meets the definition of qualified child under section
33 24(c) of the internal revenue code and is at least four years of age.
34 The applicable percentage shall be thirty-three percent. For purposes
35 of this subsection, any reference to section 24 of the Internal Revenue
36 Code shall be a reference to such section as it existed immediately
37 prior to the enactment of Public Law 115-97.

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

40 PART Q

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

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

1 taxpayer may not use the hiring of a qualified veteran that is the basis
2 for this credit in the basis of any other credit allowed under this
3 article.

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

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

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

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

18 § 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
19 law, as amended by section 2 of part I of chapter 60 of the laws of
20 2016, are amended to read as follows:

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

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

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

40 (B) who commences employment by the qualified taxpayer on or after
41 January first, two thousand fourteen, and before January first, two
42 thousand [~~eighteen~~] twenty; and

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

47 § 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
48 tax law, as amended by section 3 of part I of chapter 60 of the laws of
49 2016, are amended to read as follows:

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

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

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

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

13 (B) who commences employment by the qualified taxpayer on or after
14 January first, two thousand fourteen, and before January first, two
15 thousand ~~eighteen~~ twenty; and

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

20 § 4. This act shall take effect immediately.

21 PART R

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

25 (c) A qualified employer shall be entitled to a tax credit equal to
26 (1) ~~[five]~~ seven hundred fifty dollars per month for up to six months
27 for each qualified employee the employer employs in a full-time job or
28 ~~[two]~~ three hundred ~~[fifty]~~ seventy-five dollars per month for up to six
29 months for each qualified employee the employer employs in a part-time
30 job of at least twenty hours per week or ten hours per week when the
31 qualified employee is enrolled in high school full-time, (2) ~~[one thou-~~
32 ~~sand]~~ fifteen hundred dollars for each qualified employee who is
33 employed for at least an additional six consecutive months by the quali-
34 fied employer in a full-time job or ~~[five]~~ seven hundred fifty dollars
35 for each qualified employee who is employed for at least an additional
36 six consecutive months by the qualified employer in a part-time job of
37 at least twenty hours per week or ten hours per week when the qualified
38 employee is enrolled in high school full-time, and (3) an additional
39 ~~[one-thousand]~~ fifteen hundred dollars for each qualified employee who
40 is employed for at least an additional year after the ~~[first-year-of-the~~
41 ~~employee's-employment]~~ completion of the time periods and satisfaction
42 of the conditions set forth in paragraphs one and two of this subdivi-
43 sion by the qualified employer in a full-time job or ~~[five]~~ seven
44 hundred fifty dollars for each qualified employee who is employed for at
45 least an additional year after the ~~[first-year-of-the-employee's-employ-~~
46 ~~ment]~~ completion of the time periods and satisfaction of the conditions
47 set forth in paragraphs one and two of this subdivision by the qualified
48 employer in a part-time job of at least twenty hours per week or ten
49 hours per week when the qualified employee is enrolled in high school
50 full time. The tax credits shall be claimed by the qualified employer as
51 specified in subdivision thirty-six of section two hundred ten-B and
52 subsection (tt) of section six hundred six of the tax law.

53 § 2. Subdivisions (d), (e) and (f) of section 25-a of the labor law,
54 subdivisions (d) and (e) as amended by section 1 of subpart A of part N

1 of chapter 59 of the laws of 2017 and subdivision (f) as amended by
2 section 1 of part AA of chapter 56 of the laws of 2015, are amended to
3 read as follows:

4 (d) To participate in the program established under this section, an
5 employer must submit an application (in a form prescribed by the commis-
6 sioner) to the commissioner after January first, two thousand twelve but
7 no later than November thirtieth, two thousand twelve for program one,
8 after January first, two thousand fourteen but no later than November
9 thirtieth, two thousand fourteen for program two, after January first,
10 two thousand fifteen but no later than November thirtieth, two thousand
11 fifteen for program three, after January first, two thousand sixteen but
12 no later than November thirtieth, two thousand sixteen for program four,
13 after January first, two thousand seventeen but no later than November
14 thirtieth, two thousand seventeen for program five, after January first,
15 two thousand eighteen but no later than November thirtieth, two thousand
16 eighteen for program six, after January first, two thousand nineteen but
17 no later than November thirtieth, two thousand nineteen for program
18 seven, after January first, two thousand twenty but no later than Novem-
19 ber thirtieth, two thousand twenty for program eight, after January
20 first, two thousand twenty-one but no later than November thirtieth, two
21 thousand twenty-one for program nine, and after January first, two thou-
22 sand twenty-two but no later than November thirtieth, two thousand twen-
23 ty-two for program ten. The qualified employees must start their employ-
24 ment on or after January first, two thousand twelve but no later than
25 December thirty-first, two thousand twelve for program one, on or after
26 January first, two thousand fourteen but no later than December thirty-
27 first, two thousand fourteen for program two, on or after January first,
28 two thousand fifteen but no later than December thirty-first, two thou-
29 sand fifteen for program three, on or after January first, two thousand
30 sixteen but no later than December thirty-first, two thousand sixteen
31 for program four, on or after January first, two thousand seventeen but
32 no later than December thirty-first, two thousand seventeen for program
33 five, on or after January first, two thousand eighteen but no later than
34 December thirty-first, two thousand eighteen for program six, on or
35 after January first, two thousand nineteen but no later than December
36 thirty-first, two thousand nineteen for program seven, on or after Janu-
37 ary first, two thousand twenty but no later than December thirty-first,
38 two thousand twenty for program eight, on or after January first, two
39 thousand twenty-one but no later than December thirty-first, two thou-
40 sand twenty-one for program nine, and on or after January first, two
41 thousand twenty-two but no later than December thirty-first, two thou-
42 sand twenty-two for program ten. ~~[The commissioner shall establish~~

43 ~~guidelines and criteria that specify requirements for employers to~~
44 ~~participate in the program including criteria for certifying qualified~~
45 ~~employees, ensuring that the process established will minimize any undue~~
46 ~~delay in issuing the certificate of eligibility. Any regulations that~~
47 ~~the commissioner determines are necessary may be adopted on an emergency~~
48 ~~basis notwithstanding anything to the contrary in section two hundred~~
49 ~~two of the state administrative procedure act. Such requirements may~~
50 ~~include the types of industries that the employers are engaged in. The~~
51 ~~commissioner may give preference to employers that are engaged in demand~~
52 ~~occupations or industries, or in regional growth sectors, including but~~
53 ~~not limited to those identified by the regional economic development~~
54 ~~councils, such as clean energy, healthcare, advanced manufacturing and~~
55 ~~conservation. In addition, the commissioner shall give preference to~~

~~employers who offer advancement and employee benefit packages to the qualified individuals.]~~ As part of such application, an employer must:

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

(2) allow the commissioner and its agents and the department of taxation and finance and its agents access to any and all books and records of employers the commissioner may require to monitor compliance.

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

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

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

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

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

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

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

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

(iv) A unique certificate number identifying the annual final certificate of tax credit.

(e-2) In determining the amount of credit for purposes of the annual final certificate of tax credit, the portion of the credit described in paragraph one of subdivision (c) of this section shall be allowed for the calendar year in which the wages are paid to the qualified employee, the portion of the credit described in paragraph two of subdivision (c) of this section shall be allowed for the calendar year in which the

1 additional six consecutive month period ends, and the portion of the
2 credit described in paragraph three of subdivision (c) of this section
3 shall be allowed for the calendar year in which the additional year of
4 consecutive employment ends after the completion of the time periods and
5 satisfaction of the conditions set forth in paragraphs one and two of
6 subdivision (c) of this section. If the qualified employer's taxable
7 year is a calendar year, the employer shall be entitled to claim the
8 credit as calculated on the annual final certificate of tax credit on
9 the calendar year return for which the annual final certificate of tax
10 credit was issued. If the qualified employer's taxable year is a fiscal
11 year, the employer shall be entitled to claim the credit as calculated
12 on the annual final certificate of tax credit on the return for the
13 fiscal year that encompasses the date on which the annual final certifi-
14 cate of tax credit is issued.

15 (e-3) The commissioner shall establish guidelines and criteria that
16 specify requirements for employers to participate in the program includ-
17 ing criteria for certifying qualified employees, and issuing the prelim-
18 inary certificate of eligibility and annual final certificate of tax
19 credit. Any regulations that the commissioner determines are necessary
20 may be adopted on an emergency basis notwithstanding anything to the
21 contrary in section two hundred two of the state administrative proce-
22 dure act. Such requirements may include the types of industries that the
23 employers are engaged in. The commissioner may give preference to
24 employers that are engaged in demand occupations or industries, or in
25 regional growth sectors, including but not limited to those identified
26 by the regional economic development councils, such as clean energy,
27 healthcare, advanced manufacturing and conservation. In addition, the
28 commissioner shall give preference to employers who offer advancement
29 and employee benefit packages to the qualified individuals.

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

33 (a) A taxpayer that has been certified by the commissioner of labor as
34 a qualified employer pursuant to section twenty-five-a of the labor law
35 shall be allowed a credit against the tax imposed by this article equal
36 to (i) [~~five~~] seven hundred fifty dollars per month for up to six months
37 for each qualified employee the employer employs in a full-time job or
38 [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six
39 months for each qualified employee the employer employs in a part-time
40 job of at least twenty hours per week or ten hours per week when the
41 qualified employee is enrolled in high school full-time, (ii) [~~one thou-~~
42 ~~sand~~] fifteen hundred dollars for each qualified employee who is
43 employed for at least an additional six consecutive months by the quali-
44 fied employer in a full-time job or [~~five~~] seven hundred fifty dollars
45 for each qualified employee who is employed for at least an additional
46 six consecutive months by the qualified employer in a part-time job of
47 at least twenty hours per week or ten hours per week when the qualified
48 employee is enrolled in high school full-time, and (iii) an additional
49 [~~one-thousand~~] fifteen hundred dollars for each qualified employee who
50 is employed for at least an additional year after the [~~first year of the~~
51 ~~employee's employment~~] completion of the time periods and satisfaction
52 of the conditions set forth in subparagraphs (i) and (ii) of this para-
53 graph by the qualified employer in a full-time job or [~~five~~] seven
54 hundred fifty dollars for each qualified employee who is employed for at
55 least an additional year after the [~~first year of the employee's employ-~~
56 ~~ment~~] completion of the time periods and satisfaction of the conditions

1 set forth in subparagraphs (i) and (ii) of this paragraph by the quali-
2 fied employer in a part-time job of at least twenty hours per week or
3 ten hours per week when the qualified employee is enrolled in high
4 school full-time. For purposes of this subdivision, the term "qualified
5 employee" shall have the same meaning as set forth in subdivision (b) of
6 section twenty-five-a of the labor law. The portion of the credit
7 described in subparagraph (i) of this paragraph shall be allowed for the
8 taxable year in which the wages are paid to the qualified employee, the
9 portion of the credit described in subparagraph (ii) of this paragraph
10 shall be allowed in the taxable year in which the additional six month
11 period ends, and the portion of the credit described in subparagraph
12 (iii) of this paragraph shall be allowed in the taxable year in which
13 the additional year after the first year of employment ends.

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

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

1 which the annual final certificate of tax credit was issued. If the
2 qualified employer's taxable year is a fiscal year, the employer shall
3 be entitled to claim the credit as calculated on the annual final
4 certificate of tax credit on the return for the fiscal year that encom-
5 passes the date on which the annual final certificate of tax credit is
6 issued. For the purposes of this subdivision, the term "qualified
7 employee" shall have the same meaning as set forth in subdivision (b) of
8 section twenty-five-a of the labor law.

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

12 (c) The taxpayer [~~may~~] shall be required to attach to its tax return
13 its annual final certificate of [~~eligibility~~] tax credit issued by the
14 commissioner of labor pursuant to section twenty-five-a of the labor
15 law. In no event shall the taxpayer be allowed a credit greater than the
16 amount of the credit listed on the annual final certificate of [~~eligi-~~
17 ~~bility~~] tax credit. Notwithstanding any provision of this chapter to
18 the contrary, the commissioner and the commissioner's designees may
19 release the names and addresses of any taxpayer claiming this credit and
20 the amount of the credit earned by the taxpayer. Provided, however, if
21 a taxpayer claims this credit because it is a member of a limited
22 liability company or a partner in a partnership, only the amount of
23 credit earned by the entity and not the amount of credit claimed by the
24 taxpayer may be released.

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

28 (1) A taxpayer that has been certified by the commissioner of labor as
29 a qualified employer pursuant to section twenty-five-a of the labor law
30 shall be allowed a credit against the tax imposed by this article equal
31 to (A) [~~five~~] seven hundred fifty dollars per month for up to six months
32 for each qualified employee the employer employs in a full-time job or
33 [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six
34 months for each qualified employee the employer employs in a part-time
35 job of at least twenty hours per week or ten hours per week when the
36 qualified employee is enrolled in high school full-time, and (B) [~~one~~
37 ~~thousand~~] fifteen hundred dollars for each qualified employee who is
38 employed for at least an additional six consecutive months by the quali-
39 fied employer in a full-time job or [~~five~~] seven hundred fifty dollars
40 for each qualified employee who is employed for at least an additional
41 six consecutive months by the qualified employer in a part-time job of
42 at least twenty hours per week or ten hours per week when the qualified
43 employee is enrolled in high school full-time, and (C) an additional
44 [~~one thousand~~] fifteen hundred dollars for each qualified employee who
45 is employed for at least an additional year after the [~~first year of the~~
46 ~~employee's employment~~] completion of the time periods and satisfaction
47 of the conditions set forth in subparagraphs A and B of this subsection
48 by the qualified employer in a full-time job or [~~five~~] seven hundred
49 fifty dollars for each qualified employee who is employed for at least
50 an additional year after the [~~first year of the employee's employment~~
51 completion of the time periods and satisfaction of the conditions set
52 forth in subparagraphs A and B of this subsection by the qualified
53 employer in a part-time job of at least twenty hours per week or ten
54 hours per week when the qualified employee is enrolled in high school
55 full-time. A taxpayer that is a partner in a partnership, member of a
56 limited liability company or shareholder in an S corporation that has

1 been certified by the commissioner of labor as a qualified employer
2 pursuant to section twenty-five-a of the labor law shall be allowed its
3 pro rata share of the credit earned by the partnership, limited liability
4 company or S corporation. For purposes of this subsection, the term
5 "qualified employee" shall have the same meaning as set forth in subdi-
6 vision (b) of section twenty-five-a of the labor law. The portion of the
7 credit described in subparagraph (A) of this paragraph shall be allowed
8 for the taxable year in which the wages are paid to the qualified
9 employee, the portion of the credit described in subparagraph (B) of
10 this paragraph shall be allowed in the taxable year in which the addi-
11 tional six month period ends, and the portion of the credit described in
12 subparagraph (C) of this paragraph shall be allowed in the taxable year
13 in which the additional year after the first year of employment ends.

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

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

~~tional six month period ends, and the portion of the credit described in subparagraph (C) of this paragraph shall be allowed in the taxable year in which the additional year after the first year of employment ends.]~~
If the qualified employer's taxable year is a calendar year, the employer shall be entitled to claim the credit as calculated on the annual final certificate of tax credit on the calendar year return for which the annual final certificate of tax credit was issued. If the qualified employer's taxable year is a fiscal year, the employer shall be entitled to claim the credit as calculated on the annual final certificate of tax credit on the return for the fiscal year that encompasses the date on which the annual final certificate of tax credit is issued. For the purposes of this subsection, the term "qualified employee" shall have the same meaning as set forth in subdivision (b) of section twenty-five-a of the labor law.

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

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

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

PART S

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

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

(b) To determine the amount of each tax credit allowed for the taxable year to be used, refunded or credited as an overpayment the taxpayer shall multiply the amount of each credit subject to deferral that would

1 have been used, refunded or credited as an overpayment in the absence of
2 this section by a fraction, the numerator of which is two million
3 dollars, and the denominator of which is the total amount of the taxpay-
4 er's credits subject to deferral pursuant to subdivision three of this
5 section that would have been used, refunded or credited as an overpay-
6 ment for the taxable year in the absence of this section. The product is
7 the amount of such credit that is not subject to deferral and thus
8 allowed to be used, refunded or credited as an overpayment for the taxa-
9 ble year.

10 2. Taxpayers shall calculate and make any estimated tax payments
11 required to be made by taking into account the deferral of credits
12 required by this section. Taxpayers shall calculate any mandatory first
13 installment payments made on or after the effective date of this section
14 as if the deferral of credits required by this section had been in
15 effect for the taxable year upon which that installment is based. In
16 addition, for taxable years beginning on or after January first, two
17 thousand ~~[ten]~~ eighteen and before January first, two thousand ~~[eleven]~~
18 nineteen, (a) no addition to tax under subsection (c) of section six
19 hundred eighty-five of this chapter or subsection (c) of section one
20 thousand eighty-five of this chapter shall be imposed with respect to
21 any underpayment attributable to the deferral required by this section
22 of any estimated taxes that are required to be paid prior to the enact-
23 ment of this section, provided that the taxpayer timely made those
24 payments; and (b) the required installment of estimated tax described in
25 clause (ii) of subparagraph (B) of paragraph three of subsection (c) of
26 section six hundred eighty-five of this chapter, and the exception to
27 addition for underpayment of estimated tax described in paragraph one or
28 two of subsection (d) of section one thousand eighty-five of this chap-
29 ter, in relation to the preceding year's return, shall be calculated as
30 if the deferral required by this section had been in effect for that
31 entire preceding year.

