

STATE OF NEW YORK

7509--B

IN SENATE

January 18, 2018

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

AN ACT intentionally omitted (Part A); intentionally omitted (Part B); intentionally omitted (Part C); intentionally omitted (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); intentionally omitted (Part F); to amend the real property tax law, in relation to assessment ceilings; and to amend chapter 475 of the laws of 2013, amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to the effectiveness thereof (Part G); to amend the tax law and the administrative code of the city of New York, in relation to extending the statute of limitations for assessing tax on amended returns (Part H); to amend the tax law, in relation to providing for employee wage reporting consistency between the department of taxation and finance and the department of labor (Part I); to amend the tax law, in relation to sales and compensating use taxes imposed on food and beverages sold by 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); intentionally omitted (Part L); intentionally omitted (Part M); intentionally omitted (Part N); intentionally omitted (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); intentionally omitted (Part S); intentionally omitted (Part T); intentionally omitted (Part U); intentionally omitted (Part V); to amend the tax law, in relation to exempting from sales and use tax certain veterinary drugs and medi-

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

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cines 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); intentionally omitted (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); intentionally omitted (Part AA); intentionally omitted (Part BB); intentionally omitted (Part CC); intentionally omitted (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 to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part GG); intentionally omitted (Part HH); 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 and the administrative code of the city of New York, in relation to federal gross income and federal deductions allowed pursuant to the internal revenue code (Part KK); intentionally omitted (Part LL); intentionally omitted (Part MM); to amend the real property tax law, in relation to establishing the senior capped real property school tax rate; and to amend the tax law, in relation to increasing the property tax relief credit (Part NN); to amend chapter 97 of the laws of 2011, amending the general municipal law and the education law relating to establishing limits upon school district and local government tax levies, in relation to eliminating the expiration of and making permanent certain provisions thereof (Part OO); to amend the tax law, in relation to tax on the furnishing of utility services (Part PP); to amend the public service law, in relation to certain costs and expenses (Part QQ); to amend the tax law, in relation to increasing the exemption for pensions and annuities for certain persons (Part RR); to amend the legislative law, in relation to requiring assent of two-thirds of the members for any bill that enacts or increases tax revenues (Part SS); to amend the state finance law, in relation to establishing a spending cap and increasing the maximum capacity of the rainy day fund (Part TT); to amend the tax law, in relation to establishing a credit for customers of certain private

water utilities, in relation to requiring a feasibility study relating to the Jericho Water District; and providing for the repeal of such provisions upon the expiration thereof (Part UU); to amend the tax law and the administrative code of the city of New York, in relation to business income base and certain small business taxpayers (Part VV); to amend the real property tax law, in relation to the STAR exemption for property owned by small businesses (Part WW); to amend the tax law, in relation to minimum wage reimbursement credit (Part XX); to amend the tax law, in relation to extending the minimum wage reimbursement credit to seasonal employees (Part YY); to amend the tax law, in relation to tax credits for qualified pass-through manufacturers (Part ZZ); to amend the real property tax law, in relation to providing an exemption for security cameras installed on real property owned by a public utility (Part AAA); to amend the tax law, in relation to providing an exemption for tangible personal property and services sold by a cemetery; in relation to establishing an amnesty program for cemetery corporations (Part BBB); to amend the tax law and the parks, recreation and historic preservation law, in relation to the tax credit for rehabilitation of historic properties (Part CCC); to amend the tax law, in relation to establishing a personal income tax credit to preceptor clinicians who provide preceptor instruction (Part DDD); to amend the tax law, in relation to a television writers' and directors' fees and salaries credit (Part EEE); to amend the tax law and the administrative code of the city of New York, in relation to making technical corrections thereto; to repeal subsection (i) of section 612 of the tax law relating to the elimination of the personal income tax deduction for percentage depletion; and to repeal certain provisions of the tax law relating thereto (Part FFF); to amend the tax law, in relation to the donation of a human organ (Part GGG); to amend the tax law, in relation to the musical and theatrical production credit; and to amend part HH of chapter 59 of the laws of 2014 amending the tax law relating to a musical and theatrical production credit, in relation to extending the effectiveness of such provisions (Part HHH); to amend the education law and the tax law, in relation to establishing the college debt freedom account pilot program (Part III); to amend the tax law, in relation to establishing a reduction of certain taxpayer's federal adjusted gross income, for state personal income tax purposes, for student loan interest payments made by the taxpayer (Part JJJ); to amend the tax law, in relation to establishing a residential fuel oil storage tank credit and to direct the office of temporary and disability assistance to establish a program to assist eligible households in the replacement of residential fuel oil storage tanks (Part KKK); to amend the tax law and the insurance law, in relation to credits for premiums paid for long-term care insurance policies (Part LLL); to amend the tax law, in relation to providing insurance corporations with a tax credit for investments made in rural business growth funds; and to amend the state finance law, in relation to establishing the New York agriculture and rural jobs fund (Part MMM); to amend the tax law, in relation to exempting school buses and certain equipment from sales and compensating use tax; and to amend the education law, in relation to the extension of certain transportation contracts (Part NNN); to amend the tax law and the education law, in relation to enacting the "education affordability act" (Part OOO); to amend the racing, pari-mutuel wagering and breeding law, in relation to the definition and licensing fees for dealer-controlled electronic table games (Part PPP); to amend the tax

law, in relation to the percentage of free play allowance credits (Part QQQ); to amend the racing, pari-mutuel wagering and breeding law and the penal law, in relation to allowing certain interactive poker games (Part RRR); to amend the general municipal law, in relation to participation in games of bingo by minors (Part SSS); to amend the tax law, in relation to the disposition of vender fees for the operation of video lottery gaming at certain race tracks (Part TTT); to amend the racing, pari-mutuel wagering and breeding law, in relation to the disposition of net revenues of regional off-track betting corporations to participating counties (Part UUU); to amend the racing, pari-mutuel wagering and breeding law, in relation to creating the racing fan advisory council (Part VVV); to amend the racing, pari-mutuel wagering and breeding law, in relation to establishing the advisory council on retired race horses, within the New York state gaming commission, and providing for its powers and duties (Part WWW); to amend the racing, pari-mutuel wagering and breeding law, in relation to regulation of sports betting (Part XXX); to amend the racing, pari-mutuel wagering and breeding law, in relation to funds held in trust by a franchised corporation for a recognized horsemen's organization to be used as collateral to secure workers' compensation insurance coverage (Part YYY); to amend the tax law, in relation to exempting coin-operated tire inflation equipment from sales and use taxes (Part ZZZ); to amend the real property tax law, in relation to extending certain provisions exempting lands devoted to agricultural or horticultural use from taxation (Part AAAA); to amend the education law and the tax law, in relation to expanding the New York state college choice tuition savings program to include costs of elementary and secondary education (Part BBBB); to amend the tax law, in relation to the imposition of tax on combative sport matches or exhibitions (Part CCCC); to amend the tax law, in relation to gifts for the New York state general fund (Part DDDD); to amend the tax law and the economic development law, in relation to the creation of the empire state digital gaming media production credit; and providing for the repeal of such provisions upon expiration thereof (Part EEEE); to amend the civil practice law and rules, in relation to enacting the "local government jobs and revenue protection act of 2018" (Part FFFF); and to amend the tax law, in relation to the disposition of a portion of sales taxes collected for hotel occupancy in cities having a population of one million or more (Part GGGG)

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 GGGG. The effective date for each partic-
5 ular provision contained within such Part is set forth in the last
6 section of such Part. Any provision in any section contained within a
7 Part, including the effective date of the Part, which makes a reference
8 to a section "of this act", when used in connection with that particular
9 component, shall be deemed to mean and refer to the corresponding
10 section of the Part in which it is found. Section three of this act sets
11 forth the general effective date of this act.

12 PART A

1 Intentionally Omitted

2 PART B

3 Intentionally Omitted

4 PART C

5 Intentionally Omitted

6 PART D

7 Intentionally Omitted

8 PART E

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

10 § 1-a. Section 3-d of the general municipal law is REPEALED.

11 § 1-b. Section 2023-b of the education law is REPEALED.

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

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

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

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

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

39 § 2023-b. Certification of compliance with tax levy limit. 1. Upon
40 the adoption of the budget of an eligible school district, the chief
41 executive officer of such school district shall certify to the state
42 comptroller, the commissioner of taxation and finance and the commis-
43 sioner that the budget so adopted does not exceed the tax levy limit
44 prescribed by section two thousand twenty-three-a of this part. Such
45 certification shall be made in a form and manner prescribed by the state
46 comptroller in consultation with the commissioner of taxation and
47 finance and the commissioner.

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

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

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

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

22 § 5. Section 925-b of the real property tax law, as amended by chapter
23 161 of the laws of 2006, is amended to read as follows:

24 § 925-b. Extension; certain persons sixty-five years of age or over.
25 Notwithstanding any contrary provision of this chapter, or any general,
26 special or local law, code or charter, the governing body of a municipal
27 corporation other than a county may, by resolution adopted prior to the
28 levy of any taxes on real property located within such municipal corpo-
29 ration, authorize an extension of no more than five business days for
30 the payment of taxes without interest or penalty to any resident of such
31 municipal corporation who has received an exemption pursuant to subdivi-
32 sion four of section four hundred twenty-five or four hundred sixty-sev-
33 en of this chapter, or a credit pursuant to subsection (eee) of section
34 six hundred six of the tax law, related to a principal residence located
35 within such municipal corporation. If such an extension is granted, and
36 any taxes are not paid by the final date so provided, those taxes shall
37 be subject to the same interest and penalties that would have applied if
38 no extension had been granted.

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

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

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

53 § 7. Subparagraph (B) of paragraph 7 of subsection (eee) of section
54 606 of the tax law, as amended by section 1 of part G of chapter 59 of
55 the laws of 2017, is amended to read as follows:

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

11 § 7-a. Paragraph (g) of subdivision 2 of section 425 of the real prop-
12 erty tax law, as added by section 1 of part B of chapter 389 of the laws
13 of 1997 and as further amended by subdivision (b) of section 1 of part W
14 of chapter 56 of the laws of 2010, is amended to read as follows:

15 (g) Computation and certification by commissioner. It shall be the
16 responsibility of the commissioner to compute the exempt amount for each
17 assessing unit in each county in the manner provided herein, and to
18 certify the same to the assessor of each assessing unit and to the coun-
19 ty director of real property tax services of each county. Such certif-
20 ication shall be made at least twenty days before the last date
21 prescribed by law for the filing of the tentative assessment roll.
22 Provided, however, that where school taxes are levied on a prior year
23 assessment roll, or on a final assessment roll that was filed more than
24 one year after the tentative roll was filed, such certification shall be
25 made no later than fifteen days after the publication of the data needed
26 to compute the base figure for the enhanced STAR exemption pursuant to
27 clause (A) of subparagraph (vi) of paragraph (b) of this subdivision,
28 and provided further, that upon receipt of such certification, the
29 assessor shall thereupon be authorized and directed to correct the
30 assessment roll to reflect the exempt amount so certified, or, if anoth-
31 er person has custody or control of the assessment roll, to direct that
32 person to make the appropriate corrections.

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

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

42 § 9. This act shall take effect immediately; provided, however, that
43 section 3-d of the general municipal law, as added by section two of
44 this act, shall expire and be deemed repealed on the same date and in
45 the same manner as section 1 of part A of chapter 97 of the laws of
46 2011, expires and is deemed repealed, and provided that section 2023-b
47 of the education law, as added by section three of this act, shall
48 expire and be deemed repealed on the same date and in the same manner as
49 section 2 of part A of chapter 97 of the laws of 2011, expires and is
50 deemed repealed, and provided further that the amendments to paragraph 6
51 of subsection (eee) of section 606 of the tax law made by section eight
52 of this act shall take effect immediately and shall apply to taxable
53 years beginning on or after January 1, 2016.

REPEAL NOTE: Section 606(bbb) of the Tax Law, section 3-d of the
General Municipal Law and section 2023-b of the Education Law collec-
tively constituted the enabling legislation for the tax freeze credit

program. By the terms of those statutes, the tax freeze credit was only applicable to taxable years 2014, 2015 and 2016. Therefore, these provisions no longer serve a purpose, except for the reporting provisions, which facilitate the administration of the tax levy limit program and are being preserved in a reenacted section 3-d of the General Municipal Law and section 2023-b of the Education Law.