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

36 Section ~~[210(12)]~~ 210-B(1) investment tax credit
37 Section ~~[210(12-B)]~~ 210-B(3) empire zone investment tax credit
38 Section ~~[210(12-C)]~~ 210-B(4) empire zone employment incentive credit
39 Section ~~[210(12-D)]~~ 210-B(2) employment incentive credit
40 Section ~~[210(12-E)]~~ 210-B(7) QETC employment credit
41 Section ~~[210(12-F)]~~ 210-B(8) QETC capital tax credit
42 ~~[Section 210(12-G) QETC facilities, operations, and training credit]~~
43 Section ~~[210(17)]~~ 210-B(9) special additional mortgage recording tax
44 credit
45 ~~[Section 210(19) empire zone wage tax credit~~
46 ~~Section 210(20) empire zone capital tax credit]~~
47 Section ~~[210(21-a)]~~ 210-B(10) credit for servicing certain mortgages
48 Section ~~[210(23)]~~ 210-B(12) credit for employment of persons with
49 disabilities
50 Section ~~[210(24)]~~ 210-B(30) alternative fuels and electric vehicle
51 recharging property credit
52 Section ~~[210(25)]~~ 210-B(13) credit for purchase of an automated
53 external defibrillator
54 Section ~~[210(27)]~~ 210-B(5) QEZE credit for real property taxes
55 Section ~~[210(28)]~~ 210-B(6) QEZE tax reduction credit
56 Section ~~[210(30)]~~ 210-B(15) low income housing credit

1 Section [~~210(31)~~] 210-B(16) green building credit
2 Section [~~210(33)~~] 210-B(17) brownfield redevelopment tax credit
3 Section [~~210(34)~~] 210-B(18) remediated brownfield credit for real
4 property taxes for qualified sites
5 Section [~~210(35)~~] 210-B(19) environmental remediation insurance credit
6 Section [~~210(37)~~] 210-B(21) security training tax credit
7 [~~Section 210(37) credit for fuel cell electric generating equipment~~
8 ~~expenditures~~]
9 Section [~~210(38)~~] 210-B(22) conservation easement tax credit
10 [~~Section 210(38) empire state commercial production credit~~]
11 Section [~~210(38)~~] 210-B(24) biofuel production credit
12 Section [~~210(39)~~] 210-B(25) clean heating fuel credit
13 Section [~~210(40)~~] 210-B(26) credit for rehabilitation of historic
14 properties
15 Section [~~210(40)~~] 210-B(38) credit for companies who provide transpor-
16 tation to individuals with disabilities
17 Section 210-B(11) agricultural property tax credit
18 Section 210-B(35) economic transformation and facility redevelopment
19 credit
20 Section 210-B(39) alcoholic beverage production credit
21 Section 210-B(40) minimum wage reimbursement credit
22 Section 210-B(41) the tax-free NY area tax elimination credit
23 Section 210-B(43) real property tax credit for manufacturers
24 Section 210-B(44) the tax-free NY area excise tax on telecommunication
25 services credit
26 Section 210-B(47) musical and theatrical production credit
27 Section 210-B(48) workers with disabilities tax credit
28 Section 210-B(51) farm workforce retention credit
29 (b) This section shall also apply to the credits allowed by the
30 following sections:
31 [~~Section 186-a(9) power for jobs credit~~]
32 Section 606(g-1) solar energy system equipment credit
33 Section 606(pp) historic homeownership rehabilitation credit
34 Section 1511(k) credit for certain investments in certified capital
35 companies

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

39 1. The amounts of nonrefundable credits that are deferred pursuant to
40 section thirty-three of this article in taxable years beginning on or
41 after January first, two thousand [~~ten~~] eighteen and before January
42 first, two thousand [~~thirteen~~] twenty-one shall be accumulated and
43 constitute the taxpayer's temporary deferral nonrefundable payout cred-
44 it. The taxpayer may first claim this credit in the taxable year begin-
45 ning on or after January first, two thousand [~~thirteen~~] twenty-one and
46 before January first, two thousand [~~fourteen~~] twenty-two. The taxpayer
47 shall be allowed to claim this credit until the accumulated amounts are
48 exhausted. The credit shall be allowed against the taxpayer's tax as
49 provided in the provisions referenced in paragraph (a) of subdivision
50 three of this section.

51 2. The amounts of refundable credits that are deferred pursuant to
52 section thirty-three of this article in taxable years beginning on or
53 after January first, two thousand [~~ten~~] eighteen and before January
54 first, two thousand [~~thirteen~~] twenty-one shall be accumulated and
55 constitute the taxpayer's temporary deferral refundable payout credit.
56 In the taxable year beginning on or after January first, two thousand

1 ~~[thirteen]~~ twenty-one and before January first, two thousand ~~[fourteen]~~
2 twenty-two, the taxpayer shall be allowed to claim a credit equal to
3 fifty percent of the amount accumulated. In the taxable year beginning
4 on or after January first, two thousand ~~[fourteen]~~ twenty-two and before
5 January first, two thousand ~~[fifteen]~~ twenty-three, the taxpayer shall
6 be allowed to claim a credit equal to seventy-five percent of the
7 balance of the amount accumulated. In the taxable year beginning on or
8 after January first, two thousand ~~[fifteen]~~ twenty-three and before
9 January first, two thousand ~~[sixteen]~~ twenty-four, the taxpayer shall be
10 allowed to claim a credit equal to the remaining balance of the amount
11 accumulated. The credit shall be allowed against the taxpayer's tax as
12 provided in the provisions referenced in paragraph (b) of subdivision
13 three of this section.

14 § 3. This act shall take effect immediately.

15 PART T

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

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

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

26 (b) Notwithstanding the provisions of subdivision (a) of section four-
27 teen hundred four of this article, the additional tax imposed by this
28 section shall be paid by the grantee. If the grantee ~~[is exempt from~~
29 ~~such tax, the grantor shall have the duty to pay the tax]~~ has failed to
30 pay the tax imposed by this article at the time required by section
31 fourteen hundred ten of this article or if the grantee is exempt from
32 such tax, the grantor shall have the duty to pay the tax. Where the
33 grantor has the duty to pay the tax because the grantee has failed to
34 pay, such tax shall be the joint and several liability of the grantor
35 and the grantee.

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

39 PART U

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

42 6. "Wholesale price." The ~~[established]~~ invoice price for which a
43 manufacturer or other person sells tobacco products to a distributor,
44 including the federal excise taxes paid by the manufacturer or other
45 person, before the allowance of any discount, trade allowance, rebate or
46 other reduction.

47 ~~[In the absence of such an established price, a manufacturer's invoice~~
48 ~~price of any tobacco product shall be presumptive evidence of the whole-~~
49 ~~sale price of such tobacco product, and in its absence the price at~~
50 ~~which such tobacco products were purchased shall be presumed to be the~~
51 ~~wholesale price, unless evidence of a lower wholesale price shall be~~

~~established or any industry standard of markups relating to the purchase price in relation to the wholesale price shall be established.]~~

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

PART V

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

(A) gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of whatever nature, including the transportation, transmission or distribution of gas or electricity, even if sold separately;

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

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

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

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

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

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

PART W

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

(f) (1) Services rendered by a veterinarian licensed and registered as required by the education law which constitute the practice of veterinary medicine as defined in said law, including hospitalization for which no separate boarding charge is made, shall not be subject to tax under paragraph (3) of subdivision (c) of section eleven hundred five, but the exemption allowed by this subdivision shall not apply to other services provided by a veterinarian to pets and other animals, including, but not limited to, boarding, grooming and clipping. Articles of tangible personal property designed for use in some manner relating to domestic animals or poultry, when sold by such a veterinarian, shall not be subject to tax under subdivision (a) of section eleven hundred five or under section eleven hundred ten. However, the sale of any such articles of tangible personal property to a veterinarian shall not be deemed

1 a sale for resale within the meaning of [~~paragraph~~] paragraph (4) of
2 subdivision (b) of section eleven hundred one and shall not be exempt
3 from retail sales tax.

4 (2) Drugs or medicine sold to or used by a veterinarian for use in
5 rendering services that are exempt pursuant to paragraph one of this
6 subdivision to livestock or poultry used in the production for sale of
7 tangible personal property by farming, or sold to a person qualifying
8 for the exemption provided for in paragraph six of subdivision (a) of
9 this section for use by such person on such livestock or poultry.

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

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

nied by a bond or other performance guaranty which was irrevocably submitted prior to such date.) Where the tax on the sale or use of such tangible personal property has been paid to the vendor, to qualify for such refund or credit, such tangible personal property must be incorporated into real property as required in clause (1) above, reshipped as required in clause (2) above, used in the manner described in clauses (3), (4)[~~5~~] and (6) above within three years after the date such tax was payable to the tax commission by the vendor pursuant to section eleven hundred thirty-seven. Where the tax on the sale or use of such tangible personal property was paid by the applicant for the credit or refund directly to the tax commission, to qualify for such refund or credit, such tangible personal property must be incorporated into real property as required in clause (1) above, reshipped as required in clause (2) above, used in the manner described in clauses (3), (4)[~~5~~] and (6) above within three years after the date such tax was payable to the tax commission by such applicant pursuant to this article. An application for a refund or credit pursuant to this section must be filed with such commission within the time provided by subdivision (a) of section eleven hundred thirty-nine. Such application shall be in such form as the tax commission may prescribe. Where an application for credit has been filed, the applicant may immediately take such credit on the return which is due coincident with or immediately subsequent to the time that he files his application for credit. However, the taking of the credit on the return shall be deemed to be part of the application for credit and shall be subject to the provisions in respect to applications for credit in section eleven hundred thirty-nine as provided in subdivision (e) of such section. With respect to a sale or use described in clause (3) above where a pre-existing lump sum or unit price construction contract was irrevocably entered into prior to the date of the enactment of this article or the bid accompanied by the performance guaranty was irrevocably submitted to the governmental agency prior to such date, the purchaser or user shall be entitled to a refund or credit only of the amount by which the tax on such sale or use imposed under this article plus any tax imposed under the authority of article twenty-nine exceeds the amount computed by applying against such sale or use the local rate of tax, if any, in effect at the time such contract was entered into or such bid was submitted.

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

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

PART X

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

(1) "Persons required to collect tax" or "person required to collect any tax imposed by this article" shall include: every vendor of tangible personal property or services; every recipient of amusement charges; and every operator of a hotel. Said terms shall also include any officer, director or employee of a corporation or of a dissolved corporation, any

1 employee of a partnership, any employee or manager of a limited liability company, or any employee of an individual proprietorship who as such
2 officer, director, employee or manager is under a duty to act for such
3 corporation, partnership, limited liability company or individual
4 proprietorship in complying with any requirement of this article, or has
5 so acted; and any member of a partnership or limited liability company.
6 Provided, however, that any person who is a vendor solely by reason of
7 clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision
8 (b) of section eleven hundred one of this article shall not be a "person
9 required to collect any tax imposed by this article" until twenty days
10 after the date by which such person is required to file a certificate of
11 registration pursuant to section eleven hundred thirty-four of this
12 part.
13

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

16 (a) (1) Except as otherwise provided in paragraph two of this subdivi-
17 sion and in section eleven hundred thirty-seven of this part, every
18 person required to collect any tax imposed by this article shall be
19 personally liable for the tax imposed, collected or required to be
20 collected under this article. Any such person shall have the same right
21 in respect to collecting the tax from his customer or in respect to
22 nonpayment of the tax by the customer as if the tax were a part of the
23 purchase price of the property or service, amusement charge or rent, as
24 the case may be, and payable at the same time; provided, however, that
25 the tax commission shall be joined as a party in any action or proceeding
26 brought to collect the tax.

27 (2) Notwithstanding any other provision of this article: (i) The
28 commissioner shall grant the relief described in subparagraph (iii) of
29 this paragraph to a limited partner of a limited partnership (but not a
30 partner of a limited liability partnership) or a member of a limited
31 liability company if such limited partner or member demonstrates to the
32 satisfaction of the commissioner that such limited partner's or member's
33 ownership interest and the percentage of the distributive share of the
34 profits and losses of such limited partnership or limited liability
35 company are each less than fifty percent, and such limited partner or
36 member was not under a duty to act for such limited partnership or
37 limited liability company in complying with any requirement of this
38 article. Provided, however, the commissioner may deny an application for
39 relief to any such limited partner or member who the commissioner finds
40 has acted on behalf of such limited partnership or limited liability
41 company in complying with any requirement of this article or has been
42 convicted of a crime provided in this chapter or who has a past-due
43 liability, as such term is defined in section one hundred seventy-one-v
44 of this chapter.

45 (ii) Such limited partner or member must submit an application for
46 relief, on a form prescribed by the commissioner, and the information
47 provided in such application must be true and complete in all material
48 respects. Providing materially false or fraudulent information on such
49 application shall disqualify such limited partner or member for the
50 relief described in subparagraph (iii) of this paragraph, shall void any
51 agreement with the commissioner with respect to such relief, and shall
52 result in such limited partner or member bearing strict liability for
53 the total amount of tax, interest and penalty owed by their respective
54 limited partnership or limited liability company pursuant to this subdivi-
55 vision.

(iii) A limited partner of a limited partnership or member of a limited liability company, who meets the requirements set forth in this paragraph and whose application for relief is approved by the commissioner, shall be liable for the percentage of the original sales and use tax liability of their respective limited partnership or limited liability company that reflects such limited partner's or member's ownership interest of distributive share of the profits and losses of such limited partnership or limited liability company, whichever is higher. Such original liability shall include any interest accrued thereon up to and including the date of payment by such limited partner or member at the underpayment rate set by the commissioner pursuant to section eleven hundred forty-two of this part, and shall be reduced by the sum of any payments made by (A) the limited partnership or limited liability company; (B) any person required to collect tax not eligible for relief; and (C) any person required to collect tax who was eligible for relief but had not been approved for relief by the commissioner at the time such payment was made. Provided, however, such limited partner or member shall not be liable for any penalty owed by such limited partnership or limited liability company or any other partner or member of such limited partnership or limited liability company. Any payment made by a limited partner or member pursuant to the provisions of this paragraph shall not be credited against the liability of other limited partners or members of their respective limited partnership or limited liability company who are eligible for the same relief; provided, however that the sum of the amounts owed by all of the persons required to collect tax of a limited partnership or limited liability company shall not exceed the total liability of such limited partnership or limited liability company.

§ 3. This act shall take effect immediately.

PART Y

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

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

~~[The]~~ (B) Until May thirty first, two thousand twenty, the food and drink excluded from the exemption provided by [this paragraph under subparagraphs] clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and bottled water, shall be exempt under this [paragraph] subparagraph when sold for one dollar and fifty cents or less through any vending machine [activated by the use of] that accepts coin[,] or currency[, credit card or debit card] only or when sold for two dollars or less through any vending machine that accepts any form of payment other than coin or currency, whether or not it also accepts coin or currency. ~~[With the exception of the provision in this paragraph providing for an exemption for certain food or drink sold for one dollar and~~

~~fifty cents or less through vending machines, nothing herein shall be construed as exempting food or drink from the tax imposed under subdivision (d) of section eleven hundred five of this article.]~~

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

PART Z

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

§ 2. Notwithstanding any other provision of law to the contrary, the one percent increase in sales and compensating use taxes authorized for the county of Genesee until November 30, [2019] 2020 pursuant to clause (20) of subparagraph (i) of the opening paragraph of section 1210 of the tax law, as amended by section one of this act, shall be divided in the same manner and proportion as the existing three percent sales and compensating use taxes in such county are divided.

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

§ 2. Notwithstanding the provisions of subdivisions (b) and (c) of section 1262 and section 1262-g of the tax law, net collections, as such term is defined in section 1262 of the tax law, derived from the imposition of sales and compensating use taxes by the county of Monroe at the additional rate of one percent as authorized pursuant to clause (25) of subparagraph (i) of the opening paragraph of section 1210 of the tax law, as amended by section one of this act, which are in addition to the current net collections derived from the imposition of such taxes at the three percent rate authorized by the opening paragraph of section 1210 of the tax law, shall be distributed and allocated as follows: for the period of December 1, 2017 through November 30, [2019] 2020 in cash, five percent to the school districts in the area of the county outside the city of Rochester, three percent to the towns located within the county, one and one-quarter percent to the villages located within the county, and ninety and three-quarters percent to the city of Rochester and county of Monroe. The amount of the ninety and three-quarters percent to be distributed and allocated to the city of Rochester and county of Monroe shall be distributed and allocated to each so that the combined total distribution and allocation to each from the sales tax revenues pursuant to sections 1262 and 1262-g of the tax law and this section shall result in the same total amount being distributed and allocated to the city of Rochester and county of Monroe. The amount so distributed and allocated to the county shall be used for county purposes. The foregoing cash payments to the school districts shall be allocated on the basis of the enrolled public school pupils, thereof, as such term is used in subdivision (b) of section 1262 of the tax law, residing in the county of Monroe. The cash payments to the towns located within the county of Monroe shall be allocated on the basis of the ratio which the population of each town, exclusive of the population of any village or portion thereof located within a town, bears to the total population of the towns, exclusive of the population of the villages located within such towns. The cash payments to the villages located

1 within the county shall be allocated on the basis of the ratio which the
2 population of each village bears to the total population of the villages
3 located within the county. The term population as used in this section
4 shall have the same meaning as used in subdivision (b) of section 1262
5 of the tax law.