1 PART F

2 Intentionally Omitted

3 PART G

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

7 § 4. This act shall take effect on the first of January of the second
8 calendar year commencing after this act shall have become a law and
9 shall apply to assessment rolls with taxable status dates on or after
10 such date; provided, however, that this act shall expire and be deemed
11 repealed [~~four~~] **eight** years after such effective date; and provided,
12 further, that no assessment of local public utility mass real property
13 appearing on the municipal assessment roll with a taxable status date
14 occurring in the first calendar year after this act shall have become a
15 law shall be less than ninety percent or more than one hundred ten
16 percent of the assessment of the same property on the date this act
17 shall have become a law.

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

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

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

45 (i) For assessment rolls with taxable status dates in two thousand
46 eighteen, the assessment ceiling shall not be less than seventy-five

1 percent or more than one hundred twenty-five percent of the assessment
2 of such local public utility mass real property appearing on the municipi-
3 pal assessment roll with a taxable status date occurring in the year two
4 thousand thirteen.

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

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

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

21 PART H

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

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

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

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

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

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

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

1

PART I

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

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

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

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

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

49 (3) Failure to provide complete and correct employee withholding
50 reconciliation information. In the case of a failure by an employer to
51 provide complete and correct ~~[annual]~~ quarterly withholding information
52 relating to individual employees on a quarterly combined withholding,
53 wage reporting and unemployment insurance return covering ~~[the last]~~
54 each calendar quarter of a year, such employer shall, unless it is shown
55 that such failure is due to reasonable cause and not due to willful

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

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

12

PART J

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

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

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

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

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

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

43

PART K

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

46 § 171-z. Information sharing with the comptroller regarding unclaimed
47 funds. 1. Notwithstanding any other law, the commissioner is authorized
48 to release to the comptroller information regarding fixed and final
49 unwarranted debts of taxpayers for purposes of collecting unclaimed
50 funds from the comptroller to satisfy fixed and final unwarranted debts
51 owed by taxpayers. For purposes of this section, the term "unwarranted
52 debt" shall mean past-due tax liabilities, including unpaid tax, inter-

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

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

17 § 2. This act shall take effect immediately.

18 PART L

19 Intentionally Omitted

20 PART M

21 Intentionally Omitted

22 PART N

23 Intentionally Omitted

24 PART O

25 Intentionally Omitted

26 PART P

27 Section 1. Paragraph (1) of subsection (c-1) of section 606 of the tax
 28 law, as amended by section 1 of part L1 of chapter 109 of the laws of
 29 2006, is amended to read as follows:

30 (1) A resident taxpayer shall be allowed a credit as provided herein
 31 equal to the greater of one hundred dollars times the number of qualify-
 32 ing children of the taxpayer or the applicable percentage of the child
 33 tax credit allowed the taxpayer under section twenty-four of the inter-
 34 nal revenue code for the same taxable year for each qualifying child.
 35 Provided, however, in the case of a taxpayer whose federal adjusted
 36 gross income exceeds the applicable threshold amount set forth by
 37 section 24(b)(2) of the Internal Revenue Code, the credit shall only be
 38 equal to the applicable percentage of the child tax credit allowed the
 39 taxpayer under section 24 of the Internal Revenue Code for each qualify-
 40 ing child. For the purposes of this subsection, a qualifying child shall
 41 be a child who meets the definition of qualified child under section
 42 24(c) of the internal revenue code and is at least four years of age.
 43 The applicable percentage shall be thirty-three percent. For purposes
 44 of this subsection, any reference to section 24 of the Internal Revenue
 45 Code shall be a reference to such section as it existed immediately
 46 prior to the enactment of Public Law 115-97.

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

3 PART Q

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

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

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

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

26 (2) who commences employment by the qualified taxpayer on or after
27 January first, two thousand fourteen, and before January first, two
28 thousand [~~eighteen~~ twenty; and

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

33 § 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax
34 law, as amended by section 2 of part I of chapter 60 of the laws of
35 2016, are amended to read as follows:

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

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

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

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

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

8 § 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the
9 tax law, as amended by section 3 of part I of chapter 60 of the laws of
10 2016, are amended to read as follows:

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

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

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

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

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

37 § 4. This act shall take effect immediately.

38 PART R

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

42 (c) A qualified employer shall be entitled to a tax credit equal to

43 (1) [~~five~~] seven hundred fifty dollars per month for up to six months
44 for each qualified employee the employer employs in a full-time job or
45 [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six
46 months for each qualified employee the employer employs in a part-time
47 job of at least twenty hours per week or ten hours per week when the
48 qualified employee is enrolled in high school full-time, (2) [~~one-thou-~~
49 ~~sand~~] fifteen hundred dollars for each qualified employee who is
50 employed for at least an additional six consecutive months by the quali-
51 fied employer in a full-time job or [~~five~~] seven hundred fifty dollars
52 for each qualified employee who is employed for at least an additional
53 six consecutive months by the qualified employer in a part-time job of
54 at least twenty hours per week or ten hours per week when the qualified

1 employee is enrolled in high school full-time, and (3) an additional
2 [~~one thousand~~] fifteen hundred dollars for each qualified employee who
3 is employed for at least an additional year after the [~~first year of the~~
4 ~~employee's employment~~] completion of the time periods and satisfaction
5 of the conditions set forth in paragraphs one and two of this subdivi-
6 sion by the qualified employer in a full-time job or [~~five~~] seven
7 hundred fifty dollars for each qualified employee who is employed for at
8 least an additional year after the [~~first year of the employee's employ-~~
9 ~~ment~~] completion of the time periods and satisfaction of the conditions
10 set forth in paragraphs one and two of this subdivision by the qualified
11 employer in a part-time job of at least twenty hours per week or ten
12 hours per week when the qualified employee is enrolled in high school
13 full time. The tax credits shall be claimed by the qualified employer as
14 specified in subdivision thirty-six of section two hundred ten-B and
15 subsection (tt) of section six hundred six of the tax law.

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

21 (d) To participate in the program established under this section, an
22 employer must submit an application (in a form prescribed by the commis-
23 sioner) to the commissioner after January first, two thousand twelve but
24 no later than November thirtieth, two thousand twelve for program one,
25 after January first, two thousand fourteen but no later than November
26 thirtieth, two thousand fourteen for program two, after January first,
27 two thousand fifteen but no later than November thirtieth, two thousand
28 fifteen for program three, after January first, two thousand sixteen but
29 no later than November thirtieth, two thousand sixteen for program four,
30 after January first, two thousand seventeen but no later than November
31 thirtieth, two thousand seventeen for program five, after January first,
32 two thousand eighteen but no later than November thirtieth, two thousand
33 eighteen for program six, after January first, two thousand nineteen but
34 no later than November thirtieth, two thousand nineteen for program
35 seven, after January first, two thousand twenty but no later than Novem-
36 ber thirtieth, two thousand twenty for program eight, after January
37 first, two thousand twenty-one but no later than November thirtieth, two
38 thousand twenty-one for program nine, and after January first, two thou-
39 sand twenty-two but no later than November thirtieth, two thousand twen-
40 ty-two for program ten. The qualified employees must start their employ-
41 ment on or after January first, two thousand twelve but no later than
42 December thirty-first, two thousand twelve for program one, on or after
43 January first, two thousand fourteen but no later than December thirty-
44 first, two thousand fourteen for program two, on or after January first,
45 two thousand fifteen but no later than December thirty-first, two thou-
46 sand fifteen for program three, on or after January first, two thousand
47 sixteen but no later than December thirty-first, two thousand sixteen
48 for program four, on or after January first, two thousand seventeen but
49 no later than December thirty-first, two thousand seventeen for program
50 five, on or after January first, two thousand eighteen but no later than
51 December thirty-first, two thousand eighteen for program six, on or
52 after January first, two thousand nineteen but no later than December
53 thirty-first, two thousand nineteen for program seven, on or after Janu-
54 ary first, two thousand twenty but no later than December thirty-first,
55 two thousand twenty for program eight, on or after January first, two
56 thousand twenty-one but no later than December thirty-first, two thou-

1 sand twenty-one for program nine, and on or after January first, two
 2 thousand twenty-two but no later than December thirty-first, two thou-
 3 sand twenty-two for program ten. [~~The commissioner shall establish~~
 4 ~~guidelines and criteria that specify requirements for employers to~~
 5 ~~participate in the program including criteria for certifying qualified~~
 6 ~~employees, ensuring that the process established will minimize any undue~~
 7 ~~delay in issuing the certificate of eligibility. Any regulations that~~
 8 ~~the commissioner determines are necessary may be adopted on an emergency~~
 9 ~~basis notwithstanding anything to the contrary in section two hundred~~
 10 ~~two of the state administrative procedure act. Such requirements may~~
 11 ~~include the types of industries that the employers are engaged in. The~~
 12 ~~commissioner may give preference to employers that are engaged in demand~~
 13 ~~occupations or industries, or in regional growth sectors, including but~~
 14 ~~not limited to those identified by the regional economic development~~
 15 ~~councils, such as clean energy, healthcare, advanced manufacturing and~~
 16 ~~conservation. In addition, the commissioner shall give preference to~~
 17 ~~employers who offer advancement and employee benefit packages to the~~
 18 ~~qualified individuals.] As part of such application, an employer must:~~

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

23 (2) allow the commissioner and its agents and the department of taxa-
 24 tion and finance and its agents access to any and all books and records
 25 of employers the commissioner may require to monitor compliance.

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

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

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

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

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

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

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

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

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

11 (e-2) In determining the amount of credit for purposes of the annual
 12 final certificate of tax credit, the portion of the credit described in
 13 paragraph one of subdivision (c) of this section shall be allowed for
 14 the calendar year in which the wages are paid to the qualified employee,
 15 the portion of the credit described in paragraph two of subdivision (c)
 16 of this section shall be allowed for the calendar year in which the
 17 additional six consecutive month period ends, and the portion of the
 18 credit described in paragraph three of subdivision (c) of this section
 19 shall be allowed for the calendar year in which the additional year of
 20 consecutive employment ends after the completion of the time periods and
 21 satisfaction of the conditions set forth in paragraphs one and two of
 22 subdivision (c) of this section. If the qualified employer's taxable
 23 year is a calendar year, the employer shall be entitled to claim the
 24 credit as calculated on the annual final certificate of tax credit on
 25 the calendar year return for which the annual final certificate of tax
 26 credit was issued. If the qualified employer's taxable year is a fiscal
 27 year, the employer shall be entitled to claim the credit as calculated
 28 on the annual final certificate of tax credit on the return for the
 29 fiscal year that encompasses the date on which the annual final certif-
 30 icate of tax credit is issued.

31 (e-3) The commissioner shall establish guidelines and criteria that
 32 specify requirements for employers to participate in the program includ-
 33 ing criteria for certifying qualified employees, and issuing the prelim-
 34 inary certificate of eligibility and annual final certificate of tax
 35 credit. Such requirements may include the types of industries that the
 36 employers are engaged in. The commissioner may give preference to
 37 employers that are engaged in demand occupations or industries, or in
 38 regional growth sectors, including but not limited to those identified
 39 by the regional economic development councils, such as clean energy,
 40 healthcare, advanced manufacturing and conservation. In addition, the
 41 commissioner shall give preference to employers who offer advancement
 42 and employee benefit packages to the qualified individuals.

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

46 (a) A taxpayer that has been certified by the commissioner of labor as
 47 a qualified employer pursuant to section twenty-five-a of the labor law
 48 shall be allowed a credit against the tax imposed by this article equal
 49 to (i) [~~five~~] seven hundred fifty dollars per month for up to six months
 50 for each qualified employee the employer employs in a full-time job or
 51 [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six
 52 months for each qualified employee the employer employs in a part-time
 53 job of at least twenty hours per week or ten hours per week when the
 54 qualified employee is enrolled in high school full-time, (ii) [~~one thou-~~
 55 ~~sand~~] fifteen hundred dollars for each qualified employee who is
 56 employed for at least an additional six consecutive months by the quali-

1 fied employer in a full-time job or [~~five~~] seven hundred fifty dollars
2 for each qualified employee who is employed for at least an additional
3 six consecutive months by the qualified employer in a part-time job of
4 at least twenty hours per week or ten hours per week when the qualified
5 employee is enrolled in high school full-time, and (iii) an additional
6 [~~one thousand~~] fifteen hundred dollars for each qualified employee who
7 is employed for at least an additional year after the [~~first year of the~~
8 ~~employee's employment~~] completion of the time periods and satisfaction
9 of the conditions set forth in subparagraphs (i) and (ii) of this para-
10 graph by the qualified employer in a full-time job or [~~five~~] seven
11 hundred fifty dollars for each qualified employee who is employed for at
12 least an additional year after the [~~first year of the employee's employ-~~
13 ~~ment~~] completion of the time periods and satisfaction of the conditions
14 set forth in subparagraphs (i) and (ii) of this paragraph by the quali-
15 fied employer in a part-time job of at least twenty hours per week or
16 ten hours per week when the qualified employee is enrolled in high
17 school full-time. For purposes of this subdivision, the term "qualified
18 employee" shall have the same meaning as set forth in subdivision (b) of
19 section twenty-five-a of the labor law. The portion of the credit
20 described in subparagraph (i) of this paragraph shall be allowed for the
21 taxable year in which the wages are paid to the qualified employee, the
22 portion of the credit described in subparagraph (ii) of this paragraph
23 shall be allowed in the taxable year in which the additional six month
24 period ends, and the portion of the credit described in subparagraph
25 (iii) of this paragraph shall be allowed in the taxable year in which
26 the additional year after the first year of employment ends.

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

29 (a) A taxpayer that has been certified by the commissioner of labor as
30 a qualified employer pursuant to section twenty-five-a of the labor law
31 and received an annual final certificate of tax credit from such commis-
32 sioner shall be allowed a credit against the tax imposed by this article
33 equal to [~~(i) seven hundred fifty dollars per month for up to six months~~
34 ~~for each qualified employee the employer employs in a full-time job or~~
35 ~~three hundred seventy five dollars per month for up to six months for~~
36 ~~each qualified employee the employer employs in a part time job of at~~
37 ~~least twenty hours per week or ten hours per week when the qualified~~
38 ~~employee is enrolled in high school full-time, (ii) fifteen hundred~~
39 ~~dollars for each qualified employee who is employed for at least an~~
40 ~~additional six consecutive months by the qualified employer in a full-~~
41 ~~time job or seven hundred fifty dollars for each qualified employee who~~
42 ~~is employed for at least an additional six consecutive months by the~~
43 ~~qualified employer in a part-time job of at least twenty hours per week~~
44 ~~or ten hours per week when the qualified employee is enrolled in high~~
45 ~~school full-time, and (iii) an additional fifteen hundred dollars for~~
46 ~~each qualified employee who is employed for at least an additional year~~
47 ~~after the completion of the time periods and satisfaction of the condi-~~
48 ~~tions set forth in subparagraphs (i) and (ii) of this paragraph by the~~
49 ~~qualified employer in a full-time job or seven hundred fifty dollars for~~
50 ~~each qualified employee who is employed for at least an additional year~~
51 ~~after the completion of the time periods and satisfaction of the condi-~~
52 ~~tions set forth in subparagraphs (i) and (ii) of this paragraph by the~~
53 ~~qualified employer in a part-time job of at least twenty hours per week~~
54 ~~or ten hours per week when the qualified employee is enrolled in high~~
55 ~~school full-time. For purposes of this subdivision, the term "qualified~~
56 ~~employee" shall have the same meaning as set forth in subdivision (b) of~~

~~section twenty five a of the labor law. The portion of the credit described in subparagraph (i) of this paragraph shall be allowed for the taxable year in which the wages are paid to the qualified employee, the portion of the credit described in subparagraph (ii) of this paragraph shall be allowed in the taxable year in which the additional six month period ends, and the portion of the credit described in subparagraph (iii) of this paragraph shall be allowed in the taxable year in which the additional year after the first year of employment ends]~~ the amount listed on the annual final certificate of tax credit issued by the commissioner of labor pursuant to section twenty-five-a of the labor law. 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 subdivision, the term "qualified employee" shall have the same meaning as set forth in subdivision (b) of section twenty-five-a of the labor law.

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

(c) 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 or a partner in a partnership, only the amount of credit earned by the entity and not the amount of credit claimed by the taxpayer may be released.

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

(1) A taxpayer that has been certified by the commissioner of labor as a qualified employer pursuant to section twenty-five-a of the labor law shall be allowed a credit against the tax imposed by this article equal to (A) [~~five~~] seven hundred fifty dollars per month for up to six months for each qualified employee the employer employs in a full-time job or [~~two~~] three hundred [~~fifty~~] seventy-five dollars per month for up to six months for each qualified employee the employer employs in a part-time job of at least twenty hours per week or ten hours per week when the qualified employee is enrolled in high school full-time, and (B) [~~one thousand~~] fifteen hundred dollars for each qualified employee who is employed for at least an additional six consecutive months by the qualified employer in a full-time job or [~~five~~] seven hundred fifty dollars for each qualified employee who is employed for at least an additional six consecutive months by the qualified employer in a part-time job of at least twenty hours per week or ten hours per week when the qualified employee is enrolled in high school full-time, and (C) an additional

1 ~~[one thousand]~~ fifteen hundred dollars for each qualified employee who
2 is employed for at least an additional year after the ~~[first year of the~~
3 ~~employee's employment]~~ completion of the time periods and satisfaction
4 of the conditions set forth in subparagraphs A and B of this subsection
5 by the qualified employer in a full-time job or ~~[five]~~ seven hundred
6 fifty dollars for each qualified employee who is employed for at least
7 an additional year after the ~~[first year of the employee's employment]~~
8 completion of the time periods and satisfaction of the conditions set
9 forth in subparagraphs A and B of this subsection by the qualified
10 employer in a part-time job of at least twenty hours per week or ten
11 hours per week when the qualified employee is enrolled in high school
12 full-time. A taxpayer that is a partner in a partnership, member of a
13 limited liability company or shareholder in an S corporation that has
14 been certified by the commissioner of labor as a qualified employer
15 pursuant to section twenty-five-a of the labor law shall be allowed its
16 pro rata share of the credit earned by the partnership, limited liabil-
17 ity company or S corporation. For purposes of this subsection, the term
18 "qualified employee" shall have the same meaning as set forth in subdi-
19 vision (b) of section twenty-five-a of the labor law. The portion of the
20 credit described in subparagraph (A) of this paragraph shall be allowed
21 for the taxable year in which the wages are paid to the qualified
22 employee, the portion of the credit described in subparagraph (B) of
23 this paragraph shall be allowed in the taxable year in which the addi-
24 tional six month period ends, and the portion of the credit described in
25 subparagraph (C) of this paragraph shall be allowed in the taxable year
26 in which the additional year after the first year of employment ends.

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

29 (1) A taxpayer that has been certified by the commissioner of labor as
30 a qualified employer pursuant to section twenty-five-a of the labor law
31 and received an annual final certificate of tax credit from such commis-
32 sioner shall be allowed a credit against the tax imposed by this article
33 equal to ~~[(A) seven hundred fifty dollars per month for up to six months~~
34 ~~for each qualified employee the employer employs in a full-time job or~~
35 ~~three hundred seventy five dollars per month for up to six months for~~
36 ~~each qualified employee the employer employs in a part time job of at~~
37 ~~least twenty hours per week or ten hours per week when the qualified~~
38 ~~employee is enrolled in high school full-time, and (B) fifteen hundred~~
39 ~~dollars for each qualified employee who is employed for at least an~~
40 ~~additional six consecutive months by the qualified employer in a full-~~
41 ~~time job or seven hundred fifty dollars for each qualified employee who~~
42 ~~is employed for at least an additional six consecutive months by the~~
43 ~~qualified employer in a part-time job of at least twenty hours per week~~
44 ~~or ten hours per week when the qualified employee is enrolled in high~~
45 ~~school full-time, and (C) an additional fifteen hundred dollars for each~~
46 ~~qualified employee who is employed for at least an additional year after~~
47 ~~the completion of the time periods and satisfaction of the conditions~~
48 ~~set forth in subparagraphs A and B of this subsection by the qualified~~
49 ~~employer in a full-time job or seven hundred fifty dollars for each~~
50 ~~qualified employee who is employed for at least an additional year after~~
51 ~~the completion of the time periods and satisfaction of the conditions~~
52 ~~set 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]~~ the amount listed on the annual final certificate of tax
56 credit issued by the commissioner of labor pursuant to section twenty-

1 five-a of the labor law. A taxpayer that is a partner in a partnership,
 2 member of a limited liability company or shareholder in an S corporation
 3 that has [~~been certified by~~] received its annual final certificate of
 4 tax credit from the commissioner of labor as a qualified employer pursu-
 5 ant to section twenty-five-a of the labor law shall be allowed its pro
 6 rata share of the credit earned by the partnership, limited liability
 7 company or S corporation. [~~For purposes of this subsection, the term~~
 8 ~~"qualified employee" shall have the same meaning as set forth in subdivi-~~
 9 ~~vision (b) of section twenty-five-a of the labor law. The portion of the~~
 10 ~~credit described in subparagraph (A) of this paragraph shall be allowed~~
 11 ~~for the taxable year in which the wages are paid to the qualified~~
 12 ~~employee, the portion of the credit described in subparagraph (B) of~~
 13 ~~this paragraph shall be allowed in the taxable year in which the addi-~~
 14 ~~tional six month period ends, and the portion of the credit described in~~
 15 ~~subparagraph (C) of this paragraph shall be allowed in the taxable year~~
 16 ~~in which the additional year after the first year of employment ends.]
 17 If the qualified employer's taxable year is a calendar year, the employ-
 18 er shall be entitled to claim the credit as calculated on the annual
 19 final certificate of tax credit on the calendar year return for which
 20 the annual final certificate of tax credit was issued. If the qualified
 21 employer's taxable year is a fiscal year, the employer shall be entitled
 22 to claim the credit as calculated on the annual final certificate of tax
 23 credit on the return for the fiscal year that encompasses the date on
 24 which the annual final certificate of tax credit is issued. For the
 25 purposes of this subsection, the term "qualified employee" shall have
 26 the same meaning as set forth in subdivision (b) of section
 27 twenty-five-a of the labor law.~~

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

31 (3) The taxpayer [~~may~~] shall be required to attach to its tax return
 32 its annual final certificate of [~~eligibility~~] tax credit issued by the
 33 commissioner of labor pursuant to section twenty-five-a of the labor
 34 law. In no event shall the taxpayer be allowed a credit greater than the
 35 amount of the credit listed on the annual final certificate of [~~eligi-~~
 36 ~~bility~~] tax credit. Notwithstanding any provision of this chapter to the
 37 contrary, the commissioner and the commissioner's designees may release
 38 the names and addresses of any taxpayer claiming this credit and the
 39 amount of the credit earned by the taxpayer. Provided, however, if a
 40 taxpayer claims this credit because it is a member of a limited liabil-
 41 ity company, a partner in a partnership, or a shareholder in a subchap-
 42 ter S corporation, only the amount of credit earned by the entity and
 43 not the amount of credit claimed by the taxpayer may be released.

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

51 PART S

52 Intentionally Omitted

53 PART T

1 Intentionally Omitted

2 PART U

3 Intentionally Omitted

4 PART V

5 Intentionally Omitted

6 PART W

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

9 (f) (1) Services rendered by a veterinarian licensed and registered as
10 required by the education law which constitute the practice of veteri-
11 nary medicine as defined in said law, including hospitalization for
12 which no separate boarding charge is made, shall not be subject to tax
13 under paragraph (3) of subdivision (c) of section eleven hundred five,
14 but the exemption allowed by this subdivision shall not apply to other
15 services provided by a veterinarian to pets and other animals, includ-
16 ing, but not limited to, boarding, grooming and clipping. Articles of
17 tangible personal property designed for use in some manner relating to
18 domestic animals or poultry, when sold by such a veterinarian, shall not
19 be subject to tax under subdivision (a) of section eleven hundred five
20 or under section eleven hundred ten. However, the sale of any such arti-
21 cles of tangible personal property to a veterinarian shall not be deemed
22 a sale for resale within the meaning of [~~parargraph~~ paragraph] (4) of
23 subdivision (b) of section eleven hundred one and shall not be exempt
24 from retail sales tax.

25 (2) Drugs or medicine sold to or used by a veterinarian for use in
26 rendering services that are exempt pursuant to paragraph one of this
27 subdivision to livestock or poultry used in the production for sale of
28 tangible personal property by farming, or sold to a person qualifying
29 for the exemption provided for in paragraph six of subdivision (a) of
30 this section for use by such person on such livestock or poultry.