6 § 3. Section 3 of subpart EE of part A of chapter 61 of the laws of
7 2017, amending the tax law relating to extending the authorization of
8 the county of Onondaga to impose an additional rate of sales and compen-
9 sating use taxes, is amended to read as follows:

10 § 3. Notwithstanding any contrary provision of law, net collections
11 from the additional one percent rate of sales and compensating use taxes
12 which may be imposed by the county of Onondaga during the period
13 commencing December 1, 2018 and ending November 30, ~~2019~~ 2020, pursu-
14 ant to the authority of section 1210 of the tax law, shall not be
15 subject to any revenue distribution agreement entered into under subdivi-
16 sion (c) of section 1262 of the tax law, but shall be allocated and
17 distributed or paid, at least quarterly, as follows: (i) 1.58% to the
18 county of Onondaga for any county purpose; (ii) 97.79% to the city of
19 Syracuse; and (iii) .63% to the school districts in accordance with
20 subdivision (a) of section 1262 of the tax law.

21 § 4. Section 2 of subpart GG of part A of chapter 61 of the laws of
22 2017, amending the tax law relating to extending the authority of the
23 county of Orange to impose an additional rate of sales and compensating
24 use taxes, is amended to read as follows:

25 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,
26 net collections from any additional rate of sales and compensating use
27 taxes which may be imposed by the county of Orange during the period
28 commencing December 1, 2017, and ending November 30, ~~2019~~ 2020, pursu-
29 ant to the authority of section 1210 of the tax law, shall be paid to
30 the county of Orange and shall be used by such county solely for county
31 purposes and shall not be subject to any revenue distribution agreement
32 entered into pursuant to the authority of subdivision (c) of section
33 1262 of the tax law.

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

36 PART AA

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

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

42 (1) Marketplace provider. A person who, pursuant to an agreement with
43 a marketplace seller, facilitates sales of tangible personal property by
44 such marketplace seller or sellers. A person "facilitates a sale of
45 tangible personal property" for purposes of this paragraph when the
46 person meets both of the following conditions: (i) such person provides
47 the forum in which, or by means of which, the sale takes place or the
48 offer of sale is accepted, including a shop, store, booth, catalog, an
49 internet website, or similar forum; and (ii) such person or an affiliate
50 of such person collects the receipts paid by a customer to a marketplace
51 seller for a sale of tangible personal property, or contracts with a
52 third party to collect such receipts. For purposes of this paragraph,
53 two persons are affiliated if one person has an ownership interest of
54 more than five percent, whether direct or indirect, in the other, or

1 where an ownership interest of more than five percent, whether direct or
2 indirect, is held in each of such persons by another person or by a
3 group of other persons that are affiliated persons with respect to each
4 other. Notwithstanding anything in this paragraph, a person who facili-
5 tates sales exclusively by means of the internet is not a marketplace
6 provider for a sales tax quarter when such person can show that it has
7 facilitated less than one hundred million dollars of sales annually for
8 every calendar year after two thousand sixteen.

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

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

17 (1) "Persons required to collect tax" or "person required to collect
18 any tax imposed by this article" shall include: every vendor of tangible
19 personal property or services; every recipient of amusement charges;
20 ~~and~~ every operator of a hotel, and every marketplace provider with
21 respect to sales of tangible personal property it facilitates as
22 described in paragraph one of subdivision (e) of section eleven hundred
23 one of this article. Said terms shall also include any officer, director
24 or employee of a corporation or of a dissolved corporation, any employee
25 of a partnership, any employee or manager of a limited liability compa-
26 ny, or any employee of an individual proprietorship who as such officer,
27 director, employee or manager is under a duty to act for such corpo-
28 ration, partnership, limited liability company or individual proprietor-
29 ship in complying with any requirement of this article; and any member
30 of a partnership or limited liability company. Provided, however, that
31 any person who is a vendor solely by reason of clause (D) or (E) of
32 subparagraph (i) of paragraph (8) of subdivision (b) of section eleven
33 hundred one shall not be a "person required to collect any tax imposed
34 by this article" until twenty days after the date by which such person
35 is required to file a certificate of registration pursuant to section
36 eleven hundred thirty-four of this part.

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

39 (1)(1) A marketplace provider with respect to a sale of tangible
40 personal property it facilitates: (i) shall have all the obligations and
41 rights of a vendor under this article and article twenty-nine of this
42 chapter and under any regulations adopted pursuant thereto, including,
43 but not limited to, the duty to obtain a certificate of authority, to
44 collect tax, file returns, remit tax, and the right to accept a certif-
45 icate or other documentation from a customer substantiating an exemption
46 or exclusion from tax, the right to receive the refund authorized by
47 subdivision (e) of this section and the credit allowed by subdivision
48 (f) of section eleven hundred thirty-seven of this part subject to the
49 provisions of such subdivisions; and (ii) shall keep such records and
50 information and cooperate with the commissioner to ensure the proper
51 collection and remittance of tax imposed, collected or required to be
52 collected under this article and article twenty-nine of this chapter.

53 (2) A marketplace seller who is a vendor is relieved from the duty to
54 collect tax in regard to a particular sale of tangible personal property
55 subject to tax under subdivision (a) of section eleven hundred five of
56 this article and shall not include the receipts from such sale in its

1 taxable receipts for purposes of section eleven hundred thirty-six of
2 this part if, in regard to such sale: (i) the marketplace seller can
3 show that such sale was facilitated by a marketplace provider from whom
4 such seller has received in good faith a properly completed certificate
5 of collection in a form prescribed by the commissioner, certifying that
6 the marketplace provider is registered to collect sales tax and will
7 collect sales tax on all taxable sales of tangible personal property by
8 the marketplace seller facilitated by such marketplace provider, and
9 with such other information as the commissioner may prescribe; and (ii)
10 any failure of the marketplace provider to collect the proper amount of
11 tax in regard to such sale was not the result of such marketplace seller
12 providing the marketplace provider with incorrect information. This
13 provision shall be administered in a manner consistent with subparagraph
14 (i) of paragraph one of subdivision (c) of this section as if a certif-
15 icate of collection were a resale or exemption certificate for purposes
16 of such subparagraph, including with regard to the completeness of such
17 certificate of collection and the timing of its acceptance by the
18 marketplace seller. Provided that, with regard to any sales of tangible
19 personal property by a marketplace seller that are facilitated by a
20 marketplace provider who is affiliated with such marketplace seller
21 within the meaning of paragraph one of subdivision (e) of section eleven
22 hundred one of this article, the marketplace seller shall be deemed
23 liable as a person under a duty to act for such marketplace provider for
24 purposes of subdivision one of section eleven hundred thirty-one of this
25 part.

26 (3) The commissioner may, in his or her discretion: (i) develop a
27 standard provision, or approve a provision developed by a marketplace
28 provider, in which the marketplace provider obligates itself to collect
29 the tax on behalf of all the marketplace sellers for whom such market-
30 place provider facilitates sales of tangible personal property, with
31 respect to all sales that it facilitates for such sellers where delivery
32 occurs in the state; and (ii) provide by regulation or otherwise that
33 the inclusion of such provision in the publicly-available agreement
34 between the marketplace provider and marketplace seller will have the
35 same effect as a marketplace seller's acceptance of a certificate of
36 collection from such marketplace provider under paragraph two of this
37 subdivision.

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

40 (f) A marketplace provider is relieved of liability under this section
41 for failure to collect the correct amount of tax to the extent that the
42 marketplace provider can show that the error was due to incorrect infor-
43 mation given to the marketplace provider by the marketplace seller.
44 Provided, however, this subdivision shall not apply if the marketplace
45 seller and the marketplace provider are affiliated within the meaning of
46 paragraph one of subdivision (e) of section eleven hundred one of this
47 article.

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

51 (4) The return of a vendor of tangible personal property or services
52 shall show such vendor's receipts from sales and the number of gallons
53 of any motor fuel or diesel motor fuel sold and also the aggregate value
54 of tangible personal property and services and number of gallons of such
55 fuels sold by the vendor, the use of which is subject to tax under this
56 article, and the amount of tax payable thereon pursuant to the

provisions of section eleven hundred thirty-seven of this part. The return of a recipient of amusement charges shall show all such charges and the amount of tax thereon, and the return of an operator required to collect tax on rents shall show all rents received or charged and the amount of tax thereon. The return of a marketplace seller shall exclude the receipts from a sale of tangible personal property facilitated by a marketplace provider if, in regard to such sale: (A) the marketplace seller has timely received in good faith a properly completed certificate of collection from the marketplace provider or the marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between themselves and such marketplace seller as described in subdivision (1) of section eleven hundred thirty-two of this part, and (B) the information provided by the marketplace seller to the marketplace provider about such tangible personal property is accurate.

§ 6. Section 1142 of the tax law is amended by adding two new subdivisions 15 and 16 to read as follows:

15. To publish a list on the department's website of marketplace providers whose certificates of authority has been revoked and, if necessary to protect sales tax revenue, provide by regulation or otherwise that a marketplace seller who is a vendor will be relieved of the duty to collect tax for sales of tangible personal property facilitated by a marketplace provider only if, in addition to the conditions prescribed by paragraph two of subdivision (1) of section eleven hundred thirty-two of this part being met, such marketplace provider is not on such list at the commencement of the quarterly period covered thereby.

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

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

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

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

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

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

(D) Last known address of a New York purchaser means, for purposes of this subdivision, subdivision sixteen of section eleven hundred forty-two, and subdivision (i) of section eleven hundred forty-five of this part, the purchaser's billing address or, if unknown, the purchaser's

1 shipping address. If no billing or shipping address is known, this term
2 shall mean the purchaser's last known e-mail address.

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

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

10 (B) Except as provided in paragraphs four and five of this subdivi-
11 sion, a non-collecting seller shall file an annual information return
12 with the commissioner. Such return shall include the total of the non-
13 collecting seller's receipts from purchases of tangible personal proper-
14 ty that was delivered to a location in this state for the calendar year
15 covered by the return, together with such other information the commis-
16 sioner may prescribe. Such return shall be filed on or before January
17 thirty-first of each year and shall cover the prior calendar year, with
18 the first such return due on January thirty-first, two thousand twenty
19 for the calendar year two thousand nineteen.

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

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

55 (3) A non-collecting seller shall keep records of the information
56 described in subparagraphs (A), (B) and (C) of paragraph two of this

1 subdivision, along with proof that it has provided purchasers with any
2 per-purchase notices or annual statements of purchases required. The
3 non-collecting seller shall keep such records for such periods and in
4 such manner as prescribed for records required to be maintained under
5 subdivisions (a) and (g) of section eleven hundred thirty-five of this
6 part, or as the commissioner may otherwise require by regulation. The
7 non-collecting seller shall make those records available for inspection
8 and examination at any time upon demand by the commissioner.

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

14 (5) The requirements in subparagraphs (B), (C) and (D) of paragraph
15 two of this subdivision do not apply to a non-collecting seller in
16 regard to a particular sale of tangible personal property subject to tax
17 under subdivision (a) of section eleven hundred five of this article if,
18 the non-collecting seller can show that such sale was facilitated by:
19 (A) a marketplace provider from whom such non-collecting seller has
20 received in good faith a properly completed certificate of collection as
21 described in paragraph two of subdivision (l) of section eleven hundred
22 thirty-two of this part; or (B) a non-collecting marketplace provider
23 who fulfilled the requirements of subparagraphs (B), (C) and (D) of
24 paragraph two of this subdivision on its behalf.

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

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

33 (A) such sellers may be required to obtain a certificate of authority
34 under section eleven hundred thirty-four of this part and collect the
35 taxes imposed by this article and pursuant to the authority of article
36 twenty-nine of this chapter, or, where such sellers are not required to
37 obtain a certificate and collect tax, that such sellers are required to
38 comply with the requirements of this paragraph;

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

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

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

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

55 (i)(1) Every person required to file an information return by **section**
56 **eleven hundred thirty-five-a or** subdivision (i) of section eleven

1 hundred thirty-six of this part, or an annual statement or notice
2 required by section eleven hundred thirty-five-a of this part who ~~[(A)]~~
3 fails to provide any of the information required ~~[by paragraph one or~~
4 ~~two of subdivision (i) of section eleven hundred thirty-six of this part~~
5 ~~for a vendor, operator, or recipient]~~ to be provided in such information
6 return or notice, or who fails to perform the requirements of paragraph
7 two of subdivision (b) of section eleven hundred thirty-five-a of this
8 part, or who fails to include any such information that is true and
9 correct ~~[(whether or not such a report is filed) for a vendor, operator,~~
10 ~~or recipient, or (B) fails to provide the information required by para-~~
11 ~~graph four of subdivision (i) of section eleven hundred thirty-six of~~
12 ~~this part to a vendor, operator, or recipient specified in paragraph~~
13 ~~four of subdivision (i) of section eleven hundred thirty-six of this~~
14 ~~part]~~, will, in addition to any other penalty provided in this article
15 or otherwise imposed by law, be subject to a penalty of five hundred
16 dollars for ten or fewer failures, and up to fifty dollars for each
17 additional failure.

18 (2) Every person failing to file an information return required by
19 section eleven hundred thirty-five-a or subdivision (i) of section eleven
20 hundred thirty-six of this part or an annual statement or notice by
21 section eleven hundred thirty-five-a of this part within the time
22 required ~~[by subdivision (i) of section eleven hundred thirty-six of~~
23 ~~this part]~~, will, in addition to any other penalty provided for in this
24 article or otherwise imposed by law, be subject to a penalty in an
25 amount not to exceed two thousand dollars for each such failure,
26 provided that the minimum penalty under this paragraph is five hundred
27 dollars.

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

33 (4) If the commissioner determines that any of the failures that are
34 subject to penalty under this subdivision was entirely due to reasonable
35 cause and not due to willful neglect, the commissioner must remit the
36 penalty imposed under this subdivision. These penalties will be deter-
37 mined, assessed, collected, paid, disposed of and enforced in the same
38 manner as taxes imposed by this article and all the provisions of this
39 article relating thereto will be deemed also to refer to these penal-
40 ties.

41 § 9. Severability clause. If any clause, sentence, paragraph, subdivi-
42 sion, section, or part of this act shall be adjudged by any court of
43 competent jurisdiction to be invalid, such judgment shall not affect,
44 impair, or invalidate the remainder thereof, but shall be confined in
45 its operation to the clause, sentence, paragraph, subdivision, section,
46 or part thereof directly involved in the controversy in which such judg-
47 ment shall have been rendered. It is hereby declared to be the intent of
48 the legislature that this act would have been enacted even if such
49 invalid provision had not been included herein.

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

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

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

7 § 2. Subdivision 12 of section 470 of the tax law, as added by chapter
8 61 of the laws of 1989, is amended to read as follows:

9 12. "Distributor." Any person who imports or causes to be imported
10 into this state any tobacco product (in excess of fifty cigars [~~or~~], one
11 pound of tobacco or one hundred milliliters of vapor product) for sale,
12 or who manufactures any tobacco product in this state, and any person
13 within or without the state who is authorized by the commissioner of
14 taxation and finance to make returns and pay the tax on tobacco products
15 sold, shipped or delivered by him to any person in the state.

16 § 3. Section 470 of the tax law is amended by adding a new subdivision
17 20 to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) In addition to any other penalty imposed by this article, the commissioner may (A) impose a penalty of not more than six hundred dollars for each two hundred cigarettes, or fraction thereof, in excess of one thousand cigarettes in unstamped or unlawfully stamped packages in the possession or under the control of any person or (B) impose a penalty of not more than two hundred dollars for each ten unaffixed false, altered or counterfeit cigarette tax stamps, imprints or impressions, or fraction thereof, in the possession or under the control

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

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

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

49 (I) not less than twenty-five dollars but not more than one hundred
50 dollars for each fifty cigars ~~[or]~~, one pound of tobacco or one hundred
51 milliliters of vapor product, or fraction thereof, in excess of fifty
52 cigars ~~[or]~~, one pound of tobacco or one hundred milliliters of vapor
53 product knowingly in the possession or knowingly 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; and (II)
56 not less than fifty dollars but not more than two hundred dollars for

1 each fifty cigars ~~[or]~~, pound of tobacco or one hundred milliliters of
2 vapor product, or fraction thereof, in excess of two hundred fifty
3 cigars ~~[or]~~, five pounds of tobacco or five hundred milliliters of vapor
4 product knowingly in the possession or knowingly under the control of
5 any person, with respect to which the tobacco products tax has not been
6 paid or assumed by a distributor or a tobacco products dealer; provided,
7 however, that any such penalty imposed under this clause shall not
8 exceed twenty thousand dollars in the aggregate.