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

35 (a) Subject to the conditions and limitations provided for herein, a
36 refund or credit shall be allowed for a tax paid pursuant to subdivision
37 (a) of section eleven hundred five or section eleven hundred ten (1) on
38 the sale or use of tangible personal property if the purchaser or user,
39 in the performance of a contract, later incorporates that tangible
40 personal property into real property located outside this state, (2) on
41 the sale or use of tangible personal property purchased in bulk, or any
42 portion thereof, which is stored and not used by the purchaser or user
43 within this state if that property is subsequently reshipped by such
44 purchaser or user to a point outside this state for use outside this
45 state, (3) on the sale to or use by a contractor or subcontractor of
46 tangible personal property if that property is used by him solely in the
47 performance of a pre-existing lump sum or unit price construction
48 contract, (4) on the sale or use within this state of tangible personal
49 property, not purchased for resale, if the use of such property in this
50 state is restricted to fabricating such property (including incorporat-

1 ing it into or assembling it with other tangible personal property),
2 processing, printing or imprinting such property and such property is
3 then shipped to a point outside this state for use outside this state,
4 [~~(5) on the sale to or use by a veterinarian of drugs or medicine if~~
5 ~~such drugs or medicine are used by such veterinarian in rendering~~
6 ~~services, which are exempt pursuant to subdivision (f) of section eleven~~
7 ~~hundred fifteen of this chapter, to livestock or poultry used in the~~
8 ~~production for sale of tangible personal property by farming or if such~~
9 ~~drugs or medicine are sold to a person qualifying for the exemption~~
10 ~~provided for in paragraph (6) of subdivision (a) of section eleven~~
11 ~~hundred fifteen of this chapter for use by such person on such livestock~~
12 ~~or poultry,~~] or (6) on the sale of tangible personal property purchased
13 for use in constructing, expanding or rehabilitating industrial or
14 commercial real property (other than property used or to be used exclu-
15 sively by one or more registered vendors primarily engaged in the retail
16 sale of tangible personal property) located in an area designated as an
17 empire zone pursuant to article eighteen-B of the general municipal law,
18 but only to the extent that such property becomes an integral component
19 part of the real property. (For the purpose of clause (3) of the preced-
20 ing sentence, the term "pre-existing lump sum or unit price construction
21 contract" shall mean a contract for the construction of improvements to
22 real property under which the amount payable to the contractor or
23 subcontractor is fixed without regard to the costs incurred by him in
24 the performance thereof, and which (i) was irrevocably entered into
25 prior to the date of the enactment of this article or the enactment of a
26 law increasing the rate of tax imposed under this article, or (ii)
27 resulted from the acceptance by a governmental agency of a bid accompa-
28 nied by a bond or other performance guaranty which was irrevocably
29 submitted prior to such date.) Where the tax on the sale or use of such
30 tangible personal property has been paid to the vendor, to qualify for
31 such refund or credit, such tangible personal property must be incorpo-
32 rated into real property as required in clause (1) above, reshipped as
33 required in clause (2) above, used in the manner described in clauses
34 (3), (4)[~~(5)~~] and (6) above within three years after the date such tax
35 was payable to the tax commission by the vendor pursuant to section
36 eleven hundred thirty-seven. Where the tax on the sale or use of such
37 tangible personal property was paid by the applicant for the credit or
38 refund directly to the tax commission, to qualify for such refund or
39 credit, such tangible personal property must be incorporated into real
40 property as required in clause (1) above, reshipped as required in
41 clause (2) above, used in the manner described in clauses (3), (4)[~~(5)~~
42 ~~(5)~~] and (6) above within three years after the date such tax was paya-
43 ble to the tax commission by such applicant pursuant to this article. An
44 application for a refund or credit pursuant to this section must be
45 filed with such commission within the time provided by subdivision (a)
46 of section eleven hundred thirty-nine. Such application shall be in such
47 form as the tax commission may prescribe. Where an application for cred-
48 it has been filed, the applicant may immediately take such credit on the
49 return which is due coincident with or immediately subsequent to the
50 time that he files his application for credit. However, the taking of
51 the credit on the return shall be deemed to be part of the application
52 for credit and shall be subject to the provisions in respect to applica-
53 tions for credit in section eleven hundred thirty-nine as provided in
54 subdivision (e) of such section. With respect to a sale or use described
55 in clause (3) above where a pre-existing lump sum or unit price
56 construction contract was irrevocably entered into prior to the date of

1 the enactment of this article or the bid accompanied by the performance
2 guaranty was irrevocably submitted to the governmental agency prior to
3 such date, the purchaser or user shall be entitled to a refund or credit
4 only of the amount by which the tax on such sale or use imposed under
5 this article plus any tax imposed under the authority of article twenty-
6 ty-nine exceeds the amount computed by applying against such sale or use
7 the local rate of tax, if any, in effect at the time such contract was
8 entered into or such bid was submitted.

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

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

18

PART X

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

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

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

41 (a) (1) Except as otherwise provided in paragraph two of this subdivi-
42 sion and in section eleven hundred thirty-seven of this part, every
43 person required to collect any tax imposed by this article shall be
44 personally liable for the tax imposed, collected or required to be
45 collected under this article. Any such person shall have the same right
46 in respect to collecting the tax from his customer or in respect to
47 nonpayment of the tax by the customer as if the tax were a part of the
48 purchase price of the property or service, amusement charge or rent, as
49 the case may be, and payable at the same time; provided, however, that
50 the tax commission shall be joined as a party in any action or proceed-
51 ing brought to collect the tax.

52 (2) Notwithstanding any other provision of this article: (i) The
53 commissioner shall grant the relief described in subparagraph (iii) of
54 this paragraph to a limited partner of a limited partnership (but not a

1 partner of a limited liability partnership) or a member of a limited
2 liability company if such limited partner or member demonstrates to the
3 satisfaction of the commissioner that such limited partner's or member's
4 ownership interest and the percentage of the distributive share of the
5 profits and losses of such limited partnership or limited liability
6 company are each less than fifty percent, and such limited partner or
7 member was not under a duty to act for such limited partnership or
8 limited liability company in complying with any requirement of this
9 article. Provided, however, the commissioner may deny an application for
10 relief to any such limited partner or member who the commissioner finds
11 has acted on behalf of such limited partnership or limited liability
12 company in complying with any requirement of this article or has been
13 convicted of a crime provided in this chapter or who has a past-due
14 liability, as such term is defined in section one hundred seventy-one-v
15 of this chapter.

16 (ii) Such limited partner or member must submit an application for
17 relief, on a form prescribed by the commissioner, and the information
18 provided in such application must be true and complete in all material
19 respects. Providing materially false or fraudulent information on such
20 application shall disqualify such limited partner or member for the
21 relief described in subparagraph (iii) of this paragraph, shall void any
22 agreement with the commissioner with respect to such relief, and shall
23 result in such limited partner or member bearing strict liability for
24 the total amount of tax, interest and penalty owed by their respective
25 limited partnership or limited liability company pursuant to this subdivi-
26 sion.

27 (iii) A limited partner of a limited partnership or member of a limit-
28 ed liability company, who meets the requirements set forth in this para-
29 graph and whose application for relief is approved by the commissioner,
30 shall be liable for the percentage of the original sales and use tax
31 liability of their respective limited partnership or limited liability
32 company that reflects such limited partner's or member's ownership
33 interest of distributive share of the profits and losses of such limited
34 partnership or limited liability company, whichever is higher. Such
35 original liability shall include any interest accrued thereon up to and
36 including the date of payment by such limited partner or member at the
37 underpayment rate set by the commissioner pursuant to section eleven
38 hundred forty-two of this part, and shall be reduced by the sum of any
39 payments made by (A) the limited partnership or limited liability compa-
40 ny; (B) any person required to collect tax not eligible for relief; and
41 (C) any person required to collect tax who was eligible for relief but
42 had not been approved for relief by the commissioner at the time such
43 payment was made. Provided, however, such limited partner or member
44 shall not be liable for any penalty owed by such limited partnership or
45 limited liability company or any other partner or member of such limited
46 partnership or limited liability company. Any payment made by a limited
47 partner or member pursuant to the provisions of this paragraph shall not
48 be credited against the liability of other limited partners or members
49 of their respective limited partnership or limited liability company who
50 are eligible for the same relief; provided, however that the sum of the
51 amounts owed by all of the persons required to collect tax of a limited
52 partnership or limited liability company shall not exceed the total
53 liability of such limited partnership or limited liability company.

54 § 3. This act shall take effect immediately.

1 Intentionally Omitted

2 PART Z

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

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

15 § 2. Section 2 of subpart Z of part A of chapter 61 of the laws of
16 2017, amending the tax law relating to the imposition of sales and
17 compensating use taxes by the county of Monroe, is amended to read as
18 follows:

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

1 shall have the same meaning as used in subdivision (b) of section 1262
2 of the tax law.

3 § 3. Section 3 of subpart EE of part A of chapter 61 of the laws of
4 2017, amending the tax law relating to extending the authorization of
5 the county of Onondaga to impose an additional rate of sales and compen-
6 sating use taxes, is amended to read as follows:

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

18 § 4. Section 2 of subpart GG of part A of chapter 61 of the laws of
19 2017, amending the tax law relating to extending the authority of the
20 county of Orange to impose an additional rate of sales and compensating
21 use taxes, is amended to read as follows:

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

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

33 PART AA

34 Intentionally Omitted

35 PART BB

36 Intentionally Omitted

37 PART CC

38 Intentionally Omitted

39 PART DD

40 Intentionally Omitted

41 PART EE

42 Section 1. Subdivision 1 of section 208 of the racing, pari-mutuel
43 wagering and breeding law, as amended by chapter 140 of the laws of
44 2008, is amended to read as follows:

45 1. In consideration of the franchise and in accordance with its fran-
46 chise agreement, the franchised corporation shall remit to the state,

1 each year, no later than April fifth, a franchise fee payment. The fran-
2 chise fee shall be calculated and equal to the lesser of paragraph (a)
3 or (b) of this subdivision as follows: (a) adjusted net income, includ-
4 ing all sources of audited generally accepted accounting principles net
5 income as of December thirty-first (i) plus the amount of depreciation
6 and amortization for such year as set forth on the statement of cash
7 flows (ii) less the amount received by the franchised corporation for
8 capital expenditures and (iii) less principal payments made for the
9 repayment of debt; or (b) operating cash which is defined as cash avail-
10 able on December thirty-first (i) which excludes all restricted cash
11 accounts, segregated accounts as per audited financial statements and
12 cash on hand needed to fund the on-track pari-mutuel operations through
13 the vault, (ii) less [~~forty-five~~ three hundred sixty-five days of oper-
14 ating expenses pursuant to generally accepted accounting principles
15 which shall be an average calculated by dividing the current year's
16 annual budget by the number of days in such year and multiplying that
17 number by [~~forty-five~~ three hundred sixty-five.

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

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

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

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

55 § 3. An advisory committee shall be established by the governor
56 comprised of individuals with demonstrated interest in the performance

1 of thoroughbred and standardbred race horses to review the present
2 structure, operations and funding of equine drug testing and research
3 conducted pursuant to article nine of the racing, pari-mutuel wagering
4 and breeding law. At a minimum, the advisory committee established
5 pursuant to this section shall include among its membership: the presi-
6 dent or executive director of a horsemen's organization representing at
7 least fifty-one percent of the owners and trainers utilizing the facili-
8 ties of the franchised corporation; the president or executive director
9 of the statewide thoroughbred breeders association representing the
10 majority of breeders of registered thoroughbreds in New York state; the
11 president or executive director of a horsemen's organization represent-
12 ing at least fifty-one percent of the owners and trainers utilizing a
13 facility licensed to conduct racing pursuant to article three of the
14 racing, pari-mutuel wagering and breeding law; the president or execu-
15 tive director of the statewide Standardbred breeders association repres-
16 enting the majority of breeders of registered Standardbreds in New York
17 state; a representative of the franchised corporation established pursu-
18 ant to section two hundred six of the racing, pari-mutuel wagering and
19 breeding law; a representative of a corporation licensed to conduct
20 racing pursuant to article two of the racing, pari-mutuel wagering and
21 breeding law that is not a franchised corporation; two representatives
22 from separate corporations licensed to conduct racing pursuant to arti-
23 cle three of the racing, pari-mutuel wagering and breeding law; and a
24 representative from a state college within this state with an approved
25 equine science program. Recommendations shall be delivered to the
26 temporary president of the Senate, speaker of the Assembly and Governor
27 by December 1, 2018 regarding the future of such research, testing and
28 funding. Members of the board shall not be considered policymakers.

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

40

PART FF

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

44 h. An amount as shall be determined by the fund, but not in excess of
45 three percent, to support and promote the ongoing care of retired New
46 York-bred horses in a manner that is consistent with rules adopted by
47 the fund, provided, however, that the fund shall not be required to make
48 any allocation for such purposes.

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

52 j. An amount as shall be determined by the fund, but not in excess of
53 three percent, to support and promote the ongoing care of retired New
54 York-bred horses in a manner that is consistent with rules adopted by

1 the fund, provided, however, that the fund shall not be required to make
2 any allocation for such purposes.

3 § 3. This act shall take effect immediately.

4 PART GG

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

9 (a) Any racing association or corporation or regional off-track
10 betting corporation, authorized to conduct pari-mutuel wagering under
11 this chapter, desiring to display the simulcast of horse races on which
12 pari-mutuel betting shall be permitted in the manner and subject to the
13 conditions provided for in this article may apply to the commission for
14 a license so to do. Applications for licenses shall be in such form as
15 may be prescribed by the commission and shall contain such information
16 or other material or evidence as the commission may require. No license
17 shall be issued by the commission authorizing the simulcast transmission
18 of thoroughbred races from a track located in Suffolk county. The fee
19 for such licenses shall be five hundred dollars per simulcast facility
20 and for account wagering licensees that do not operate either a simul-
21 cast facility that is open to the public within the state of New York or
22 a licensed racetrack within the state, twenty thousand dollars per year
23 payable by the licensee to the commission for deposit into the general
24 fund. Except as provided in this section, the commission shall not
25 approve any application to conduct simulcasting into individual or group
26 residences, homes or other areas for the purposes of or in connection
27 with pari-mutuel wagering. The commission may approve simulcasting into
28 residences, homes or other areas to be conducted jointly by one or more
29 regional off-track betting corporations and one or more of the follow-
30 ing: a franchised corporation, thoroughbred racing corporation or a
31 harness racing corporation or association; provided (i) the simulcasting
32 consists only of those races on which pari-mutuel betting is authorized
33 by this chapter at one or more simulcast facilities for each of the
34 contracting off-track betting corporations which shall include wagers
35 made in accordance with section one thousand fifteen, one thousand
36 sixteen and one thousand seventeen of this article; provided further
37 that the contract provisions or other simulcast arrangements for such
38 simulcast facility shall be no less favorable than those in effect on
39 January first, two thousand five; (ii) that each off-track betting
40 corporation having within its geographic boundaries such residences,
41 homes or other areas technically capable of receiving the simulcast
42 signal shall be a contracting party; (iii) the distribution of revenues
43 shall be subject to contractual agreement of the parties except that
44 statutory payments to non-contracting parties, if any, may not be
45 reduced; provided, however, that nothing herein to the contrary shall
46 prevent a track from televising its races on an irregular basis primari-
47 ly for promotional or marketing purposes as found by the commission. For
48 purposes of this paragraph, the provisions of section one thousand thir-
49 teen of this article shall not apply. Any agreement authorizing an
50 in-home simulcasting experiment commencing prior to May fifteenth, nine-
51 teen hundred ninety-five, may, and all its terms, be extended until June
52 thirtieth, two thousand [~~eighteen~~ **nineteen**]; provided, however, that any
53 party to such agreement may elect to terminate such agreement upon
54 conveying written notice to all other parties of such agreement at least

1 forty-five days prior to the effective date of the termination, via
2 registered mail. Any party to an agreement receiving such notice of an
3 intent to terminate, may request the commission to mediate between the
4 parties new terms and conditions in a replacement agreement between the
5 parties as will permit continuation of an in-home experiment until June
6 thirtieth, two thousand [~~eighteen~~] nineteen; and (iv) no in-home simul-
7 casting in the thoroughbred special betting district shall occur without
8 the approval of the regional thoroughbred track.

9 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
10 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
11 section 2 of part 00 of chapter 59 of the laws of 2017, is amended to
12 read as follows:

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

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

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

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

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

55 § 5. The opening paragraph of subdivision 1 of section 1016 of the
56 racing, pari-mutuel wagering and breeding law, as amended by section 5

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

3 The provisions of this section shall govern the simulcasting of races
4 conducted at thoroughbred tracks located in another state or country on
5 any day during which a franchised corporation is not conducting a race
6 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
7 thirtieth, two thousand [~~eighteen~~] **nineteen**. Every off-track betting
8 corporation branch office and every simulcasting facility licensed in
9 accordance with section one thousand seven that have entered into a
10 written agreement with such facility's representative horsemen's organ-
11 ization as approved by the commission, one thousand eight or one thou-
12 sand nine of this article shall be authorized to accept wagers and
13 display the live full-card simulcast signal of thoroughbred tracks
14 (which may include quarter horse or mixed meetings provided that all
15 such wagering on such races shall be construed to be thoroughbred races)
16 located in another state or foreign country, subject to the following
17 provisions; provided, however, no such written agreement shall be
18 required of a franchised corporation licensed in accordance with section
19 one thousand seven of this article:

20 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
21 wagering and breeding law, as amended by section 6 of part 00 of chapter
22 59 of the laws of 2017, is amended to read as follows:

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

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

42 § 32. This act shall take effect immediately and the pari-mutuel tax
43 reductions in section six of this act shall expire and be deemed
44 repealed on July 1, [~~2018~~] **2019**; provided, however, that nothing
45 contained herein shall be deemed to affect the application, qualifica-
46 tion, expiration, or repeal of any provision of law amended by any
47 section of this act, and such provisions shall be applied or qualified
48 or shall expire or be deemed repealed in the same manner, to the same
49 extent and on the same date as the case may be as otherwise provided by
50 law; provided further, however, that sections twenty-three and twenty-
51 five of this act shall remain in full force and effect only until May 1,
52 1997 and at such time shall be deemed to be repealed.

53 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
54 racing, pari-mutuel wagering and breeding law and other laws relating to
55 simulcasting and the imposition of certain taxes, as amended by section

1 8 of part 00 of chapter 59 of the laws of 2017, is amended to read as
2 follows:

3 § 54. This act shall take effect immediately; provided, however,
4 sections three through twelve of this act shall take effect on January
5 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
6 ing law, as added by section thirty-eight of this act, shall expire and
7 be deemed repealed on July 1, ~~2018~~ 2019; and section eighteen of this
8 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
9 two of this act shall take effect as of the same date as chapter 772 of
10 the laws of 1989 took effect.

11 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
12 pari-mutuel wagering and breeding law, as amended by section 9 of part
13 00 of chapter 59 of the laws of 2017, is amended to read as follows:

14 (a) The franchised corporation authorized under this chapter to
15 conduct pari-mutuel betting at a race meeting or races run thereat shall
16 distribute all sums deposited in any pari-mutuel pool to the holders of
17 winning tickets therein, provided such tickets be presented for payment
18 before April first of the year following the year of their purchase,
19 less an amount which shall be established and retained by such fran-
20 chised corporation of between twelve to seventeen per centum of the
21 total deposits in pools resulting from on-track regular bets, and four-
22 teen to twenty-one per centum of the total deposits in pools resulting
23 from on-track multiple bets and fifteen to twenty-five per centum of the
24 total deposits in pools resulting from on-track exotic bets and fifteen
25 to thirty-six per centum of the total deposits in pools resulting from
26 on-track super exotic bets, plus the breaks. The retention rate to be
27 established is subject to the prior approval of the gaming commission.
28 Such rate may not be changed more than once per calendar quarter to be
29 effective on the first day of the calendar quarter. "Exotic bets" and
30 "multiple bets" shall have the meanings set forth in section five
31 hundred nineteen of this chapter. "Super exotic bets" shall have the
32 meaning set forth in section three hundred one of this chapter. For
33 purposes of this section, a "pick six bet" shall mean a single bet or
34 wager on the outcomes of six races. The breaks are hereby defined as the
35 odd cents over any multiple of five for payoffs greater than one dollar
36 five cents but less than five dollars, over any multiple of ten for
37 payoffs greater than five dollars but less than twenty-five dollars,
38 over any multiple of twenty-five for payoffs greater than twenty-five
39 dollars but less than two hundred fifty dollars, or over any multiple of
40 fifty for payoffs over two hundred fifty dollars. Out of the amount so
41 retained there shall be paid by such franchised corporation to the
42 commissioner of taxation and finance, as a reasonable tax by the state
43 for the privilege of conducting pari-mutuel betting on the races run at
44 the race meetings held by such franchised corporation, the following
45 percentages of the total pool for regular and multiple bets five per
46 centum of regular bets and four per centum of multiple bets plus twenty
47 per centum of the breaks; for exotic wagers seven and one-half per
48 centum plus twenty per centum of the breaks, and for super exotic bets
49 seven and one-half per centum plus fifty per centum of the breaks. For
50 the period June first, nineteen hundred ninety-five through September
51 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be
52 three per centum and such tax on multiple wagers shall be two and one-
53 half per centum, plus twenty per centum of the breaks. For the period
54 September tenth, nineteen hundred ninety-nine through March thirty-
55 first, two thousand one, such tax on all wagers shall be two and six-
56 tenths per centum and for the period April first, two thousand one

1 through December thirty-first, two thousand [~~eighteen~~] nineteen, such
2 tax on all wagers shall be one and six-tenths per centum, plus, in each
3 such period, twenty per centum of the breaks. Payment to the New York
4 state thoroughbred breeding and development fund by such franchised
5 corporation shall be one-half of one per centum of total daily on-track
6 pari-mutuel pools resulting from regular, multiple and exotic bets and
7 three per centum of super exotic bets provided, however, that for the
8 period September tenth, nineteen hundred ninety-nine through March thir-
9 ty-first, two thousand one, such payment shall be six-tenths of one per
10 centum of regular, multiple and exotic pools and for the period April
11 first, two thousand one through December thirty-first, two thousand
12 [~~eighteen~~] nineteen, such payment shall be seven-tenths of one per
13 centum of such pools.

14 § 10. This act shall take effect immediately.

15 PART HH

16 Intentionally Omitted

17 PART II

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

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

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

30 (B) when a vendor track is located within development zone two as
31 defined by section thirteen hundred ten of the racing, pari-mutuel
32 wagering and breeding law, at a rate of forty-three and one-half percent
33 of the total revenue wagered at the vendor track after payout for prizes
34 pursuant to this chapter; provided, however, at a vendor track located
35 within fifteen miles of a destination resort gaming facility authorized
36 pursuant to article thirteen of the racing, pari-mutuel wagering and
37 breeding law shall receive a vendor fee at a rate of fifty-one percent
38 of the total revenue wagered at the vendor track after payout for prizes
39 pursuant to this chapter; and that at a vendor track located within
40 forty miles of a Native American class III gaming facility as defined in
41 25 U.S.C. § 2703 (8) shall receive a vendor fee at a rate of fifty-six
42 percent of the total revenue wagered at the vendor track after payout
43 for prizes pursuant to this chapter;

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

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

7 (E) notwithstanding any provision of law to the contrary, when a
8 vendor track is located within region one or two of development zone
9 two, as such zone is defined in section thirteen hundred ten of the
10 racing, pari-mutuel wagering and breeding law, or is located within
11 region six of such development zone two and is located within Ontario
12 county, such vendor track shall be entitled to receive an additional
13 commission. The additional commission received by the vendor track
14 shall be calculated pursuant to subclause (I) of this clause.

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

24 (II) The additional commission paid pursuant to this subparagraph
25 shall be paid to a vendor track no later than sixty days after the close
26 of the fiscal year. The additional commission authorized by this clause
27 shall only be applied to revenue wagered at a vendor track while a
28 gaming facility in the same region as that vendor track is open and
29 operating pursuant to an operation certificate issued pursuant to
30 section thirteen hundred thirty-one of the racing, pari-mutuel wagering
31 and breeding law.

32 (F) notwithstanding any provision of law to the contrary, when a
33 vendor track is located within forty miles of a Native American class
34 III gaming facility as defined in 25 U.S.C. § 2703 (8), such vendor
35 track shall be entitled to receive an additional hold harmless commis-
36 sion. The additional hold harmless commission received by the vendor
37 track shall be calculated pursuant to subclause (I) of this clause.

38 (I) The additional hold harmless commission payable for any fiscal
39 year shall be an amount equal to the base vendor commission less the
40 current vendor fee. The base vendor commission is calculated by adding
41 together the vendor fee, marketing allowance, and vendor capital award,
42 that the facility received during the twelve-month period immediately
43 preceding June first, two thousand fifteen. For the purposes of this
44 calculation, a vendor fee shall exclude any distributions required by
45 paragraph two of this subdivision.