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

12 (a) The possession within this state of more than four hundred ciga-
13 rettes in unstamped or unlawfully stamped packages ~~[or]~~, more than two
14 hundred fifty cigars, ~~[or]~~ more than five pounds of tobacco other than
15 roll-your-own tobacco, ~~[or]~~ more than thirty-six ounces of roll-your-own
16 tobacco by any person other than an agent or distributor, as the case
17 may be, or five hundred milliliters or more of vapor product at any one
18 time shall be presumptive evidence that such cigarettes or tobacco
19 products are subject to tax as provided by this article.

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

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

30 (h) (1) Any dealer, other than a distributor appointed by the commis-
31 sioner ~~[of taxation and finance]~~ under article twenty of this chapter,
32 who shall knowingly transport or have in his custody, possession or
33 under his control more than ten pounds of tobacco ~~[or]~~, more than five
34 hundred cigars or more than one thousand milliliters of vapor product
35 upon which the taxes imposed by article twenty of this chapter have not
36 been assumed or paid by a distributor appointed by the commissioner ~~[of~~
37 ~~taxation and finance]~~ under article twenty of this chapter, or other
38 person treated as a distributor pursuant to section four hundred seven-
39 ty-one-d of this chapter, shall be guilty of a misdemeanor punishable by
40 a fine of not more than five thousand dollars or by a term of imprison-
41 ment not to exceed thirty days.

42 (2) Any person, other than a dealer or a distributor appointed by the
43 commissioner under article twenty of this chapter, who shall knowingly
44 transport or have in his custody, possession or under his control more
45 than fifteen pounds of tobacco ~~[or]~~, more than seven hundred fifty
46 cigars or more than fifteen hundred milliliters or more of vapor product
47 upon which the taxes imposed by article twenty of this chapter have not
48 been assumed or paid by a distributor appointed by the commissioner
49 under article twenty of this chapter, or other person treated as a
50 distributor pursuant to section four hundred seventy-one-d of this chap-
51 ter shall be guilty of a misdemeanor punishable by a fine of not more
52 than five thousand dollars or by a term of imprisonment not to exceed
53 thirty days.

54 (3) Any person, other than a distributor appointed by the commissioner
55 under article twenty of this chapter, who shall knowingly transport or
56 have in his custody, possession or under his control twenty-five hundred

1 or more cigars [~~or~~], fifty or more pounds of tobacco or five thousand
2 milliliters or more of vapor product upon which the taxes imposed by
3 article twenty of this chapter have not been assumed or paid by a
4 distributor appointed by the commissioner under article twenty of this
5 chapter, or other person treated as a distributor pursuant to section
6 four hundred seventy-one-d of this chapter shall be guilty of a misde-
7 meanor. Provided further, that any person who has twice been convicted
8 under this subdivision shall be guilty of a class E felony for any
9 subsequent violation of this section, regardless of the amount of tobac-
10 co products involved in such violation.

11 (4) For purposes of this subdivision, such person shall knowingly
12 transport or have in his custody, possession or under his control tobac-
13 co [~~or~~], cigars or vapor products on which such taxes have not been
14 assumed paid by a distributor appointed by the commissioner where such
15 person has knowledge of the requirement of the tax on tobacco products
16 and, where to his knowledge, such taxes have not been assumed or paid on
17 such tobacco products by a distributor appointed by the commissioner of
18 taxation and finance.

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

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

39 (b) For purposes of this section, the possession or transportation
40 within this state by any person, other than a tobacco products distribu-
41 tor appointed by the commissioner of taxation and finance, at any one
42 time of seven hundred fifty or more cigars [~~or~~], fifteen pounds or more
43 of tobacco or fifteen hundred milliliters or more of vapor product shall
44 be presumptive evidence that such tobacco products are possessed or
45 transported for the purpose of sale and are subject to the tax imposed
46 by section four hundred seventy-one-b of this chapter. With respect to
47 such possession or transportation, any provisions of article twenty of
48 this chapter providing for a time period during which the tax imposed by
49 such article may be paid shall not apply.

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

52 (a) Whenever a police officer designated in section 1.20 of the crimi-
53 nal procedure law or a peace officer designated in subdivision four of
54 section 2.10 of such law, acting pursuant to his special duties, shall
55 discover any tobacco products in excess of five hundred cigars [~~or~~], ten
56 pounds of tobacco or one thousand milliliters of vapor product which are

1 being imported for sale in the state where the person importing or caus-
2 ing such tobacco products to be imported has not been appointed as a
3 distributor pursuant to section four hundred seventy-two of this chap-
4 ter, such police officer or peace officer is hereby authorized and
5 empowered forthwith to seize and take possession of such tobacco
6 products. Such tobacco products seized by a police officer or peace
7 officer shall be turned over to the commissioner. Such seized tobacco
8 products shall be forfeited to the state. All tobacco products forfeited
9 to the state shall be destroyed or used for law enforcement purposes,
10 except that tobacco products that violate, or are suspected of violat-
11 ing, federal trademark laws or import laws shall not be used for law
12 enforcement purposes. If the commissioner determines the tobacco
13 products may not be used for law enforcement purposes, the commissioner
14 must, within a reasonable time thereafter, upon publication in the state
15 registry of a notice to such effect before the day of destruction,
16 destroy such forfeited tobacco products. The commissioner may, prior to
17 any destruction of tobacco products, permit the true holder of the
18 trademark rights in the tobacco products to inspect such forfeited
19 products in order to assist in any investigation regarding such tobacco
20 products.

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

23 (b) Any peace officer designated in subdivision four of section 2.10
24 of the criminal procedure law, acting pursuant to his special duties, or
25 any police officer designated in section 1.20 of the criminal procedure
26 law may seize any vehicle or other means of transportation used to
27 import tobacco products in excess of five hundred cigars ~~[or]~~, ten
28 pounds of tobacco or one thousand milliliters of vapor product for sale
29 where the person importing or causing such tobacco products to be
30 imported has not been appointed a distributor pursuant to section four
31 hundred seventy-two of this chapter, other than a vehicle or other means
32 of transportation used by any person as a common carrier in transaction
33 of business as such common carrier, and such vehicle or other means of
34 transportation shall be subject to forfeiture as hereinafter in this
35 section provided.

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

40 PART CC

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

43 ARTICLE 20-C

44 OPIOID EPIDEMIC SURCHARGE

45 Section 492. Definitions.

46 493. Imposition of surcharge.

47 494. Returns to be secret.

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

50 1. "Opioid" shall mean an "opiate" as defined by subdivision twenty-
51 three of section thirty-three hundred two of the public health law, and
52 any natural, synthetic, or semisynthetic "narcotic drug" as defined by
53 subdivision twenty-two of such section, that has agonist, partial agon-
54 ist, or agonist/antagonist morphine-like activities or effects similar

1 to natural opium alkaloids and any derivative, congener, or combination
2 thereof, listed in schedules II-IV of section thirty-three hundred six
3 of the public health law.

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

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

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

13 5. "Morphine milligram equivalent" shall mean a unit multiplied by its
14 unit strength multiplied by the morphine milligram equivalent conversion
15 factor of the opioid contained in such unit.

16 6. "Establishment" shall mean any person, firm, corporation or associ-
17 ation required to be registered with the education department pursuant
18 to section sixty-eight hundred eight or section sixty-eight hundred
19 eight-b of the education law, as well as any person, firm, corporation
20 or association that would be required to be registered with the educa-
21 tion department pursuant to such section sixty-eight hundred eight-b but
22 for the exception in subdivision two of such section.

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

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

41 2. Every establishment liable for the surcharge imposed by this arti-
42 cle shall file with the commissioner a return, on forms prescribed by
43 the commissioner, indicating the total morphine milligram equivalent of
44 opioids it sold in the state, the total morphine milligram equivalent of
45 such opioids that are subject to the surcharge imposed by this article,
46 the amount of surcharge due thereon, and such further information as the
47 commissioner may require. Such returns shall be due on or before the
48 twentieth day of each month, and shall cover all opioid sales in the
49 state made in the month prior, except that the first return required to
50 be filed pursuant to this section shall be due on or before January
51 twentieth, two thousand nineteen and shall cover all opioid sales occur-
52 ring in the period between the effective date of this article and Decem-
53 ber thirty-first, two thousand eighteen. Every establishment required
54 to file a return under this section shall, at the time of filing such
55 return, pay to the commissioner the total amount of surcharge due for
56 the period covered by such return. If a return is not filed when due,

1 the surcharge shall be due on the day on which the return is required to
2 be filed. The commissioner may require that the returns and payments
3 required by this article be filed or paid electronically.

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

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

27 5. The provisions of article twenty-seven of this chapter shall apply
28 to the surcharge imposed by this article in the same manner and with the
29 same force and effect as if the language of such article had been incor-
30 porated in full into this section and had expressly referred to the
31 surcharge imposed by this article, except to the extent that any
32 provision of such article is either inconsistent with a provision of
33 this article or is not relevant to this article.

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

52 (b) On or before the twelfth and twenty-sixth day of each succeeding
53 month, after reserving such amount for such refunds and deducting such
54 amounts for such costs, as provided for in paragraph (a) of this subdi-
55 vision, the commissioner shall certify to the state comptroller the
56 amount of all revenues so received during the prior month because of the

1 surcharges, interest and penalties so imposed. The amount of revenues so
2 certified shall be paid over by the fifteenth and the final business day
3 of each succeeding month from such account into the opioid prevention,
4 treatment and recovery account established pursuant to section ninety-
5 seven-aaaaa of the state finance law.

6 7. The commissioners of education and health shall cooperate with the
7 commissioner in administering this surcharge, including sharing with the
8 commissioner pertinent information about establishments upon the request
9 of the commissioner.

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

1 certified copy of any return or report filed by such establishment
2 pursuant to this article, nor to prohibit the publication of statistics
3 so classified as to prevent the identification of particular returns or
4 reports and the items thereof.

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

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

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

13 § 1825. Violation of secrecy provisions of the tax law.--Any person
14 who violates the provisions of [~~subdivision (b) of section twenty-one,~~
15 subdivision one of section two hundred two, subdivision eight of section
16 two hundred eleven, subdivision (a) of section three hundred fourteen,
17 subdivision one or two of section four hundred thirty-seven, section
18 four hundred eighty-seven, section four hundred ninety-four, subdivision
19 one or two of section five hundred fourteen, subsection (e) of section
20 six hundred ninety-seven, subsection (a) of section nine hundred nine-
21 ty-four, subdivision (a) of section eleven hundred forty-six, section
22 twelve hundred eighty-seven, section twelve hundred ninety-six, subdivi-
23 sion (a) of section fourteen hundred eighteen, subdivision (a) of
24 section fifteen hundred eighteen, subdivision (a) of section fifteen
25 hundred fifty-five of this chapter, and subdivision (e) of section
26 11-1797 of the administrative code of the city of New York shall be
27 guilty of a misdemeanor.

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

30 § 97-aaaaa. Opioid prevention, treatment and recovery account. 1.
31 There is hereby established in the joint custody of the state comp-
32 troller and the commissioner of taxation and finance an account of the
33 miscellaneous special revenue account to be known as the "opioid
34 prevention, treatment and recovery account".

35 2. Moneys in the opioid prevention, treatment and recovery account
36 shall be kept separate and shall not be commingled with any other moneys
37 in the custody of the state comptroller and the commissioner of taxation
38 and finance.

39 3. The opioid prevention, treatment and recovery account shall consist
40 of moneys appropriated for the purpose of such account, moneys trans-
41 ferred to such account pursuant to law, contributions consisting of
42 promises or grants of any money or property of any kind or value, or any
43 other thing of value, including grants or other financial assistance
44 from any agency of government and moneys required by the provisions of
45 this section or any other law to be paid into or credited to this
46 account. The account shall also consist of moneys received from any
47 litigation or enforcement actions initiated against opioid pharmaceu-
48 tical manufacturers, distributors and wholesalers.

49 4. Moneys of the opioid prevention, treatment and recovery account,
50 when allocated, shall be available, subject to the approval of the
51 director of the budget, to support programs operated by the New York
52 state office of alcoholism and substance abuse services or agencies
53 certified, authorized, approved or otherwise funded by the New York
54 state office of alcoholism and substance abuse services to provide
55 opioid treatment, recovery and prevention and education services; and to

1 provide support for the prescription monitoring program registry if
2 established.

3 5. At the request of the budget director, the state comptroller shall
4 transfer moneys to support the costs of opioid treatment, recovery,
5 prevention, education services, and other related programs, from the
6 opioid prevention, treatment and recovery account to any other fund of
7 the state.

8 6. Notwithstanding the provisions of any general or special law, no
9 moneys shall be available from the opioid prevention, treatment and
10 recovery account until a certificate of allocation and a schedule of
11 amounts to be available therefor shall have been issued by the director
12 of the budget, upon the recommendation of the commissioner of the office
13 of alcoholism and substance abuse services, and a copy of such certif-
14 icate filed with the comptroller, the chairman of the senate finance
15 committee and the chairman of the assembly ways and means committee.
16 Such certificate may be amended from time to time by the director of the
17 budget, upon the recommendation of the commissioner of the office of
18 alcoholism and substance abuse services, and a copy of such amendment
19 shall be filed with the comptroller, the chairman of the senate finance
20 committee and the chairman of the assembly ways and means committee.

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

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

29 PART DD

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

32 § 1521. Healthcare insurance windfall profit fee. (a) In addition to
33 all taxes, surcharges, and fees imposed under this chapter, the insur-
34 ance law, the financial services law, and the public health law, there
35 is hereby imposed for each taxable year beginning after December thir-
36 ty-first, two thousand seventeen, a fourteen percent surcharge on the
37 net underwriting gain from the sale of health insurance written on risks
38 located or resident within this state and the net underwriting gain from
39 the operation of a Medicaid managed care organization business regulated
40 by the department of health of every corporation (1) authorized to tran-
41 sact an insurance business in this state, or (2) that is a health main-
42 tenance organization required to obtain a certificate of authority under
43 article forty-four of the public health law.

44 (b) For purposes of this section, the term "health insurance" shall
45 mean comprehensive hospital and medical expense insurance including,
46 without limitation, comprehensive coverage issued by a health maine-
47 tenance organization, disability income insurance, accident insurance,
48 medicare supplement insurance, specified disease insurance, dental
49 insurance, vision insurance, stop-loss insurance, fixed indemnity insur-
50 ance, and hospital indemnity insurance.

51 (c)(1) For each taxable year, the "net underwriting gain from the sale
52 of health insurance written on risks located or resident within this
53 state" shall equal a corporation's gross receipts from the sale of
54 health insurance written on risks located or resident within New York

1 less the corporation's claims and administrative expenses related to the
2 gross receipts. The computation of "gross receipts from the sale of
3 health insurance written on risks located or resident within New York"
4 and "claims and administrative expenses related to gross receipts" shall
5 be made pursuant to the rules set forth in regulations to be promulgated
6 by the superintendent of financial services.

7 (2) For each taxable year, the "net underwriting gain from the opera-
8 tion of a managed care organization business regulated by the department
9 of health" shall equal a corporation's gross receipts from the operation
10 of a managed care organization business regulated by the department of
11 health less the corporation's claims and administrative expenses related
12 to such gross receipts. The computation of "gross receipts from the
13 operation of a managed care organization business regulated by the
14 department of health" and "claims and administrative expenses related to
15 gross receipts" shall be made pursuant to the rules set forth in regu-
16 lations to be promulgated by the superintendent of financial services.

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

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

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

28 (g) (1) The superintendent of financial services shall, on behalf of
29 the commissioner, have the power, duty and responsibility to examine
30 returns of a corporation filed with him or her pursuant to this section
31 and, together with any other information within his or her possession or
32 that may come into his or her possession, to ascertain the correct
33 amount of surcharge imposed under this section of any corporation. For
34 the purpose of ascertaining the correctness of any such surcharge
35 imposed under this section or for the purpose of making an estimate of
36 the surcharge liability under this section of any corporation, the
37 superintendent of financial services shall have the power to examine or
38 cause to have examined by any agent or representative designated by him
39 or her for that purpose, any books, papers, records or memoranda bearing
40 upon the matters required to be included in the return.

41 (2) If the superintendent of financial services ascertains that the
42 amount of surcharge imposed under this section as shown on the return of
43 any corporation is less than the amount of surcharge disclosed by his or
44 her examination, he or she shall propose, in writing, to the commission-
45 er the issuance of a notice of deficiency for the amount due. If a
46 corporation fails to file a return with the superintendent of financial
47 services within the time required for the filing of such return (with
48 regard to any extension of time for the filing thereof), the superinten-
49 dent of financial services shall make an estimate of the amount of
50 surcharge due for the period in respect to which such corporation failed
51 to file the return. The estimate shall be made from any available infor-
52 mation which is in the possession or may come into the possession of the
53 superintendent of financial services and he or she shall propose, in
54 writing, to the commissioner the issuance of a notice of deficiency for
55 the amount of such estimated surcharge. Any proposal pursuant to this

1 paragraph shall set forth the basis thereof and the details of its
2 computation.