46 (II) The additional hold harmless commission paid pursuant to this
47 subparagraph shall be paid to a vendor track no later than sixty days
48 after the close of the fiscal year. The additional hold harmless commis-
49 sion authorized by this clause shall only be applied to revenue wagered
50 on and after April first, two thousand eighteen at a vendor track while
51 the Native American class III gaming facility as defined in 25 U.S.C. §
52 2703 (8) within forty miles of that vendor track is open and operating.

53 (G) notwithstanding any provision of law to the contrary, any opera-
54 tors of a vendor track or the operators of any other video lottery
55 gaming facility eligible to receive a capital award as of December thir-
56 ty-first, two thousand seventeen shall deposit from their vendor fee

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

46 (H) Notwithstanding any provision of law to the contrary, free play
47 allowance credits authorized by the division pursuant to subdivision f
48 of section sixteen hundred seventeen-a of this article shall not be
49 included in the calculation of the total amount wagered on video lottery
50 games, the total amount wagered after payout of prizes, the vendor fees
51 payable to the operators of video lottery gaming facilities, fees paya-
52 ble to the division's video lottery gaming equipment contractors, or
53 racing support payments.

54 (I) Notwithstanding any provision of law to the contrary, the operator
55 of a vendor track or the operator of any other video lottery gaming
56 facility shall fund a marketing and promotion program out of the

1 vendor's fee. Each operator shall submit an annual marketing plan for
2 the review and approval of the commission and any other required docu-
3 ments detailing promotional activities as prescribed by the commission.
4 The commission shall have the right to reject any advertisement or
5 promotion that does not properly represent the mission or interests of
6 the lottery or its programs.

7 (J) Notwithstanding clause (G) of this subparagraph, the commission
8 shall be able to authorize a vendor track located within Oneida county,
9 within fifteen miles of a Native American class III gaming facility, and
10 who has maintained at least ninety percent of full-time equivalent
11 employees as they employed in the year two thousand sixteen, to withdraw
12 funds from the segregated account established in clause (G) of this
13 subparagraph up to an amount equal to four percent of the total revenue
14 wagered at the vendor track after payout for prizes pursuant to this
15 chapter each year, for operations.

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

20 PART JJ

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

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

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

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

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

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

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

48 (B) The term "applicable alimony or separate maintenance payments"
49 means payments made under an alimony or separation instrument (as
50 defined in section seventy-one of the internal revenue code in effect
51 immediately prior to the enactment of Public Law 115-97) that was
52 executed after December thirty-first, two thousand eighteen, and any
53 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 (x) 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 sections
13 one hundred thirty-two and section two hundred seventeen, respectfully,
14 of the internal revenue code immediately prior to the enactment of
15 Public Law 115-97.

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

19 (a) General. If federal taxable income of a resident individual is
20 determined by itemizing deductions or claiming the federal standard
21 deduction from his or her federal adjusted gross income, he or she may
22 elect to deduct his or her New York itemized deduction [~~in lieu of~~] or
23 claim his or her New York standard deduction. The New York itemized
24 deduction of a resident individual means the total amount of his or her
25 deductions from federal adjusted gross income allowed, other than feder-
26 al deductions for personal exemptions, as provided in the laws of the
27 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
30 subsections (f) and (g) of this section.

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

34 (a) Unmarried individual. For taxable years beginning after nineteen
35 hundred ninety-six, the city standard deduction of a city resident indi-
36 vidual who is not married nor the head of a household nor a surviving
37 spouse nor an individual [~~whose federal exemption amount is zero~~] who is
38 claimed as a dependent by another New York state taxpayer shall be seven
39 thousand five hundred dollars; for taxable years beginning in nineteen
40 hundred ninety-six, such standard deduction shall be seven thousand four
41 hundred dollars; for taxable years beginning in nineteen hundred nine-
42 ty-five, such standard deduction shall be six thousand six hundred
43 dollars; and for taxable years beginning after nineteen hundred eighty-
44 nine and before nineteen hundred ninety-five, such standard deduction
45 shall be six thousand dollars.

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

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

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

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

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

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

12 (v) Qualified moving expense reimbursement and moving expenses. (1) In
 13 the case of applicable qualified moving expense reimbursement and moving
 14 expenses, the following modifications shall apply:

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

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

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

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

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

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

42 PART KK

43 Section 1. Paragraph (b) of subdivision 6-a of section 208 of the tax
 44 law, as amended by section 5-a of part T of chapter 59 of the laws of
 45 2015, is amended to read as follows:

46 (b) "Exempt CFC income" means (i) except with respect to any income
 47 defined in subparagraphs (ii) and (iii) of this paragraph, the income
 48 required to be included in the taxpayer's federal gross income pursuant
 49 to subsection (a) of section 951 of the internal revenue code, received
 50 from a corporation that is conducting a unitary business with the
 51 taxpayer but is not included in a combined report with the taxpayer, and
 52 (ii) notwithstanding the provisions of paragraph (a) of subdivision six
 53 of this section, the income required to be included in the taxpayer's
 54 federal gross income pursuant to subsection (a) of such section 951 of

1 the internal revenue code by reason of subsection (a) of section 965 of
2 the internal revenue code, as adjusted by subsection (b) of section 965
3 of the internal revenue code, and without regard to subsection (c) of
4 such section, received from a corporation that is not included in a
5 combined report with the taxpayer, less, and (iii) notwithstanding the
6 provisions of paragraph (a) of subdivision six of this section, the
7 income required to be included in the taxpayer's federal gross income
8 pursuant to subsection (a) of section 951 of the internal revenue code,
9 without regard to the deduction under section 250 of the internal reven-
10 ue code, generated by a corporation that is not included in a combined
11 report with the taxpayer, less, in the discretion of the commissioner,
12 any interest deductions directly or indirectly attributable to that
13 income. In lieu of subtracting from its exempt CFC income the amount of
14 those interest deductions, the taxpayer may make a revocable election to
15 reduce its total exempt CFC income by forty percent. If the taxpayer
16 makes this election, the taxpayer must also make the elections provided
17 for in paragraph (b) of subdivision six of this section and paragraph
18 (c) of this subdivision. If the taxpayer subsequently revokes this
19 election, the taxpayer must revoke the elections provided for in para-
20 graph (b) of subdivision six of this section and paragraph (c) of this
21 subdivision. A taxpayer which does not make this election because it has
22 no exempt CFC income will not be precluded from making those other
23 elections.

24 § 1-a. Paragraph (b) of subdivision 5-a of section 11-652 of the
25 administrative code of the city of New York, as added by section 1 of
26 part D of chapter 60 of the laws of 2015, is amended to read as follows:

27 (b) "Exempt CFC income" means (i) except with respect to any income
28 defined in subparagraphs (ii) and (iii) of this paragraph, the income
29 required to be included in the taxpayer's federal gross income pursuant
30 to subsection (a) of section nine hundred fifty-one of the internal
31 revenue code, received from a corporation that is conducting a unitary
32 business with the taxpayer but is not included in a combined report with
33 the taxpayer, (ii) notwithstanding the provisions of paragraph (a) of
34 subdivision six of section two hundred eight of the tax law, the income
35 required to be included in the taxpayer's federal gross income pursuant
36 to subsection (a) of section 951 of the internal revenue code by reason
37 of subsection (a) of section 965 of the internal revenue code, as
38 adjusted by subsection (b) of section 965 of the internal revenue code,
39 and without regard to subsection (c) of such section, received from a
40 corporation that is not included in a combined report with the taxpayer,
41 and (iii) notwithstanding the provisions of paragraph (a) of subdivision
42 six of section two hundred eight of the tax law, the income required to
43 be included in the taxpayer's federal gross income pursuant to
44 subsection (a) of section 951 of the internal revenue code, without
45 regard to the deduction under section 250 of the internal revenue code,
46 generated by a corporation that is not included in a combined report
47 with the taxpayer, less, (iv) in the discretion of the commissioner of
48 finance, any interest deductions directly or indirectly attributable to
49 that income. In lieu of subtracting from its exempt CFC income the
50 amount of those interest deductions, the taxpayer may make a revocable
51 election to reduce its total exempt CFC income by forty percent. If the
52 taxpayer makes this election, the taxpayer must also make the elections
53 provided for in paragraph (b) of subdivision five of this section and
54 paragraph (c) of this subdivision. If the taxpayer subsequently revokes
55 this election, the taxpayer must revoke the elections provided for in
56 paragraph (b) of subdivision five of this section and paragraph (c) of

1 this subdivision. A taxpayer which does not make this election because
2 it has no exempt CFC income will not be precluded from making those
3 other elections.

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

7 (6) any amount treated as dividends pursuant to section seventy-eight
8 of the internal revenue code to the extent that such dividends are not
9 deducted under subparagraph (B)(ii) of paragraph (1) of subsection (a)
10 of section 250 of such code;

11 § 2-a. Subparagraph 2-a of paragraph (a) of subdivision 8 of section
12 11-652 of the administrative code of the city of New York, as added by
13 section 1 of part D of chapter 60 of the laws of 2015, is amended to
14 read as follows:

15 (2-a) any amounts treated as dividends pursuant to section seventy-
16 eight of the internal revenue code, to the extent that such dividends
17 are not deducted under subparagraph (B)(ii) of paragraph one of
18 subsection (a) of section 250 of such code;

19 § 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is
20 amended by adding four new subparagraphs 23, 24, 25, and 26 to read as
21 follow:

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

24 (24) The amount of the federal deduction allowed pursuant to subpara-
25 graph (B)(i) of paragraph one of subsection (a) of section 250 of the
26 internal revenue code.

27 (25) The amount disallowed as a deduction pursuant to paragraph one of
28 subsection (j) of section 163 of the internal revenue code.

29 (26) Any amount deducted by reason of a carry forward of disallowed
30 business interest pursuant to paragraph two of subsection (j) of section
31 163 of the internal revenue code.

32 § 3-a. Subparagraph 19 of paragraph (b) of subdivision 8 of section
33 11-652 of the administrative code of the city of New York, as added by
34 section 1 of part D of chapter 60 of the laws of 2015, is amended and
35 four new subparagraphs 20, 21, 22, and 23 are added to read as follows:

36 (19) the amount of any federal deduction for taxes imposed under arti-
37 cle twenty-three of the tax law[~~+~~];

38 (20) The amount of any federal deduction allowed pursuant to
39 subsection (c) of section 965 of the internal revenue code;

40 (21) The amount of the federal deduction allowed pursuant to subpara-
41 graph (B)(i) of paragraph one of subsection (a) of section 250 of the
42 internal revenue code;

43 (22) The amount disallowed as a deduction pursuant to paragraph one of
44 subsection (j) of section 163 of the internal revenue code;

45 (23) Any amount deducted by reason of a carry forward of disallowed
46 business interest pursuant to paragraph two of subsection (j) of section
47 163 of the internal revenue code.

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

51 (1) If any taxpayer fails to file a declaration of estimated tax under
52 article nine-A of this chapter, or fails to pay all or any part of an
53 amount which is applied as an installment against such estimated tax, it
54 shall be deemed to have made an underpayment of estimated tax. There
55 shall be added to the tax for the taxable year an amount at the under-
56 payment rate set by the commissioner pursuant to section one thousand

1 ninety-six of this article, or if no rate is set, at the rate of seven
2 and one-half percent per annum upon the amount of the underpayment for
3 the period of the underpayment but not beyond the fifteenth day of the
4 [~~third~~] fourth month following the close of the taxable year. Provided,
5 however, that, for taxable years beginning on or after January first,
6 two thousand seventeen and before January first, two thousand eighteen,
7 no amount shall be added to the tax with respect to the portion of such
8 tax related to the amount of any interest deductions directly or indi-
9 rectly attributable to the amount included in exempt CFC income pursuant
10 to subparagraph (ii) of paragraph (b) of subdivision six-a of section
11 two hundred eight of this chapter or the forty percent reduction of such
12 exempt CFC income in lieu of interest attribution if the election
13 described in paragraph (b) of subdivision six-a of such section is made.

14 The amount of the underpayment shall be, with respect to any installment
15 of estimated tax computed on the basis of either the preceding year's
16 tax or the second preceding year's tax, the excess of the amount
17 required to be paid over the amount, if any, paid on or before the last
18 day prescribed for such payment or, with respect to any other install-
19 ment of estimated tax, the excess of the amount of the installment which
20 would be required to be paid if the estimated tax were equal to ninety-
21 one percent of the tax shown on the return for the taxable year (or if
22 no return was filed, ninety-one percent of the tax for such year) over
23 the amount, if any, of the installment paid on or before the last day
24 prescribed for such payment. In any case in which there would be no
25 underpayment if "eighty percent" were substituted for "ninety-one
26 percent" each place it appears in this subsection, the addition to the
27 tax shall be equal to seventy-five percent of the amount otherwise
28 determined. No underpayment shall be deemed to exist with respect to a
29 declaration or installment otherwise due on or after the termination of
30 existence of the taxpayer.

31 § 4-a. Subdivision 3 of section 11-676 of the administrative code of
32 the city of new York, as amended by section 12 of part D of chapter 60
33 of the laws of 2015, is amended to read as follows:

34 3. Failure to file declaration or underpayment of estimated tax. If
35 any taxpayer fails to file a declaration of estimated tax under subchap-
36 ter two, three or three-A of this chapter, or fails to pay all or any
37 part of an amount which is applied as an installment against such esti-
38 mated tax, it shall be deemed to have made an underpayment of estimated
39 tax. There shall be added to the tax for the taxable year an amount at
40 the underpayment rate set by the commissioner of finance pursuant to
41 section 11-687 of this subchapter, or, if no rate is set, at the rate of
42 seven and one-half percent per annum upon the amount of the underpayment
43 for the period of the underpayment but not beyond the fifteenth day of
44 the [~~third~~] fourth month following the close of the taxable year.
45 Provided, however, that, for taxable years beginning on or after January
46 first, two thousand seventeen and before January first, two thousand
47 eighteen, no amount shall be added to the tax with respect to the
48 portion of such tax related to the amount of any interest deductions
49 directly or indirectly attributable to the amount included in exempt CFC
50 income pursuant to subparagraph (ii) of paragraph (b) of subdivision
51 six-a of section two hundred eight of the tax law or the forty percent
52 reduction of such exempt CFC income in lieu of interest attribution if
53 the election described in paragraph (b) of subdivision six-a of section
54 two hundred eight of the tax law is made. The amount of the underpayment
55 shall be, with respect to any installment of estimated tax computed on
56 the basis of the preceding year's tax, the excess of the amount required

1 to be paid over the amount, if any, paid on or before the last day
 2 prescribed for such payment or, with respect to any other installment of
 3 estimated tax, the excess of the amount of the installment which would
 4 be required to be paid if the estimated tax were equal to ninety percent
 5 of the tax shown on the return for the taxable year (or if no return was
 6 filed, ninety percent of the tax for such year) over the amount, if any,
 7 of the installment paid on or before the last day prescribed for such
 8 payment. In any case in which there would be no underpayment if "eighty
 9 percent" were substituted for "ninety percent" each place it appears in
 10 this subdivision, the addition to the tax shall be equal to seventy-five
 11 percent of the amount otherwise determined. No underpayment shall be
 12 deemed to exist with respect to a declaration or installment otherwise
 13 due on or after the termination of existence of the taxpayer.

14 § 4-b. Subparagraph 11 of paragraph (a) of subdivision 9 of section
 15 208 of the tax law, as amended by section 4 of part A of chapter 59 of
 16 the laws of 2014, is amended and a new paragraph (u) is added to read as
 17 follows:

18 (11) the amount deductible pursuant to [~~paragraph~~] paragraphs (j) and
 19 (u) of this subdivision; and

20 (u) A taxpayer shall be allowed a deduction in computing entire net
 21 income for any FDIC premium paid or incurred by the taxpayer that is
 22 disallowed as a deduction under subsection (r) of section 162 of the
 23 internal revenue code.

24 § 4-c. Subparagraph 10 of paragraph (a) of subdivision 8 of section
 25 11-652 of the administrative code of the city of New York, as amended by
 26 section 1 of part D of chapter 60 of the laws of 2015, is amended and a
 27 new paragraph (u) is added to read as follows:

28 (10) the amount deductible pursuant to [~~paragraph~~] paragraphs (j) and
 29 (u) of this subdivision;

30 (u) A taxpayer shall be allowed a deduction in computing entire net
 31 income for any FDIC premium paid or incurred by the taxpayer that is
 32 disallowed as a deduction under subsection (r) of section 162 of the
 33 internal revenue code.

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

36 PART LL

37 Intentionally omitted

38 PART MM

39 Intentionally omitted

40 PART NN

41 Section 1. The real property tax law is amended by adding a new
 42 section 431 to read as follows:

43 § 431. Senior capped real property school tax rate. 1. (a) Residential
 44 real property owned and occupied by one or more persons, each of whom is
 45 seventy years of age or over on or before the taxable status date in
 46 taxable year two thousand nineteen and meets each of the requirements
 47 for the enhanced exemption for senior citizens set forth in section four
 48 hundred twenty-five of this article, or residential real property owned
 49 and occupied by husband and wife, one of whom is seventy years of age or

1 over and meets each of the requirements for the enhanced exemption for
2 senior citizens set forth in section four hundred twenty-five of this
3 article, shall be eligible for the capped real property school tax rate
4 set forth in this section, provided the school district, after public
5 hearing, adopts a resolution providing therefor. For purposes of this
6 subdivision, the term "capped real property school tax rate" shall mean
7 the real property school tax rate established on any taxable status date
8 in calendar year two thousand eighteen.

9 (b) Residential real property owned and occupied by one or more
10 persons, each of whom is sixty-five years of age or over on or before
11 the taxable status date in tax year two thousand twenty and meets each
12 of the requirements for the enhanced exemption for senior citizens set
13 forth in section four hundred twenty-five of this article, or residen-
14 tial real property owned and occupied by husband and wife, one of whom
15 is sixty-five years of age or over and meets each of the requirements
16 for the enhanced exemption for senior citizens set forth in section four
17 hundred twenty-five of this article, shall be eligible for the capped
18 real property school tax rate set forth in this section, provided the
19 school district, after public hearing, adopts a resolution providing
20 therefor. For purposes of this subdivision, the term "capped real
21 property school tax rate" shall mean the real property school tax rate
22 established on the taxable status date subsequent to the taxable status
23 date on which an eligible person attains the age of sixty-five years.

24 2. Any person eligible for the capped real property school tax rate
25 shall apply annually for such capped rate. Such application shall be
26 made in a manner and form determined by the state board and shall
27 require proof of the applicant's age. Such application shall be filed
28 with the local assessor on or before the taxable status date for such
29 district.

30 3. Beginning in the second year of qualifying for the capped real
31 property school tax rate established in subdivision one of this section,
32 the rate of tax owed by a person owning real property in year one of
33 qualifying for the capped real property school tax rate would be reduced
34 by the following schedule:

35 Year two: ten percent

36 Year three: twenty percent

37 Year four: thirty percent

38 Year five: forty percent

39 Year six: fifty percent

40 Year seven: sixty percent

41 Year eight: seventy percent

42 Year nine: eighty percent

43 Year ten: ninety percent

44 Year eleven and thereafter: one hundred percent

45 4. Every school district shall notify, or cause to be notified, each
46 person owning residential real property in the school district of the
47 provisions of this section. The provisions of this subdivision may be
48 met by a notice sent to such persons in substantially the following
49 form: "Residential real property owned by persons sixty-five years of
50 age or older may be eligible for a capped real property school tax rate.
51 To receive such capped rate, eligible owners of qualifying property must
52 file an application with their local assessor on or before the applica-
53 ble taxable status date. For further information, please contact your
54 local assessor."

55 5. A school district which provides a capped real property school tax
56 rate for persons sixty-five years of age or over pursuant to this

section shall be eligible for reimbursement by the department of education, as approved by the commissioner of education, in consultation with the commissioner of taxation and finance, for one hundred percent of the direct cost to such school district resulting from the implementation of this section. Such direct cost shall be calculated pursuant to regulations of the commissioner of education, in consultation with the commissioner of taxation and finance. A claim for such reimbursement shall be made by such school district in a manner and form prescribed by the commissioner of education.

§ 2. Paragraph 3 of subsection (n-1) of section 606 of the tax law, as added by section 1 of subpart B of part C of chapter 20 of the laws of 2015, is amended as follows:

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

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

(A) for the two thousand seventeen taxable year:

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

(B) for the two thousand eighteen taxable year:

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

(C) for the two thousand nineteen taxable year and thereafter:

Qualified Gross Income	Percentage
Not over \$75,000	85% <u>100%</u>
Over \$75,000 but not over \$150,000	60% <u>75%</u>
Over \$150,000 but not over \$200,000	35% <u>43.75%</u>
Over \$200,000 but not over \$275,000	10% <u>12.5%</u>
Over \$275,000	No credit

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

Taxable Year	Percentage
two thousand seventeen	12%
two thousand eighteen	26%
two thousand nineteen <u>and thereafter</u>	34% <u>42.5%</u>

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

1 § 3. This act shall take effect on the first of January next succeed-
 2 ing the date on which it shall have become a law and shall apply to
 3 assessment rolls prepared on the basis of taxable status dates occurring
 4 on or after such date.

5 PART OO

6 Section 1. Section 13 of part A of chapter 97 of the laws of 2011,
 7 amending the general municipal law and the education law relating to
 8 establishing limits upon school district and local government tax
 9 levies, as amended by section 18 of part A of chapter 20 of the laws of
 10 2015, is amended to read as follows:

11 § 13. This act shall take effect immediately; provided, however, that
 12 sections two through eleven of this act shall take effect July 1, 2011
 13 and shall first apply to school district budgets and the budget adoption
 14 process for the 2012-13 school year; and shall continue to apply to
 15 school district budgets and the budget adoption process for any school
 16 year beginning in any calendar year during which this act is in effect;
 17 provided further, that if section 26 of part A of chapter 58 of the laws
 18 of 2011 shall not have taken effect on or before such date then section
 19 ten of this act shall take effect on the same date and in the same
 20 manner as such chapter of the laws of 2011, takes effect; provided
 21 further, that section one of this act shall first apply to the levy of
 22 taxes by local governments for the fiscal year that begins in 2012 and
 23 shall continue to apply to the levy of taxes by local governments for
 24 any fiscal year beginning in any calendar year during which this act is
 25 in effect[~~, provided, further, that this act shall remain in full force~~
 26 ~~and effect at a minimum until and including June 15, 2020 and shall~~
 27 ~~remain in effect thereafter only so long as the public emergency requir-~~
 28 ~~ing the regulation and control of residential rents and evictions and~~
 29 ~~all such laws providing for such regulation and control continue as~~
 30 ~~provided in subdivision 3 of section 1 of the local emergency rent~~
 31 ~~control act, sections 26-501, 26-502 and 26-520 of the administrative~~
 32 ~~code of the city of New York, section 17 of chapter 576 of the laws of~~
 33 ~~1974 and subdivision 2 of section 1 of chapter 274 of the laws of 1946~~
 34 ~~constituting the emergency housing rent control law, and section 10 of~~
 35 ~~chapter 555 of the laws of 1982, amending the general business law and~~
 36 ~~the administrative code of the city of New York relating to conversions~~
 37 ~~of residential property to cooperative or condominium ownership in the~~
 38 ~~city of New York as such laws are continued by chapter 93 of the laws of~~
 39 ~~2011 and as such sections are amended from time to time].~~

40 § 2. This act shall take effect immediately.