3 (3) The commissioner shall, on receipt of a proposal from the super-
4 intendent of financial services pursuant to paragraph two of this subdivi-
5 vision, take appropriate action under this chapter for the assessment
6 and collection of the amount of surcharge, together with interest and
7 penalties, shown by such proposal to be due. The superintendent of
8 financial services shall be required to assist the commissioner in
9 defending the correctness of the amount assessed at any conference at
10 the bureau of conciliation and mediation services and at the division of
11 tax appeals.

12 (4) Subject to the consent of the superintendent of financial services
13 and notwithstanding any other provisions of law to the contrary, the
14 commissioner may delegate such other of his or her powers and duties
15 with respect to the administration and collection of the surcharge
16 imposed under this section to the superintendent of financial services,
17 as the commissioner finds necessary in order to facilitate such adminis-
18 tration and collection.

19 (5) The superintendent of financial services and the commissioner
20 shall each have the authority to issue such rules and regulations that
21 are necessary to implement the provisions of this section.

22 (6) The provisions of this subdivision shall not in any way be deemed
23 to limit the power of the commissioner to conduct an examination or
24 investigation as he or she deems necessary in order to carry out his or
25 her duties with respect to the surcharge imposed under this section.

26 (h) (1) Every corporation subject to the surcharge in subdivision (a)
27 of this section, shall annually, on or before the fifteenth day of the
28 third month following the close of its taxable year, transmit to the
29 commissioner a return in a form prescribed by the commissioner setting
30 forth such information as the commissioner may prescribe and every
31 corporation which ceases to be subject to the surcharge imposed by this
32 section shall transmit to the commissioner a return on the date of such
33 cessation or at such other time as the commissioner may require covering
34 each year or period for which no return was theretofore filed. A copy of
35 each return required under this subdivision shall also be transmitted to
36 the superintendent of financial services at or before the times speci-
37 fied for filing such returns with the commissioner.

38 (2) Every corporation shall also transmit such other returns and such
39 facts and information as the commissioner may require in the adminis-
40 tration of this section.

41 (3) The commissioner may grant a reasonable extension of time for
42 filing returns whenever good cause exists. An automatic extension of
43 four months for the filing of its return shall be allowed any corpo-
44 ration, if within the time prescribed by paragraph one of this subdivi-
45 sion, such corporation files with the commissioner an application for
46 extension in such form as the commissioner may prescribe and pays on or
47 before the date of such filing the amount properly estimated as its
48 surcharge.

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

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

4 (6) In case it shall appear to the commissioner that any agreement,
5 understanding or arrangement exists between the corporation and any
6 other entity, person or firm whereby the activity, business, income or
7 capital of the corporation is improperly or inaccurately reflected, the
8 commissioner is authorized and empowered in his or her discretion and in
9 such manner as he or she may determine, to adjust items of income,
10 deductions and capital so as equitably to determine the surcharge. Where
11 (A) any corporation conducts its activity or business under any agree-
12 ment, arrangement or understanding in such manner as either directly or
13 indirectly to benefit its members or stockholders, or any of them, or
14 any person or persons directly or indirectly interested in such activity
15 or business, by entering into any transaction at more or less than a
16 fair price which, but for such agreement, arrangement or understanding,
17 might have been paid or received therefor, or (B) any corporation, a
18 substantial portion of whose capital stock is owned either directly or
19 indirectly by another corporation, enters into any transaction with such
20 other corporation on such terms as to create an improper gain or loss
21 amount, the commissioner may include in the corporation's gain subject
22 to the surcharge the fair amounts, which, but for such agreement,
23 arrangement or understanding, the corporation might have derived from
24 such transaction.

25 (i) (1) To the extent the surcharge imposed by this section shall not
26 have been previously paid, the surcharge, or the balance thereof, shall
27 be payable to the commissioner in full at the time the corporation's
28 return is required to be filed.

29 (2) If the corporation, within the time prescribed by subdivision (f)
30 of this section, shall have applied for an automatic extension of time
31 to file its annual return and shall have paid to the superintendent of
32 financial services on or before the date such application is filed an
33 amount properly estimated as provided by said subdivision, the only
34 amount payable in addition to the surcharge shall be interest at the
35 underpayment rate set by the commissioner pursuant to subsection (e) of
36 section one thousand ninety-six of this chapter or, if no rate is set,
37 at the rate of six percent per annum upon the amount by which the
38 surcharge, or portion thereof payable on or before the date the return
39 was required to be filed, exceeds the amount so paid. For the purposes
40 of the preceding sentence:

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

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

48 (3) The commissioner may grant a reasonable extension of time for
49 payment of any surcharge imposed by this section under such conditions
50 as he or she deems just and proper.

51 (j) All surcharges, interest and penalties collected or received by
52 the commissioner under this section shall be deposited into the health
53 care reform act (HCRA) resources fund pursuant to section ninety-two-dd
54 of the state finance law.

55 (k) The provisions of article twenty-seven of this chapter shall apply
56 to the provisions of this section in the same manner and with the same

force and effect as if the language of such article twenty-seven had been incorporated in full into this article and had expressly referred to the surcharge under this section, except to the extent that any such provision is either inconsistent with a provision of this section or is not relevant to this section.

§ 2. This act shall take effect immediately.

PART EE

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

1. In consideration of the franchise and in accordance with its franchise agreement, the franchised corporation shall remit to the state, each year, no later than April fifth, a franchise fee payment. The franchise fee shall be calculated and equal to the lesser of paragraph (a) or (b) of this subdivision as follows: (a) adjusted net income, including all sources of audited generally accepted accounting principles net income as of December thirty-first (i) plus the amount of depreciation and amortization for such year as set forth on the statement of cash flows (ii) less the amount received by the franchised corporation for capital expenditures and (iii) less principal payments made for the repayment of debt; or (b) operating cash which is defined as cash available on December thirty-first (i) which excludes all restricted cash accounts, segregated accounts as per audited financial statements and cash on hand needed to fund the on-track pari-mutuel operations through the vault, (ii) less [~~forty-five~~ ninety] days of operating expenses pursuant to generally accepted accounting principles which shall be an average calculated by dividing the current year's annual budget by the number of days in such year and multiplying that number by [~~forty-five~~ ninety].

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

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

2. Notwithstanding any other provision of law to the contrary, a franchised corporation shall be permitted to conduct races after sunset at the Belmont Park racetrack, only on the main track in its current configuration, only if such races conclude before half past ten o' clock

post meridian, and only if such races occur on Thursdays, Fridays or Saturdays. The franchised corporation shall coordinate with a harness racing association or corporation authorized to operate in Westchester county to ensure that the starting times of all such races are staggered.

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

§ 3. An advisory committee shall be established by the governor comprised of individuals with demonstrated interest in the performance of thoroughbred and standardbred race horses to review the present structure, operations and funding of equine drug testing and research conducted pursuant to article nine of the racing, pari-mutuel wagering and breeding law. Recommendations shall be delivered to the temporary president of the Senate, speaker of the Assembly and Governor by December 1, 2018 regarding the future of such research, testing and funding. Members of the board shall not be considered policymakers.

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

PART FF

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

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

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

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

§ 3. This act shall take effect immediately.

PART GG

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part 00 of chapter 59 of the laws of 2017, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [eighteen] nineteen; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [eighteen] nineteen; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by

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

3 (iii) Of the sums retained by a receiving track located in Westchester
4 county on races received from a franchised corporation, for the period
5 commencing January first, two thousand eight and continuing through June
6 thirtieth, two thousand [~~eighteen~~] nineteen, the amount used exclusively
7 for purses to be awarded at races conducted by such receiving track
8 shall be computed as follows: of the sums so retained, two and one-half
9 percent of the total pools. Such amount shall be increased or decreased
10 in the amount of fifty percent of the difference in total commissions
11 determined by comparing the total commissions available after July twenty-
12 ty-first, nineteen hundred ninety-five to the total commissions that
13 would have been available to such track prior to July twenty-first,
14 nineteen hundred ninety-five.

15 § 3. The opening paragraph of subdivision 1 of section 1014 of the
16 racing, pari-mutuel wagering and breeding law, as amended by section 3
17 of part 00 of chapter 59 of the laws of 2017, is amended to read as
18 follows:

19 The provisions of this section shall govern the simulcasting of races
20 conducted at thoroughbred tracks located in another state or country on
21 any day during which a franchised corporation is conducting a race meet-
22 ing in Saratoga county at Saratoga thoroughbred racetrack until June
23 thirtieth, two thousand [~~eighteen~~] nineteen and on any day regardless of
24 whether or not a franchised corporation is conducting a race meeting in
25 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
26 two thousand [~~eighteen~~] nineteen. On any day on which a franchised
27 corporation has not scheduled a racing program but a thoroughbred racing
28 corporation located within the state is conducting racing, every off-
29 track betting corporation branch office and every simulcasting facility
30 licensed in accordance with section one thousand seven (that have
31 entered into a written agreement with such facility's representative
32 horsemen's organization, as approved by the commission), one thousand
33 eight, or one thousand nine of this article shall be authorized to
34 accept wagers and display the live simulcast signal from thoroughbred
35 tracks located in another state or foreign country subject to the
36 following provisions:

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

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

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

49 The provisions of this section shall govern the simulcasting of races
50 conducted at thoroughbred tracks located in another state or country on
51 any day during which a franchised corporation is not conducting a race
52 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
53 thirtieth, two thousand [~~eighteen~~] nineteen. Every off-track betting
54 corporation branch office and every simulcasting facility licensed in
55 accordance with section one thousand seven that have entered into a
56 written agreement with such facility's representative horsemen's organ-

1 ization as approved by the commission, one thousand eight or one thou-
2 sand nine of this article shall be authorized to accept wagers and
3 display the live full-card simulcast signal of thoroughbred tracks
4 (which may include quarter horse or mixed meetings provided that all
5 such wagering on such races shall be construed to be thoroughbred races)
6 located in another state or foreign country, subject to the following
7 provisions; provided, however, no such written agreement shall be
8 required of a franchised corporation licensed in accordance with section
9 one thousand seven of this article:

10 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
11 wagering and breeding law, as amended by section 6 of part 00 of chapter
12 59 of the laws of 2017, is amended to read as follows:

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

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

32 § 32. This act shall take effect immediately and the pari-mutuel tax
33 reductions in section six of this act shall expire and be deemed
34 repealed on July 1, [~~2018~~ **2019**]; provided, however, that nothing
35 contained herein shall be deemed to affect the application, qualifica-
36 tion, expiration, or repeal of any provision of law amended by any
37 section of this act, and such provisions shall be applied or qualified
38 or shall expire or be deemed repealed in the same manner, to the same
39 extent and on the same date as the case may be as otherwise provided by
40 law; provided further, however, that sections twenty-three and twenty-
41 five of this act shall remain in full force and effect only until May 1,
42 1997 and at such time shall be deemed to be repealed.

43 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
44 racing, pari-mutuel wagering and breeding law and other laws relating to
45 simulcasting and the imposition of certain taxes, as amended by section
46 8 of part 00 of chapter 59 of the laws of 2017, is amended to read as
47 follows:

48 § 54. This act shall take effect immediately; provided, however,
49 sections three through twelve of this act shall take effect on January
50 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
51 ing law, as added by section thirty-eight of this act, shall expire and
52 be deemed repealed on July 1, [~~2018~~ **2019**]; and section eighteen of this
53 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
54 two of this act shall take effect as of the same date as chapter 772 of
55 the laws of 1989 took effect.

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

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less an amount which shall be established and retained by such franchised corporation of between twelve to seventeen per centum of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one per centum of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five per centum of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six per centum of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the gaming commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [eighteen] nineteen, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April

1 first, two thousand one through December thirty-first, two thousand
2 [~~eighteen~~] ~~nineteen~~, such payment shall be seven-tenths of one per
3 centum of such pools.

4 § 10. This act shall take effect immediately.

5 PART HH

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

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

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

11 PART II

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

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

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

24 (B) when a vendor track is located within development zone two as
25 defined by section thirteen hundred ten of the racing, pari-mutuel
26 wagering and breeding law, at a rate of forty-three and one-half percent
27 of the total revenue wagered at the vendor track after payout for prizes
28 pursuant to this chapter; provided, however, at a vendor track located
29 within fifteen miles of a destination resort gaming facility authorized
30 pursuant to article thirteen of the racing, pari-mutuel wagering and
31 breeding law or that is located more than fifteen miles but within fifty
32 miles of a Native American class III gaming facility as defined in 25
33 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of fifty-one
34 percent of the total revenue wagered at the vendor track after payout
35 for prizes pursuant to this chapter; and that at a vendor track located
36 within fifteen miles of a Native American class III gaming facility as
37 defined in 25 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of
38 fifty-six percent of the total revenue wagered at the vendor track after
39 payout for prizes pursuant to this chapter;

40 (C) when a video lottery facility is operated at Aqueduct racetrack,
41 at a rate of forty-seven percent of the total revenue wagered at the
42 video lottery gaming facility after payout for prizes pursuant to this
43 chapter; provided, however, upon the earlier of the designation of one
44 thousand video lottery devices as hosted pursuant to paragraph four of
45 subdivision a of section sixteen hundred seventeen-a of this article or
46 April first, two thousand nineteen, such rate shall be fifty percent of
47 the total revenue wagered at the video lottery gaming facility after
48 payout for prizes pursuant to this chapter;

49 (D) when a video lottery gaming facility is located in either Nassau
50 or Suffolk counties and is operated by a corporation established pursu-
51 ant to section five hundred two of the racing, pari-mutuel wagering and
52 breeding law, at a rate of forty-five percent of the total revenue

1 wagered at the video lottery gaming facility after payout for prizes
2 pursuant to this chapter;

3 (E) notwithstanding any provision of law to the contrary, when a
4 vendor track is located within region one or two of development zone
5 two, as such zone is defined in section thirteen hundred ten of the
6 racing, pari-mutuel wagering and breeding law, or is located within
7 region six of such development zone two and is located within Ontario
8 county, such vendor track shall be entitled to receive an additional
9 commission. The additional commission received by the vendor track shall
10 be the adjusted commission calculated pursuant to subclause (II) of this
11 clause; provided, however, the additional commission shall not exceed an
12 amount calculated pursuant to subclause (I) of this clause.

13 (I) The maximum additional commission payable for any fiscal year
14 shall be an amount equal to the base vendor fee less the adjusted
15 current vendor fee. The adjusted current vendor fee is calculated as the
16 vendor fee that the facility would have received during the current
17 fiscal year under the payment schedule established by this paragraph as
18 it existed on March thirty-first, two thousand seventeen. The base
19 vendor fee is calculated as the vendor fee that the facility received
20 during the twelve-month period immediately preceding the opening of a
21 gaming facility in the same region as the vendor track. For the purposes
22 of this calculation, a vendor fee shall exclude any distributions
23 required by paragraph two of this subdivision. For the purposes of this
24 clause, Seneca and Wayne counties shall be deemed to be located within
25 region six of development zone two.

26 (II) The adjusted commission is a percentage of the total revenue
27 wagered at the vendor track after payout for prizes pursuant to this
28 chapter. That percentage is calculated by subtracting the effective tax
29 rate on all gross gaming revenue paid by a gaming facility within the
30 same region as the vendor track from the education percentage. The
31 education percentage is ninety percent less the percentage of the vendor
32 track's vendor fee. For purposes of this clause, Seneca and Wayne coun-
33 ties shall be deemed to be located within region six of development zone
34 two.

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

44 (F) Notwithstanding any provision of law to the contrary, any opera-
45 tors of a vendor track or the operators of any other video lottery
46 gaming facility eligible to receive a capital award as of December thir-
47 ty-first, two thousand seventeen shall deposit from their vendor fee
48 into a segregated account an amount equal to four percent of the first
49 sixty-two million five hundred thousand dollars of revenue wagered at
50 the vendor track after payout for prizes pursuant to this chapter to be
51 used exclusively for capital investments, except for Aqueduct, which
52 shall deposit into a segregated account an amount equal to one percent
53 of all revenue wagered at the video lottery gaming facility after payout
54 for prizes pursuant to this chapter until the earlier of the designation
55 of one thousand video lottery devices as hosted pursuant to paragraph
56 four of subdivision a of section sixteen hundred seventeen-a of this

1 article or April first, two thousand nineteen, when at such time four
2 percent of all revenue wagered at the video lottery gaming facility
3 after payout for prizes pursuant to this chapter shall be deposited into
4 a segregated account for capital investments. Vendor tracks and video
5 lottery gaming facilities shall be permitted to withdraw funds for
6 projects approved by the commission to improve the facilities of the
7 vendor track or video lottery gaming facility which enhance or maintain
8 the video lottery gaming facility including, but not limited to hotels,
9 other lodging facilities, entertainment facilities, retail facilities,
10 dining facilities, events arenas, parking garages and other improvements
11 and amenities customary to a gaming facility, provided, however, the
12 vendor tracks and video lottery gaming facilities shall be permitted to
13 withdraw funds for unreimbursed capital awards approved prior to the
14 effective date of this subparagraph. Any proceeds from the divestiture
15 of any assets acquired through these capital funds or any prior capital
16 award must be deposited into this segregated account, provided that if
17 the vendor track or video lottery gaming facility ceases use of such
18 asset for gaming purposes or transfers the asset to a related party,
19 such vendor track or video lottery gaming facility shall deposit an
20 amount equal to the fair market value of that asset into the account. In
21 the event a vendor track or video lottery gaming facility ceases gaming
22 operations, any balance in the account along with an amount equal to the
23 value of all remaining assets acquired through this fund or prior capi-
24 tal awards shall be returned to the state for deposit into the state
25 lottery fund for education aid, except for Aqueduct, which shall return
26 to the state for deposit into the state lottery fund for education aid
27 all amounts in excess of the amount needed to fund a project pursuant to
28 an agreement with the operator to construct an expansion of the facili-
29 ty, hotel, and convention and exhibition space requiring a minimum capi-
30 tal investment of three hundred million dollars and any subsequent
31 amendments to such agreement. The comptroller or his legally authorized
32 representative is authorized to audit any and all expenditures made out
33 of these segregated capital accounts. Notwithstanding the preceding, a
34 vendor track located in Ontario county may withdraw up to two million
35 dollars from this account for the purpose of constructing a turf course
36 at the vendor track.

37 (G) Notwithstanding any provision of law to the contrary, free play
38 allowance credits authorized by the division pursuant to subdivision f
39 of section sixteen hundred seventeen-a of this article shall not be
40 included in the calculation of the total amount wagered on video lottery
41 games, the total amount wagered after payout of prizes, the vendor fees
42 payable to the operators of video lottery gaming facilities, fees paya-
43 ble to the division's video lottery gaming equipment contractors, or
44 racing support payments.

45 (H) Notwithstanding any provision of law to the contrary, the operator
46 of a vendor track or the operator of any other video lottery gaming
47 facility shall fund a marketing and promotion program out of the
48 vendor's fee. Each operator shall submit an annual marketing plan for
49 the review and approval of the commission and any other required docu-
50 ments detailing promotional activities as prescribed by the commission.
51 The commission shall have the right to reject any advertisement or
52 promotion that does not properly represent the mission or interests of
53 the lottery or its programs.

54 (I) Notwithstanding clause (F) of this subparagraph, the commission
55 shall be able to authorize a vendor track located within Oneida county,
56 within fifteen miles of a Native American class III gaming facility, and

1 who has maintained at least ninety percent of full-time equivalent
2 employees as they employed in the year two thousand sixteen, to withdraw
3 funds from the segregated account established in clause (F) of this
4 subparagraph up to an amount equal to four percent of the total revenue
5 wagered at the vendor track after payout for prizes pursuant to this
6 chapter each year, for operations.

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

11 PART JJ

12 Section 1. Subsection (a) of section 614 of the tax law, as amended by
13 chapter 170 of the laws of 1994, is amended to read as follows:

14 (a) Unmarried individual. For taxable years beginning after nineteen
15 hundred ninety-six, the New York standard deduction of a resident indi-
16 vidual who is not married nor the head of a household nor a surviving
17 spouse nor an individual [~~whose federal exemption amount is zero~~] who is
18 claimed as a dependent by another New York state taxpayer shall be seven
19 thousand five hundred dollars; for taxable years beginning in nineteen
20 hundred ninety-six, such standard deduction shall be seven thousand four
21 hundred dollars; for taxable years beginning in nineteen hundred nine-
22 ty-five, such standard deduction shall be six thousand six hundred
23 dollars; and for taxable years beginning after nineteen hundred eighty-
24 nine and before nineteen hundred ninety-five, such standard deduction
25 shall be six thousand dollars.

26 § 2. Section 612 of the tax law is amended by adding two new
27 subsections (w) and (x) to read as follows:

28 (w) Alimony modifications. (1) In the case of applicable alimony or
29 separate maintenance payments, the following modifications shall apply:

30 (A) There shall be subtracted from federal adjusted gross income any
31 applicable alimony or separate maintenance payments made by the taxpayer
32 during the taxable year.

33 (B) There shall be added to federal adjusted gross income any applica-
34 ble alimony or separate maintenance payments received by the taxpayer
35 during the taxable year.

36 (2) (A) The term "alimony or separate maintenance payments" means
37 payments as defined under section seventy-one of the internal revenue
38 code in effect immediately prior to the enactment of Public Law 115-97.

39 (B) The term "applicable alimony or separate maintenance payments"
40 means payments made under an alimony or separation instrument (as
41 defined in section seventy-one of the internal revenue code in effect
42 immediately prior to the enactment of Public Law 115-97) that was
43 executed after December thirty-first, two thousand eighteen, and any
44 divorce or separation instrument executed on or before such date and
45 modified after such date if the modification expressly provides that the
46 amendments made by this section apply to such modification.

47 (x) Qualified moving expense reimbursement and moving expenses. (1) In
48 the case of applicable qualified moving expense reimbursement and moving
49 expenses, the following modifications shall apply:

50 (A) There shall be subtracted from federal adjusted gross income any
51 applicable qualified moving expense reimbursement received by the
52 taxpayer during the taxable year.

53 (B) There shall be subtracted from federal adjusted gross income any
54 applicable moving expenses paid by the taxpayer during the taxable year.

1 (2) Applicable qualified moving expense reimbursement and moving
2 expenses are those deductions as allowed by paragraph (g) of sections
3 one hundred thirty-two and section two hundred seventeen, respectfully,
4 of the internal revenue code immediately prior to the enactment of
5 Public Law 115-97.

6 § 3. Subsection (a) of section 615 of the tax law, as amended by
7 section 1 of part HH of chapter 57 of the laws of 2010, is amended to
8 read as follows:

9 (a) General. If federal taxable income of a resident individual is
10 determined by itemizing deductions or claiming the federal standard
11 deduction from his or her federal adjusted gross income, he or she may
12 elect to deduct his or her New York itemized deduction [~~in lieu of~~] or
13 claim his or her New York standard deduction. The New York itemized
14 deduction of a resident individual means the total amount of his or her
15 deductions from federal adjusted gross income allowed, other than feder-
16 al deductions for personal exemptions, as provided in the laws of the
17 United States for the taxable year, as such deductions existed imme-
18 diately prior to the enactment of Public Law 115-97 with the modifica-
19 tions specified in this section, except as provided for under
20 subsections (f) and (g) of this section.

21 § 4. Subdivision (a) of section 11-1714 of the administrative code of
22 the city of New York, as amended by chapter 170 of the laws of 1994, is
23 amended to read as follows:

24 (a) Unmarried individual. For taxable years beginning after nineteen
25 hundred ninety-six, the city standard deduction of a city resident indi-
26 vidual who is not married nor the head of a household nor a surviving
27 spouse nor an individual [~~whose federal exemption amount is zero~~] who is
28 claimed as a dependent by another New York state taxpayer shall be seven
29 thousand five hundred dollars; for taxable years beginning in nineteen
30 hundred ninety-six, such standard deduction shall be seven thousand four
31 hundred dollars; for taxable years beginning in nineteen hundred nine-
32 ty-five, such standard deduction shall be six thousand six hundred
33 dollars; and for taxable years beginning after nineteen hundred eighty-
34 nine and before nineteen hundred ninety-five, such standard deduction
35 shall be six thousand dollars.

36 § 5. Section 11-1712 of the administrative code of the city of New
37 York is amended by adding two new subdivisions (u) and (v) to read as
38 follows:

39 (u) Alimony modifications. (1) In the case of applicable alimony or
40 separate maintenance payments, the following modifications shall apply:

41 (A) There shall be subtracted from federal adjusted gross income any
42 applicable alimony or separate maintenance payments made by the taxpayer
43 during the taxable year.

44 (B) There shall be added to federal adjusted gross income any applica-
45 ble alimony or separate maintenance payments received by the taxpayer
46 during the taxable year.

47 (2) (A) The term "alimony or separate maintenance payments" means
48 payments as defined under section seventy-one of the internal revenue
49 code in effect immediately prior to the enactment of Public Law 115-97.

50 (B) The term "applicable alimony or separate maintenance payments"
51 means payments made under an alimony or separation instrument (as
52 defined in section seventy-one of the internal revenue code in effect
53 immediately prior to the enactment of Public Law 115-97) that was
54 executed after December thirty-first, two thousand eighteen, and any
55 divorce or separation instrument executed on or before such date and

1 modified after such date if the modification expressly provides that the
2 amendments made by this section apply to such modification.

3 (v) Qualified moving expense reimbursement and moving expenses. (1) In
4 the case of applicable qualified moving expense reimbursement and moving
5 expenses, the following modifications shall apply:

6 (A) There shall be subtracted from federal adjusted gross income any
7 applicable qualified moving expense reimbursement received by the
8 taxpayer during the taxable year.

9 (B) There shall be subtracted from federal adjusted gross income any
10 applicable moving expenses paid by the taxpayer during the taxable year.

11 (2) Applicable qualified moving expense reimbursement and moving
12 expenses are those deductions as allowed by paragraph (g) of section one
13 hundred thirty-two and section two hundred seventeen, respectfully, of
14 the internal revenue code immediately prior to the enactment of Public
15 Law 115-97.

16 § 6. Subdivision (a) of section 11-1715 of the administrative code of
17 the city of New York, as amended by section 5 of part HH of chapter 57
18 of the laws of 2010, is amended to read as follows:

19 (a) General. If federal taxable income of a city resident individual
20 is determined by itemizing deductions or claiming the federal standard
21 deduction from his or her federal adjusted gross income, such resident
22 individual may elect to deduct his or her city itemized deduction [~~in~~
23 ~~lieu of~~] or claim his or her city standard deduction. The city itemized
24 deduction of a city resident individual means the total amount of his or
25 her deductions from federal adjusted gross income allowed, other than
26 federal deductions for personal exemptions, as provided in the laws of
27 the United States for the taxable year, as such deductions existed imme-
28 diately prior to the enactment of Public Law 115-97 with the modifica-
29 tions specified in this section, except as provided for under subdivi-
30 sions (f) and (g) of this section.

31 § 7. This act shall take effect immediately and shall apply to taxable
32 years beginning on or after January 1, 2018.

33 PART KK

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

37 (b) "Exempt CFC income" means (i) the income required to be included
38 in the taxpayer's federal gross income pursuant to subsection (a) of
39 section 951 of the internal revenue code, received from a corporation
40 that is conducting a unitary business with the taxpayer but is not
41 included in a combined report with the taxpayer, and (ii) to the extent
42 not included in subparagraph (i) of this paragraph, such income required
43 to be included in the taxpayer's federal gross income pursuant to
44 subsection (a) of such section 951 of the internal revenue code by
45 reason of subsection (a) of section 965 of the internal revenue code, as
46 adjusted by subsection (b) of section 965 of the internal revenue code,
47 and without regard to subsection (c) of such section, received from a
48 corporation that is not included in a combined report with the taxpayer,
49 less, (iii) in the discretion of the commissioner, any interest
50 deductions directly or indirectly attributable to that income. In lieu
51 of subtracting from its exempt CFC income the amount of those interest
52 deductions, the taxpayer may make a revocable election to reduce its
53 total exempt CFC income by forty percent. If the taxpayer makes this
54 election, the taxpayer must also make the elections provided for in

1 paragraph (b) of subdivision six of this section and paragraph (c) of
2 this subdivision. If the taxpayer subsequently revokes this election,
3 the taxpayer must revoke the elections provided for in paragraph (b) of
4 subdivision six of this section and paragraph (c) of this subdivision. A
5 taxpayer which does not make this election because it has no exempt CFC
6 income will not be precluded from making those other elections.

7 § 2. Subparagraph 6 of paragraph (a) of subdivision 9 of section 208
8 of the tax law, as amended by section 4 of part A of chapter 59 of the
9 laws of 2014, is amended to read as follows:

10 (6) any amount treated as dividends pursuant to section seventy-eight
11 of the internal revenue code to the extent that such dividends are not
12 included in the computation of the deduction allowed under section two
13 hundred fifty of such code;

14 § 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is
15 amended by adding a new subparagraph 23 to read as follow:

16 (23) The amount of any federal deduction allowed pursuant to
17 subsection (c) of section 965 of the internal revenue code.

18 § 4. Paragraph 1 of subsection (c) of section 1085 of the tax law, as
19 amended by section 13-a of part Q of chapter 60 of the laws of 2016, is
20 amended to read as follows:

21 (1) If any taxpayer fails to file a declaration of estimated tax under
22 article nine-A of this chapter, or fails to pay all or any part of an
23 amount which is applied as an installment against such estimated tax, it
24 shall be deemed to have made an underpayment of estimated tax. There
25 shall be added to the tax for the taxable year an amount at the under-
26 payment rate set by the commissioner pursuant to section one thousand
27 ninety-six of this article, or if no rate is set, at the rate of seven
28 and one-half percent per annum upon the amount of the underpayment for
29 the period of the underpayment but not beyond the fifteenth day of the
30 [~~third~~ fourth month following the close of the taxable year. Provided,
31 however, that, for taxable years beginning on or after January first,
32 two thousand seventeen and before January first, two thousand eighteen,
33 no amount shall be added to the tax with respect to the portion of such
34 tax related to the amount of any interest deductions directly or indi-
35 rectly attributable to the amount included in exempt CFC income pursuant
36 to subparagraph (ii) of paragraph (b) of subdivision six-a of section
37 two hundred eight of this chapter or the forty percent reduction of such
38 exempt CFC income in lieu of interest attribution if the election
39 described in paragraph (b) of subdivision six-a of such section is made.

40 The amount of the underpayment shall be, with respect to any installment
41 of estimated tax computed on the basis of either the preceding year's
42 tax or the second preceding year's tax, the excess of the amount
43 required to be paid over the amount, if any, paid on or before the last
44 day prescribed for such payment or, with respect to any other install-
45 ment of estimated tax, the excess of the amount of the installment which
46 would be required to be paid if the estimated tax were equal to ninety-
47 one percent of the tax shown on the return for the taxable year (or if
48 no return was filed, ninety-one percent of the tax for such year) over
49 the amount, if any, of the installment paid on or before the last day
50 prescribed for such payment. In any case in which there would be no
51 underpayment if "eighty percent" were substituted for "ninety-one
52 percent" each place it appears in this subsection, the addition to the
53 tax shall be equal to seventy-five percent of the amount otherwise
54 determined. No underpayment shall be deemed to exist with respect to a
55 declaration or installment otherwise due on or after the termination of
56 existence of the taxpayer.

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

PART LL

Section 1. The state finance law is amended by adding a new section 92-gg to read as follows:

§ 92-gg. Charitable gifts trust fund. 1. There is hereby established in the joint custody of the commissioner of taxation and finance and the state comptroller a special fund pursuant to section eleven of this chapter to be known as the "charitable gifts trust fund".

2. Moneys in the charitable gifts trust fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the comptroller or the commissioner of taxation and finance. Provided, however that any moneys of the fund not required for immediate use may, at the discretion of the comptroller, in consultation with the director of the budget, be invested by the comptroller in obligations of the United States or the state. The proceeds of any such investment shall be retained by the fund as assets to be used for purposes of the fund.

3. Except as set forth in subdivisions two and four of this section, no moneys from the charitable gifts trust fund shall be transferred to any other fund, nor shall moneys from the fund be used to make payments for any purpose other than the purposes set forth in subdivisions two and four of this section.

4. The charitable gifts trust fund shall have two separate and distinct accounts, as set forth in paragraphs a and b of this subdivision. Moneys in each of the accounts shall be kept separate from and shall not be commingled with any other moneys of any other account within the fund.

a. The "health charitable account" shall consist of grants, gifts or bequests received by the state, and all other moneys credited or transferred thereto from any other fund or source. Moneys of such account shall only be expended for the support of services relating to primary, preventive, and inpatient health care, routine dental and vision care, hunger prevention and nutritional assistance, and other services provided to New York state residents with the overall goal of ensuring that New York state residents have access to quality health care and other related services.

b. The "elementary and secondary education charitable account" shall consist of grants, gifts or bequests received by the state for the support of elementary and secondary education for children in the state and all other moneys credited or transferred thereto from any other fund or source. Moneys of such account shall only be expended for the provision of elementary and secondary education for children in the state.

§ 2. Section 606 of the tax law is amended by adding a new subsection (iii) to read as follows:

(iii) Credit for contributions to certain funds. For taxable years beginning on or after January first, two thousand nineteen, an individual taxpayer shall be allowed a credit against the tax imposed under this article for an amount equal to eighty-five percent of the amount contributed by the taxpayer during the immediately preceding taxable year to any or all of the following accounts within the charitable gifts trust fund set forth in section ninety-two-gg of the state finance law: the health charitable account established by paragraph a of subdivision four of section ninety-two-gg of the state finance law, or the elementa-

1 ry and secondary education charitable account established by paragraph b
2 of subdivision four of section ninety-two-gg of the state finance law.

3 § 3. Section 1604 of the education law is amended by adding a new
4 subdivision 44 to read as follows:

5 44. To establish a charitable fund, by resolution of the trustees, to
6 receive charitable monetary donations made to such fund for use by the
7 district for general educational purposes. The monies of such charitable
8 fund shall be deposited and secured in the manner provided by section
9 ten of the general municipal law. The monies of such charitable fund may
10 be invested in the manner provided by section eleven of the general
11 municipal law. Any interest earned or capital gain realized on the
12 money so invested shall accrue to and become part of such fund. At such
13 time and in such amounts as determined by the trustees, the monies of
14 such charitable fund shall be transferred to the school district's
15 general fund for expenditure consistent with the charitable purposes of
16 the fund, provided that the amount of taxes to be levied by the school
17 district for any school year shall be determined without regard to any
18 such transfer. The school district shall maintain an accounting of all
19 such deposits, interest or capital gain, transfers, and expenditures.

20 § 4. Section 1709 of the education law is amended by adding a new
21 subdivision 12-b to read as follows:

22 12-b. To establish a charitable fund, by resolution of the board, to
23 receive charitable monetary donations made to such fund for use by the
24 district for general educational purposes. The monies of such charitable
25 fund shall be deposited and secured in the manner provided by section
26 ten of the general municipal law. The monies of such charitable fund may
27 be invested in the manner provided by section eleven of the general
28 municipal law. Any interest earned or capital gain realized on the
29 money so invested shall accrue to and become part of such fund. At such
30 time and in such amounts as determined by the board, the monies of such
31 charitable fund shall be transferred to the school district's general
32 fund for expenditure consistent with the charitable purposes of the
33 fund, provided that the amount of taxes to be levied by the school
34 district for any school year shall be determined without regard to any
35 such transfer. The school district shall maintain an accounting of all
36 such deposits, interest or capital gain, transfers, and expenditures.

37 § 5. Section 2590-h of the education law is amended by adding a new
38 subdivision 54 to read as follows:

39 54. To establish a charitable fund to receive charitable monetary
40 donations made to such fund for use by the city school district for
41 general educational purposes. The monies of such charitable fund shall
42 be deposited and secured in the manner provided by section ten of the
43 general municipal law. The monies of such charitable fund may be
44 invested in the manner provided by section eleven of the general munici-
45 pal law. Any interest earned or capital gain realized on the money so
46 invested shall accrue to and become part of such fund. At such time and
47 in such amounts as determined by the chancellor, the monies of such
48 charitable fund shall be transferred to the city school district's
49 general fund for expenditure consistent with the charitable purposes of
50 the fund, provided that the amount of taxes to be levied by the city for
51 any school year shall be determined without regard to any such transfer.
52 The city school district shall maintain an accounting of all such depos-
53 its, interest or capital gain, transfers, and expenditures.

54 § 6. The general municipal law is amended by adding two new sections
55 6-t and 6-u to read as follows:

1 § 6-t. Charitable gifts reserve fund. 1. The governing board of any
2 county or New York city may establish a reserve fund to be known as a
3 charitable gifts reserve fund, the moneys of which are to be used for
4 the payment of health care expenses and may be used to defray the local
5 social services district's yearly net share of medical assistance
6 expenditures.

7 2. Such fund may receive charitable contributions from property owners
8 of the county or New York city.

9 3. The moneys in such fund shall be deposited and secured in the
10 manner provided by section ten of this article. The governing board, or
11 the chief fiscal officer of such county, or New York city, if the
12 governing board shall delegate such duty to him or her, may invest the
13 moneys in such fund in the manner provided by section eleven of this
14 article. Any interest earned or capital gain realized on the money so
15 deposited or invested shall accrue to and become part of such fund. The
16 separate identity of such fund shall be maintained whether its assets
17 consist of cash or investments or both.

18 4. At the end of the fiscal year, the governing board of the county or
19 New York city, within sixty days of the close of the fiscal year, shall
20 transfer the funds to the general fund or other fund of the municipal
21 corporation for the purpose of paying health care expenses, including
22 the local social services district's yearly net share of medical assist-
23 ance expenditures.

24 5. The governing board shall establish a procedure for property owners
25 of the county or New York city to make contributions to the charitable
26 gifts reserve fund, which shall include the provision of a written
27 acknowledgment of the gift to the contributor.

28 6. Nothing in this section shall relieve the local social services
29 district of its ongoing obligation to pay the yearly net share of
30 medical assistance expenditures, nor relieve a local district of social
31 services of its statutory and regulatory functions in the adminis-
32 tration, supervision and operation of the medical assistance program in
33 its locality.

34 § 6-u. Charitable gifts reserve fund. 1. The governing board of any
35 city with a population less than one million, town or village may estab-
36 lish a reserve fund to be known as a charitable gifts reserve fund.

37 2. Such fund may receive charitable contributions from property owners
38 of the town, village or city.

39 3. The moneys in such fund shall be deposited and secured in the
40 manner provided by section ten of this article. The governing board, or
41 the chief fiscal officer of such town, village or city, if the governing
42 board shall delegate such duty to him or her, may invest the moneys in
43 such fund in the manner provided by section eleven of this article. Any
44 interest earned or capital gain realized on the money so deposited or
45 invested shall accrue to and become part of such fund. The separate
46 identity of such fund shall be maintained whether its assets consist of
47 cash or investments or both.

48 4. At the end of the fiscal year, the governing board of the town,
49 village or city, within sixty days of the close of the fiscal year, may
50 transfer the funds to the general fund or other fund of the municipal
51 corporation, so that the funds may be used for charitable purposes.

52 5. The governing board shall establish a procedure for property owners
53 of the town, village or city to make contributions to the charitable
54 gifts reserve fund, which shall include the provision of a written
55 acknowledgment of the gift to the contributor.

1 § 7. The real property tax law is amended by adding a new section
2 980-a to read as follows:

3 § 980-a. Tax credits for contributions to certain funds. 1. (a) A
4 municipal corporation that has established a fund pursuant to subdivi-
5 sion forty-four of section sixteen hundred four of the education law,
6 subdivision twelve-b of section seventeen hundred nine of the education
7 law, subdivision fifty-four of section twenty-five hundred ninety-h of
8 the education law, or section six-t or six-u of the general municipal
9 law, may adopt a local law, or in the case of a school district, a
10 resolution, authorizing a tax credit to be provided pursuant to this
11 section for contributions to such fund. For purposes of this section, a
12 municipal corporation that has established such a fund and authorized
13 such a credit shall be referred to as a "participating" municipal corpo-
14 ration.

15 (b) On and after December first, two thousand eighteen, the owner or
16 owners of real property shall be allowed a credit against the real prop-
17 erty taxes of a participating municipal corporation that have been
18 imposed upon such property. The amount of such credit shall equal nine-
19 ty-five percent of the amount contributed by one or more of the owners
20 of such property during the "associated credit year" as defined in this
21 section, to any or all of the funds established by such municipal corpo-
22 ration, subject to the limit established pursuant to paragraph (c) of
23 this subdivision, if any.

24 (c) The participating municipal corporation may establish a limit upon
25 the amount of such credit to be allowed in any given fiscal year, in
26 which case the amount of such credit shall not exceed the limit so
27 established. Any such limit shall be adopted by local law, or in the
28 case of a school district, by resolution, which local law or resolution
29 may either be the same as or separate from the local law or resolution
30 that initially authorized the credit. Once such a limit has been
31 adopted, it may be amended or repealed thereafter by local law, or in
32 the case of a school district, by resolution, provided that any such
33 amendment or repeal shall only apply to taxes of the participating
34 municipal corporation for fiscal years commencing after the adoption of
35 such local law or resolution. A copy of any local law or resolution
36 establishing, amending or repealing such a limit shall be provided to
37 the collecting officer who collects the taxes of the participating
38 municipal corporation.

39 2. For purposes of this section, the "associated credit year" shall be
40 the twelve-month period during which the owner of the property has made
41 a contribution described in subdivision one of this section that ends on
42 the last day prescribed by law on which the taxes of the participating
43 municipal corporation may be paid without interest or penalties, subject
44 to the following:

45 (a) Where such taxes are payable in installments, such twelve-month
46 period shall end on the last day prescribed by law on which the first
47 installment of such taxes may be paid without interest or penalties.

48 (b) Where a participating municipal corporation is a city school
49 district that is subject to article fifty-two of the education law, such
50 twelve-month period shall end on the last day prescribed by law on which
51 city taxes may be paid without interest or penalties, or if applicable,
52 on the last day prescribed by law on which the first installment of such
53 taxes may be paid without interest or penalties.

54 (c) Each such twelve-month period shall be determined without regard
55 to the possibility that the period prescribed by law for paying such
56 taxes without interest or penalties may be extended due to a delay in

1 the first publication of the collecting officer's notice as provided by
2 sections thirteen hundred twenty-two or thirteen hundred twenty-four of
3 this chapter or a comparable law, or due to an executive order issued in
4 connection with a state disaster emergency as provided by subdivision
5 two of section nine hundred twenty-five-a of this chapter.

6 3. The credit authorized by this section shall be administered as
7 follows:

8 (a) The administrator of the account or its designated agent shall,
9 upon receiving a contribution to an account specified in subdivision one
10 of this section during a credit year, furnish the property owner with an
11 acknowledgement in duplicate. Such acknowledgement shall be provided on
12 a form prescribed by the commissioner and shall specify the amount of
13 the contribution, the name and address of the donor, the date the
14 contribution was received, the authorized signature of the administrator
15 or agent, and such other information as the commissioner shall require.

16 (b) After receiving such an acknowledgement, the property owner may
17 present it to the appropriate collecting officer on or before the last
18 day prescribed by law on which taxes may be paid without interest or
19 penalty, together with a credit claim on a form prescribed by the
20 commissioner. Such credit claim form shall contain the name of the
21 property owner or owners, the date and amount of the contributions made
22 to the account during the associated credit year, the address of the
23 property to which the credit claim relates, and such other information
24 as the commissioner shall require. Notwithstanding any provision of law
25 to the contrary, the collecting officer shall thereupon be authorized
26 and directed to grant the property owner a tax credit equal to ninety-
27 five percent of the amount of the contributions made during the associ-
28 ated credit year as specified on the acknowledgement, and to reduce the
29 tax liability on the parcel accordingly, provided that such credit may
30 not exceed the limit established by the participating municipal corpo-
31 ration pursuant to paragraph (c) of subdivision one of this section, if
32 such a limit has been established. Where taxes are payable in install-
33 ments, if the credit exceeds the amount of the first installment, the
34 excess shall be applied to future installments until exhausted.

35 (c) If the property owner fails to present the acknowledgment and
36 credit claim form to the collecting officer on or before the last day
37 prescribed by law on which taxes may be paid without interest or penal-
38 ty, he or she may present the same to the chief fiscal officer or chief
39 financial officer of the participating municipal corporation, or to a
40 member of his or her staff. Such officer shall thereupon be authorized
41 and directed to grant the property owner a refund of school district
42 taxes in the amount of the credit, which amount shall be equal to nine-
43 ty-five percent of the total contributions made during the associated
44 credit year, provided that such refund shall not exceed the school
45 district taxes that have been paid on the property or the limit estab-
46 lished pursuant to paragraph (c) of subdivision one of this section, if
47 any. Provided further, that no interest shall be payable on such refund
48 if paid within forty-five days of the receipt of the acknowledgment and
49 credit claim form. The owner of the property may file such refund claim
50 with the authorized officer at any time during the three year period
51 beginning immediately after the last day such taxes were payable without
52 interest or penalty.

53 4. The amount of the itemized deduction that may be claimed by a
54 taxpayer under section six hundred fifteen of the tax law with respect
55 to the taxes paid on such property may not exceed the amount of the
56 taxes of a participating municipal corporation that have been imposed

1 upon such property minus the amount of the credit provided pursuant to
2 this section.

3 § 8. This act shall take effect immediately; provided, however, that
4 the amendments to section 2590-h of the education law made by section
5 five of this act shall not affect the expiration and reversion of such
6 section and shall expire and be deemed repealed therewith; and provided
7 further that if section 2590-h of the education law expires or is
8 repealed and is reverted prior to the effective date of this act,
9 section five of this act shall not take effect.

10 PART MM

11 Section 1. The tax law is amended by adding a new article 24 to read
12 as follows:

13 ARTICLE 24

14 EMPLOYER COMPENSATION EXPENSE TAX

15 Section 850. Definitions.

16 851. Employer election.

17 852. Imposition and rate of tax.

18 853. Pass through of tax.

19 854. Payment of tax.

20 855. Employee credit.

21 856. Deposit and disposition of revenue.

22 857. Procedural provisions.

23 § 850. Definitions. For purposes of this article:

24 (a) Employer. Employer means an employer that is required by section
25 six hundred seventy-one of this chapter to deduct and withhold tax from
26 wages.

27 (b) Electing employer. Electing employer is an employer that has made
28 the election provided for in section eight hundred fifty-one of this
29 article.

30 (c) Payroll expense. Payroll expense means wages and compensation as
31 defined in sections 3121 and 3231 of the internal revenue code (without
32 regard to section 3121(a)(1) and section 3231(e)(2)(A)(i)), paid to all
33 covered employees.

34 (d) Covered employee. Covered employee means an employee of an elect-
35 ing employer who is required to have amounts withheld under section six
36 hundred seventy-one of this chapter and receives annual wages and
37 compensation from his or her employer of more than forty thousand
38 dollars annually.

39 § 851. Employer election. (a) Any employer who employs covered employ-
40 ees in the state shall be allowed to make an election to be taxed under
41 this article.

42 (b) In order to be effective, the election must be made by (1) unani-
43 mous consent of all owners of the employer at the time the election is
44 made if the employer is not a corporation; or (2) if the employer is a
45 for-profit or not-for-profit corporation, by any officer or manager of
46 the employer who is authorized under the law of the state where the
47 corporation is incorporated or under the employer's organizational docu-
48 ments to make the election and who represents to having such authori-
49 zation under penalty of perjury; or (3) if the employer is a trust, by
50 the unanimous consent of all trustees; or (4) if the employer is a
51 governmental entity, by the chief executive officer of such governmental
52 entity.

53 (c) The election must be made by October first of a calendar year and
54 will take effect for the immediately succeeding calendar year. If an

1 election is made after October first of a calendar year, it will first
2 take effect in the second succeeding calendar year.

3 § 852. Imposition and rate of tax. A tax is hereby imposed on the
4 payroll expense paid by electing employers to covered employees. For two
5 thousand nineteen, the tax shall be equal to one and one-half percent of
6 the payroll expense paid by electing employers to covered employees
7 during the calendar quarter. For two thousand twenty, the tax shall be
8 equal to three percent of the payroll expense paid by electing employers
9 to covered employees during the calendar quarter. For two thousand twen-
10 ty-one and thereafter, the tax shall be equal to five percent of the
11 payroll expense paid by electing employers to covered employees during
12 the calendar quarter. An electing employer shall only be subject to the
13 tax imposed under this article on the payroll expense paid to any
14 covered employee during the calendar year in excess of forty thousand
15 dollars.

16 § 853. Pass through of tax. An employer cannot deduct from the wages
17 or compensation of an employee any amount that represents all or any
18 portion of the tax imposed on the employer under this article.

19 § 854. Payment of tax. (a) Employers with payroll expense. The tax
20 imposed on the payroll expense of electing employers under section eight
21 hundred fifty-two of this article must be paid at the same time the
22 electing employer is required to remit payments under section six
23 hundred seventy-four of this chapter; provided however, that electing
24 employers subject to the provisions in section nine of this chapter must
25 pay the tax on the payroll expense at the same time as the withholding
26 tax remitted under the electronic payment reporting system and the elec-
27 tronic funds transfer system authorized by section nine of this chapter.

28 (b) Responsible person liability. Any officer, director or employee of
29 a corporation or of a dissolved corporation, any employee of a partner-
30 ship, any employee or manager of a limited liability company, any trus-
31 tee of a trust, or any employee of an individual proprietorship, any
32 partner of a partnership or any member of a limited liability company,
33 who as such officer, director, employee, manager, partner or member is
34 under a duty to act for such corporation, partnership, limited liability
35 company or individual proprietorship in complying with any requirement
36 of this article, shall be jointly and severally liable with the electing
37 employer for any tax, penalty or interest owed under this article.

38 § 855. Employee credit. A covered employee shall be allowed a credit
39 against the tax imposed under article twenty-two of this chapter,
40 computed pursuant to the provisions of subsection (aaaa) of section six
41 hundred six of this chapter.

42 § 856. Deposit and disposition of revenue. All taxes, interest, penal-
43 ties, and fees collected or received by the commissioner under this
44 article shall be deposited and disposed of pursuant to the provisions of
45 section one hundred seventy-one-a of this chapter.

46 § 857. Procedural provisions. (a) General. All provisions of article
47 twenty-two of this chapter will apply to the provisions of this article
48 in the same manner and with the same force and effect as if the language
49 of article twenty-two of this chapter had been incorporated in full into
50 this article and had been specifically adjusted for and expressly
51 referred to the tax imposed by this article, except to the extent that
52 any provision is either inconsistent with a provision of this article or
53 is not relevant to this article. Notwithstanding the preceding
54 sentence, no credit against tax in article twenty-two of this chapter
55 can be used to offset the tax due under this article.

1 (b) Notwithstanding the provisions of section six hundred ninety-seven
2 of this chapter, if the commissioner determines that a person is liable
3 for any tax, penalty or interest under this article pursuant to
4 subsection (b) of section eight hundred fifty-four of this article, upon
5 request in writing of such person, the commissioner shall disclose in
6 writing to such person (1) the name of any other person the commissioner
7 has determined to be liable for such tax, penalty or interest under this
8 article for the electing employer, and (2) whether the commissioner has
9 attempted to collect such tax, penalty or interest from such other
10 person or electing employer, the general nature of such collection
11 activities, and the amount collected.

12 (c) Notwithstanding any other law to the contrary, the commissioner
13 may require that all filings of forms or returns under this article must
14 be filed electronically and all payments of tax must be paid electron-
15 ically. The commissioner may prescribe the methods for quarterly
16 filings by electing employers, including but not limited to, the inclu-
17 sion of specific employee-level detail.

18 § 2. Section 606 of the tax law is amended by adding a new subsection
19 (aaaa) to read as follows:

20 (aaaa) Article twenty-four employee credit. A covered employee of an
21 electing employer shall be entitled to a credit against the tax imposed
22 by this article as provided in this subsection. For purposes of this
23 subsection the terms "covered employee" and "electing employer" shall
24 have the same meanings as under section eight hundred fifty of this
25 chapter. (1) For two thousand nineteen, the credit shall be equal to
26 the product of (i) the covered employee's wages and compensation in
27 excess of forty thousand dollars received during the tax year from the
28 covered employer that are subject to tax under this article and (ii) one
29 and one-half percent and (iii) the result of one minus a fraction, the
30 numerator of which shall be the tax imposed on the covered employee as
31 determined pursuant to section six hundred one of this article before
32 the application of any credits for the applicable tax year and the
33 denominator of which shall be the covered employee's taxable income as
34 determined pursuant to this article for the applicable tax year. (2) For
35 two thousand twenty, the credit shall be equal to the product of (i) the
36 covered employee's wages and compensation in excess of forty thousand
37 dollars received during the tax year from the covered employer that are
38 subject to tax under this article and (ii) three percent and (iii) the
39 result of one minus a fraction, the numerator of which shall be the tax
40 imposed on the covered employee as determined pursuant to section six
41 hundred one of this article before the application of any credits for
42 the applicable tax year and the denominator of which shall be the
43 covered employee's taxable income as determined pursuant to this article
44 for the applicable tax year. (3) For two thousand twenty-one and there-
45 after, the credit shall be equal to the product of (i) the covered
46 employee's wages and compensation in excess of forty thousand dollars
47 received during the tax year from the covered employer that are subject
48 to tax under this article and (ii) five percent and (iii) the result of
49 one minus a fraction, the numerator of which shall be the tax imposed on
50 the covered employee as determined pursuant to section six hundred one
51 of this article before the application of any credits for the applicable
52 tax year and the denominator of which shall be the covered employee's
53 taxable income as determined pursuant to this article for the applicable
54 tax year. If the amount of the credit allowable under this subsection
55 for any taxable year shall exceed the taxpayer's tax for such year, the
56 excess allowed for a taxable year may be carried over to the following

1 year or years and may be deducted from the taxpayer's tax for such year
2 or years.

3 § 3. Subdivision 1 of section 171-a of the tax law, as amended by
4 section 15 of part AAA of chapter 59 of the laws of 2017, is amended to
5 read as follows:

6 1. All taxes, interest, penalties and fees collected or received by
7 the commissioner or the commissioner's duly authorized agent under arti-
8 cles nine (except section one hundred eighty-two-a thereof and except as
9 otherwise provided in section two hundred five thereof), nine-A,
10 twelve-A (except as otherwise provided in section two hundred eighty-
11 four-d thereof), thirteen, thirteen-A (except as otherwise provided in
12 section three hundred twelve thereof), eighteen, nineteen, twenty
13 (except as otherwise provided in section four hundred eighty-two there-
14 of), twenty-B, twenty-one, twenty-two, twenty-four, twenty-six, twenty-
15 eight (except as otherwise provided in section eleven hundred two or
16 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one
17 (except as otherwise provided in section fourteen hundred twenty-one
18 thereof), thirty-three and thirty-three-A of this chapter shall be
19 deposited daily in one account with such responsible banks, banking
20 houses or trust companies as may be designated by the comptroller, to
21 the credit of the comptroller. Such an account may be established in one
22 or more of such depositories. Such deposits shall be kept separate and
23 apart from all other money in the possession of the comptroller. The
24 comptroller shall require adequate security from all such depositories.
25 Of the total revenue collected or received under such articles of this
26 chapter, the comptroller shall retain in the comptroller's hands such
27 amount as the commissioner may determine to be necessary for refunds or
28 reimbursements under such articles of this chapter out of which amount
29 the comptroller shall pay any refunds or reimbursements to which taxpay-
30 ers shall be entitled under the provisions of such articles of this
31 chapter. The commissioner and the comptroller shall maintain a system of
32 accounts showing the amount of revenue collected or received from each
33 of the taxes imposed by such articles. The comptroller, after reserving
34 the amount to pay such refunds or reimbursements, shall, on or before
35 the tenth day of each month, pay into the state treasury to the credit
36 of the general fund all revenue deposited under this section during the
37 preceding calendar month and remaining to the comptroller's credit on
38 the last day of such preceding month, (i) except that the comptroller
39 shall pay to the state department of social services that amount of
40 overpayments of tax imposed by article twenty-two of this chapter and
41 the interest on such amount which is certified to the comptroller by the
42 commissioner as the amount to be credited against past-due support
43 pursuant to subdivision six of section one hundred seventy-one-c of this
44 article, (ii) and except that the comptroller shall pay to the New York
45 state higher education services corporation and the state university of
46 New York or the city university of New York respectively that amount of
47 overpayments of tax imposed by article twenty-two of this chapter and
48 the interest on such amount which is certified to the comptroller by the
49 commissioner as the amount to be credited against the amount of defaults
50 in repayment of guaranteed student loans and state university loans or
51 city university loans pursuant to subdivision five of section one
52 hundred seventy-one-d and subdivision six of section one hundred seven-
53 ty-one-e of this article, (iii) and except further that, notwithstanding
54 any law, the comptroller shall credit to the revenue arrearage account,
55 pursuant to section ninety-one-a of the state finance law, that amount
56 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-

ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 4. Subdivision 1 of section 171-a of the tax law, as amended by section 16 of part AAA of chapter 59 of the laws of 2017, is amended to read as follows:

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-one, twenty-two, twenty-four, twenty-six, twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and

1 apart from all other money in the possession of the comptroller. The
2 comptroller shall require adequate security from all such depositories.
3 Of the total revenue collected or received under such articles of this
4 chapter, the comptroller shall retain in the comptroller's hands such
5 amount as the commissioner may determine to be necessary for refunds or
6 reimbursements under such articles of this chapter out of which amount
7 the comptroller shall pay any refunds or reimbursements to which taxpay-
8 ers shall be entitled under the provisions of such articles of this
9 chapter. The commissioner and the comptroller shall maintain a system of
10 accounts showing the amount of revenue collected or received from each
11 of the taxes imposed by such articles. The comptroller, after reserving
12 the amount to pay such refunds or reimbursements, shall, on or before
13 the tenth day of each month, pay into the state treasury to the credit
14 of the general fund all revenue deposited under this section during the
15 preceding calendar month and remaining to the comptroller's credit on
16 the last day of such preceding month, (i) except that the comptroller
17 shall pay to the state department of social services that amount of
18 overpayments of tax imposed by article twenty-two of this chapter and
19 the interest on such amount which is certified to the comptroller by the
20 commissioner as the amount to be credited against past-due support
21 pursuant to subdivision six of section one hundred seventy-one-c of this
22 article, (ii) and except that the comptroller shall pay to the New York
23 state higher education services corporation and the state university of
24 New York or the city university of New York respectively that amount of
25 overpayments of tax imposed by article twenty-two of this chapter and
26 the interest on such amount which is certified to the comptroller by the
27 commissioner as the amount to be credited against the amount of defaults
28 in repayment of guaranteed student loans and state university loans or
29 city university loans pursuant to subdivision five of section one
30 hundred seventy-one-d and subdivision six of section one hundred seven-
31 ty-one-e of this article, (iii) and except further that, notwithstanding
32 any law, the comptroller shall credit to the revenue arrearage account,
33 pursuant to section ninety-one-a of the state finance law, that amount
34 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-
35 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest
36 thereon, which is certified to the comptroller by the commissioner as
37 the amount to be credited against a past-due legally enforceable debt
38 owed to a state agency pursuant to paragraph (a) of subdivision six of
39 section one hundred seventy-one-f of this article, provided, however, he
40 shall credit to the special offset fiduciary account, pursuant to
41 section ninety-one-c of the state finance law, any such amount credita-
42 ble as a liability as set forth in paragraph (b) of subdivision six of
43 section one hundred seventy-one-f of this article, (iv) and except
44 further that the comptroller shall pay to the city of New York that
45 amount of overpayment of tax imposed by article nine, nine-A, twenty-
46 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any
47 interest thereon that is certified to the comptroller by the commission-
48 er as the amount to be credited against city of New York tax warrant
49 judgment debt pursuant to section one hundred seventy-one-l of this
50 article, (v) and except further that the comptroller shall pay to a
51 non-obligated spouse that amount of overpayment of tax imposed by arti-
52 cle twenty-two of this chapter and the interest on such amount which has
53 been credited pursuant to section one hundred seventy-one-c, one hundred
54 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or
55 one hundred seventy-one-l of this article and which is certified to the
56 comptroller by the commissioner as the amount due such non-obligated

1 spouse pursuant to paragraph six of subsection (b) of section six
2 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct
3 a like amount which the comptroller shall pay into the treasury to the
4 credit of the general fund from amounts subsequently payable to the
5 department of social services, the state university of New York, the
6 city university of New York, or the higher education services corpo-
7 ration, or the revenue arrearage account or special offset fiduciary
8 account pursuant to section ninety-one-a or ninety-one-c of the state
9 finance law, as the case may be, whichever had been credited the amount
10 originally withheld from such overpayment, and (vii) with respect to
11 amounts originally withheld from such overpayment pursuant to section
12 one hundred seventy-one-1 of this article and paid to the city of New
13 York, the comptroller shall collect a like amount from the city of New
14 York.

15 § 5. Subdivisions 2, 3 and paragraph (a) of subdivision 5 of section
16 92-z of the state finance law, subdivision 2 as amended by section 30 of
17 part T of chapter 57 of the laws of 2007, and subdivision 3 and para-
18 graph (a) of subdivision 5 as added by section 1 of part I of chapter
19 383 of the laws of 2001, are amended to read as follows:

20 2. Such fund shall consist of [~~twenty-five~~] (a) fifty percent of
21 receipts from the imposition of personal income taxes pursuant to arti-
22 cle twenty-two of the tax law, less such amounts as the commissioner of
23 taxation and finance may determine to be necessary for refunds, and (b)
24 fifty percent of receipts from the imposition of employer compensation
25 expense taxes pursuant to article twenty-four of the tax law, less such
26 amounts as the commissioner of taxation and finance may determine to be
27 necessary for refunds.

28 3. (a) Beginning on the first day of each month, the comptroller shall
29 deposit all of the receipts collected pursuant to section six hundred
30 seventy-one of the tax law in the revenue bond tax fund until the amount
31 of monthly receipts anticipated to be deposited pursuant to the certif-
32 icate required in paragraph (b) of subdivision five of this section are
33 met. On or before the twelfth day of each month, the commissioner of
34 taxation and finance shall certify to the state comptroller the amounts
35 specified in paragraph (a) of subdivision two of this section relating
36 to the preceding month and, in addition, no later than March thirty-
37 first of each fiscal year the commissioner of taxation and finance shall
38 certify such amounts relating to the last month of such fiscal year. The
39 amounts so certified shall be deposited by the state comptroller in the
40 revenue bond tax fund.

41 (b) Beginning on the first day of each month, the comptroller shall
42 deposit all of the receipts collected pursuant to section eight hundred
43 fifty-four of the tax law in the revenue bond tax fund until the amount
44 of monthly receipts anticipated to be deposited pursuant to the certif-
45 icate required in paragraph (b) of subdivision five of this section are
46 met. On or before the twelfth day of each month, the commissioner of
47 taxation and finance shall certify to the state comptroller the amounts
48 specified in paragraph (b) of subdivision two of this section relating
49 to the preceding month and, in addition, no later than March thirty-
50 first of each fiscal year the commissioner of taxation and finance shall
51 certify such amounts relating to the last month of such fiscal year. The
52 amounts so certified shall be deposited by the state comptroller in the
53 revenue bond tax fund.

54 (a) The state comptroller shall from time to time, but in no event
55 later than the fifteenth day of each month (other than the last month of
56 the fiscal year) and no later than the thirty-first day of the last

1 month of each fiscal year, pay over and distribute to the credit of the
2 general fund of the state treasury all moneys in the revenue bond tax
3 fund, if any, in excess of the aggregate amount required to be set aside
4 for the payment of cash requirements pursuant to paragraph (b) of this
5 subdivision, provided that an appropriation has been made to pay all
6 amounts specified in any certificate or certificates delivered by the
7 director of the budget pursuant to paragraph (b) of this subdivision as
8 being required by each authorized issuer as such term is defined in
9 section sixty-eight-a of this chapter for the payment of cash require-
10 ments of such issuers for such fiscal year. Subject to the rights of
11 holders of debt of the state, in no event shall the state comptroller
12 pay over and distribute any moneys on deposit in the revenue bond tax
13 fund to any person other than an authorized issuer pursuant to such
14 certificate or certificates (i) unless and until the aggregate of all
15 cash requirements certified to the state comptroller as required by such
16 authorized issuers to be set aside pursuant to paragraph (b) of this
17 subdivision for such fiscal year shall have been appropriated to such
18 authorized issuers in accordance with the schedule specified in the
19 certificate or certificates filed by the director of the budget or (ii)
20 if, after having been so certified and appropriated, any payment
21 required to be made pursuant to paragraph (b) of this subdivision has
22 not been made to the authorized issuers which was required to have been
23 made pursuant to such certificate or certificates; provided, however,
24 that no person, including such authorized issuers or the holders of
25 revenue bonds, shall have any lien on moneys on deposit in the revenue
26 bond tax fund. Any agreement entered into pursuant to section sixty-
27 eight-c of this chapter related to any payment authorized by this
28 section shall be executory only to the extent of such revenues available
29 to the state in such fund. Notwithstanding subdivisions two and three of
30 this section, in the event the aggregate of all cash requirements certi-
31 fied to the state comptroller as required by such authorized issuers to
32 be set aside pursuant to paragraph (b) of this subdivision for the
33 fiscal year beginning on April first shall not have been appropriated to
34 such authorized issuers in accordance with the schedule specified in the
35 certificate or certificates filed by the director of the budget or, (ii)
36 if, having been so certified and appropriated, any payment required to
37 be made pursuant to paragraph (b) of this subdivision has not been made
38 pursuant to such certificate or certificates, all receipts collected
39 pursuant to section six hundred seventy-one of the tax law and section
40 eight hundred fifty-four of the tax law shall be deposited in the reven-
41 ue bond tax fund until the greater of [~~twenty-five~~] forty percent of the
42 aggregate of the receipts from the imposition of (A) the personal income
43 tax imposed by article twenty-two of the tax law and (B) the employer
44 compensation expense tax imposed by article twenty-four of the tax law
45 for the fiscal year beginning on April first and as specified in the
46 certificate or certificates filed by the director of the budget pursuant
47 to this paragraph or [~~six~~] a total of twelve billion dollars has been
48 deposited in the revenue bond tax fund. Notwithstanding any other
49 provision of law, if the state has appropriated and paid to the author-
50 ized issuers the amounts necessary for the authorized issuers to meet
51 their requirements for the current fiscal year pursuant to the certif-
52 icate or certificates submitted by the director of the budget pursuant
53 to paragraph (b) of this section, the state comptroller shall, on the
54 last day of each fiscal year, pay to the general fund of the state all
55 sums remaining in the revenue bond tax fund on such date except such
56 amounts as the director of the budget may certify are needed to meet the

1 cash requirements of authorized issuers during the subsequent fiscal
2 year.

3 § 6. Subdivision 5 of section 68-c of the state finance law, as added
4 by section 2 of part I of chapter 383 of the laws of 2001, is amended to
5 read as follows:

6 5. Nothing contained in this article shall be deemed to restrict the
7 right of the state to amend, repeal, modify or otherwise alter statutes
8 imposing or relating to the taxes imposed pursuant to article twenty-two
9 and article twenty-four of the tax law. The authorized issuers shall not
10 include within any resolution, contract or agreement with holders of the
11 revenue bonds issued under this article any provision which provides
12 that a default occurs as a result of the state exercising its right to
13 amend, repeal, modify or otherwise alter the taxes imposed pursuant to
14 article twenty-two and article twenty-four of the tax law.

15 § 7. This act shall take effect immediately; provided, however, that
16 the amendments to subdivision 1 of section 171-a of the tax law made by
17 section three of this act shall not affect the expiration of such subdivi-
18 sion and shall expire therewith, when upon such date the provisions of
19 section four of this act shall take effect.

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

29 § 3. This act shall take effect immediately, provided, however, that
30 the applicable effective date of Parts A through MM of this act shall be
31 as specifically set forth in the last section of such Parts.