41 PART PP

42 Section 1. Paragraph (b) of subdivision 1 of section 186-a of the tax
 43 law, as amended by section 4 of part Y of chapter 63 of the laws of
 44 2000, is amended to read as follows:

45 (b) a tax equal to (1) two and five-tenths percent on and after Janu-
 46 ary first, two thousand through December thirty-first, two thousand, two
 47 and forty-five one hundredths percent from January first, two thousand
 48 one through December thirty-first, two thousand one, two and four-tenths
 49 percent from January first, two thousand two through December thirty-
 50 first, two thousand two, two and twenty-five one hundredths percent from
 51 January first, two thousand three through December thirty-first, two
 52 thousand three, two and one hundred twenty-five one thousandths percent

1 from January first, two thousand four through December thirty-first, two
2 thousand four and two percent [~~commencing~~] from January first, two thou-
3 sand five, through December thirty-first two thousand eighteen, one and
4 five-tenths percent from January first, two thousand nineteen through
5 December thirty-first, two thousand nineteen, one percent from January
6 first, two thousand twenty through December thirty-first, two thousand
7 twenty, five-tenths of a percent from January first, two thousand twen-
8 ty-one to December thirty-first, two thousand twenty-one, and zero
9 percent commencing January first, two thousand twenty-two and thereafter
10 of that portion of its gross income derived from the transportation,
11 transmission or distribution of gas or electricity by means of conduits,
12 mains, pipes, wires, lines or the like and (2) two and one-tenth percent
13 from January first, two thousand through December thirty-first, two
14 thousand, two percent from January first, two thousand one through
15 December thirty-first, two thousand one, one and nine-tenths percent
16 from January first, two thousand two through December thirty-first, two
17 thousand two, eighty-five one hundredths of one percent from January
18 first, two thousand three through December thirty-first, two thousand
19 three, four-tenths of one percent from January first, two thousand four
20 through December thirty-first, two thousand four and zero percent
21 commencing January first, two thousand five of all of its other gross
22 income, is hereby imposed upon every utility not taxed under paragraph
23 (a) of this subdivision doing business in this state which is subject to
24 the supervision of the state department of public service which has a
25 gross income for the year ending December thirty-first in excess of five
26 hundred dollars, except motor carriers or brokers subject to such super-
27 vision under the public service law; and
28 § 2. This act shall take effect immediately.

29 PART QQ

30 Section 1. Subdivisions 1 and 1-a of section 18-a of the public
31 service law, subdivision 1 as amended by section 2 of part NN of chapter
32 59 of the laws of 2009 and subdivision 1-a as added by section 2 of part
33 A of chapter 173 of the laws of 2013, are amended to read as follows:
34 1. All costs and expenses of the department and commission shall be
35 paid pursuant to appropriation on the certification of the chairman of
36 the department and upon the audit and warrant of the comptroller. The
37 state treasury shall be reimbursed therefore by payments to be made
38 thereto from all moneys collected pursuant to this chapter. [~~The~~] For
39 state fiscal years beginning prior to April 1, 2019, the total of such
40 costs and expenses shall be borne by the public utility companies
41 (including for the purposes of this section municipalities other than
42 municipalities as defined in section eighty-nine-1 of this chapter),
43 corporations (including the power authority of the state of New York),
44 and persons subject to the commission's regulation, to be assessed in
45 the manner provided in subdivisions two, three and four of this section
46 and section two hundred seventeen of this chapter. Provided however for
47 the state fiscal year that begins on April first, two thousand nineteen,
48 such assessment shall be in an amount that is fifty percent of the
49 amount calculated in subdivisions two, three and four of this section
50 and section two hundred seventeen of this chapter. Provided further for
51 state fiscal years that begin on and after April first, two thousand
52 twenty, the amount of such assessment calculated in subdivisions two,
53 three and four of this section and section two hundred seventeen of this

1 chapter shall be zero and all costs of the department and commission
 2 shall be paid by the state treasury.

3 1-a. All costs and expenses of the department related to the depart-
 4 ment's responsibilities under section three-b of this chapter shall be
 5 paid pursuant to appropriation on the certification of the chairman of
 6 the department and upon the audit and warrant of the comptroller. For
 7 the state fiscal [~~year~~] years beginning on April first, two thousand
 8 fourteen and [~~each state fiscal year thereafter~~] beginning prior to
 9 April first, two thousand twenty, payments are to be made from all
 10 moneys collected from the Long Island power authority pursuant to this
 11 section. The total of such costs and expenses shall be assessed on such
 12 authority in the manner provided in subdivisions two, three and four of
 13 this section. Provided however for the state fiscal year that begins on
 14 April first, two thousand nineteen, such assessment shall be in an
 15 amount that is fifty percent of the amount calculated in subdivisions
 16 two, three and four of this section. Provided further for state fiscal
 17 years that begin on and after April first, two thousand twenty, the
 18 amount of such assessment calculated in subdivisions two, three and four
 19 of this section shall be zero and all costs of the department and
 20 commission shall be paid by the state treasury.

21 § 2. This act shall take effect immediately.

22 PART RR

23 Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax
 24 law, as amended by section 3 of part I of chapter 59 of the laws of
 25 2015, is amended to read as follows:

26 (3-a) Pensions and annuities received by an individual who has
 27 attained the age of fifty-nine and one-half, not otherwise excluded
 28 pursuant to paragraph three of this subsection, to the extent includible
 29 in gross income for federal income tax purposes, but not in excess of
 30 [~~twenty~~] twenty-five thousand dollars for any taxable year beginning on
 31 or after January first, two thousand nineteen, thirty thousand dollars
 32 for any taxable year beginning on or after January first, two thousand
 33 twenty, thirty-five thousand dollars for any taxable year beginning on
 34 or after January first, two thousand twenty-one, and forty thousand
 35 dollars in each subsequent year, which are periodic payments attribut-
 36 able to personal services performed by such individual prior to his
 37 retirement from employment, which arise (i) from an employer-employee
 38 relationship or (ii) from contributions to a retirement plan which are
 39 deductible for federal income tax purposes. However, the term "pensions
 40 and annuities" shall also include distributions received by an individ-
 41 ual who has attained the age of fifty-nine and one-half from an individ-
 42 ual retirement account or an individual retirement annuity, as defined
 43 in section four hundred eight of the internal revenue code, and distrib-
 44 utions received by an individual who has attained the age of fifty-nine
 45 and one-half from self-employed individual and owner-employee retirement
 46 plans which qualify under section four hundred one of the internal
 47 revenue code, whether or not the payments are periodic in nature. Never-
 48 theless, the term "pensions and annuities" shall not include any lump
 49 sum distribution, as defined in subparagraph (D) of paragraph four of
 50 subsection (e) of section four hundred two of the internal revenue code
 51 and taxed under section six hundred three of this article. Where a
 52 husband and wife file a joint state personal income tax return, the
 53 modification provided for in this paragraph shall be computed as if they
 54 were filing separate state personal income tax returns. Where a payment

1 would otherwise come within the meaning of the term "pensions and annui-
 2 ties" as set forth in this paragraph, except that such individual is
 3 deceased, such payment shall, nevertheless, be treated as a pension or
 4 annuity for purposes of this paragraph if such payment is received by
 5 such individual's beneficiary.

6 § 2. This act shall take effect immediately.

7 PART SS

8 Section 1. Section 52 of the legislative law is amended by adding a
 9 new subdivision 5 to read as follows:

10 5. Assent of two-thirds. For any bill that enacts or increases a tax
 11 revenue, the assent of two-thirds of the members elected to each branch
 12 of the legislature shall be required for passage of such bill.

13 § 2. This act shall take effect immediately.

14 PART TT

15 Section 1. The state finance law is amended by adding a new article 17
 16 to read as follows:

17 ARTICLE 17

18 ANNUAL SPENDING GROWTH CAP ACT

19 Section 244. Definitions.

20 245. Establishment of annual spending growth cap.

21 246. Provisions regarding declaration of emergency.

22 § 244. Definitions. As used in this article, the following terms shall
 23 have the following meanings, unless otherwise specified:

24 1. "Annual spending growth cap" shall mean a percentage determined by
 25 adding the inflation rates from each of the three calendar years imme-
 26 diately prior to the commencement of a given fiscal year and then divid-
 27 ing that sum by three.

28 2. "State operating funds spending" shall mean annual disbursements of
 29 all governmental fund types included in the cash-basis financial plan of
 30 the state, excluding disbursements from federal funds and capital
 31 project funds.

32 3. "Inflation rate" shall mean the percentage change in the twelve-
 33 month average of the consumer price index for all urban consumers as
 34 published by the United States department of labor, bureau of labor
 35 statistics or any successor agency for a given calendar year compared to
 36 the prior calendar year.

37 4. "Executive budget" shall mean the budget submitted annually by the
 38 governor pursuant to section one of article VII of the state constitu-
 39 tion.

40 5. "State budget as enacted" shall mean the budget acted upon by the
 41 legislature in a given fiscal year, as subject to section four of arti-
 42 cle VII of the state constitution and section seven of article IV of the
 43 state constitution.

44 6. "Emergency" shall mean an extraordinary, unforeseen, or unexpected
 45 occurrence, or combination of circumstances, including but not limited
 46 to a natural disaster, invasion, terrorist attack, or economic calamity.

47 § 245. Establishment of annual spending growth cap. 1. There is here-
 48 by established an annual spending growth cap.

49 2. The governor shall not submit, and the legislature shall not act
 50 upon, a budget that contains a percentage increase over the prior fiscal
 51 year in state operating funds spending which exceeds the annual spending
 52 growth cap.

1 3. The governor shall certify in writing that state operating funds
 2 spending in the executive budget does not exceed the annual spending
 3 growth cap. If final inflation rate data for the prior calendar year is
 4 not yet available at the time the governor submits his or her executive
 5 budget, he or she shall furnish a reasonable estimate of such prior
 6 calendar year inflation rate.

7 4. The comptroller shall provide, within five days of action by the
 8 legislature upon the budget, a determination as to whether the state
 9 operating funds spending as set forth in the state budget as enacted
 10 exceeds the annual spending growth cap.

11 5. If the comptroller finds that state operating funds spending as set
 12 forth in the state budget as enacted exceeds the annual spending growth
 13 cap, the governor shall take corrective action to ensure that funding is
 14 limited to the amount of the annual spending cap.

15 § 246. Provisions regarding declaration of emergency. 1. Upon a find-
 16 ing of an emergency by the governor, he or she may declare an emergency
 17 by an executive order which shall set forth the reasons for such decla-
 18 ration.

19 2. Based upon such declaration, the governor may submit, and the
 20 legislature may authorize, by a two-thirds supermajority, a budget
 21 containing a percentage increase over the prior fiscal year in state
 22 operating funds spending that exceeds the annual spending growth cap.

23 § 2. Subdivision 2 of section 92-cc of the state finance law, as
 24 amended by section 12-a of part I of chapter 60 of the laws of 2015, is
 25 amended to read as follows:

26 2. Such fund shall have a maximum balance not to exceed [~~five~~] ten per
 27 centum of the aggregate amount projected to be disbursed from the gener-
 28 al fund during the fiscal year immediately following the then-current
 29 fiscal year. At the request of the director of the budget, the state
 30 comptroller shall transfer monies to the rainy day reserve fund up to
 31 and including an amount equivalent to seventy-five one-hundredths of one
 32 per centum of the aggregate amount projected to be disbursed from the
 33 general fund during the then-current fiscal year, unless such transfer
 34 would increase the rainy day reserve fund to an amount in excess of five
 35 per centum of the aggregate amount projected to be disbursed from the
 36 general fund during the fiscal year immediately following the then-cur-
 37 rent fiscal year, in which event such transfer shall be limited to such
 38 amount as will increase the rainy day reserve fund to such five per
 39 centum limitation.

40 § 3. This act shall take effect on the thirtieth day after it shall
 41 have become a law.

42 PART UU

43 Section 1. Section 606 of the tax law is amended by adding a new
 44 subsection (ccc) to read as follows:

45 (ccc) Private water utility bill relief credit. (1) General. An indi-
 46 vidual taxpayer who is serviced by a private water utility, serving the
 47 towns of Hempstead and Oyster Bay located in the county of Nassau, shall
 48 be allowed a credit against the tax imposed by this article equal to the
 49 amount of any annual increase of such taxpayer's annual water bill
 50 directly ascribable to an increase in property taxes paid by such
 51 private water utility.

52 (2) Certification for credit allowance. The commissioner shall deter-
 53 mine the procedure for certification for the credit authorized pursuant
 54 to this subsection.

1 § 2. The public service commission, in conjunction with affected
2 municipal corporations located in the county of Nassau, shall conduct a
3 feasibility study of the practicality of Jericho Water District, located
4 in the town of Oyster Bay, supplying water to any current customers of
5 American Water services. Such study shall examine the potential costs to
6 the Jericho Water District of serving these customers, the potential
7 costs to Jericho Water District of acquiring the rights to serve these
8 customers, the potential new water rates as a result of such transfer,
9 and any other information deemed relevant by the affected municipal
10 corporations. On or before December 31, 2018, the public service commis-
11 sion shall submit such feasibility study to the governor, temporary
12 president of the senate, and speaker of the assembly. For purposes of
13 this section, "municipal corporations" shall have the same meaning as
14 such term is defined by section two of the general municipal law.

15 § 3. This act shall take effect immediately; provided, however section
16 one of this act shall apply to taxable years beginning on and after the
17 first of January next succeeding the date on which it shall have become
18 a law; provided, further, that this act shall expire and be deemed
19 repealed December 31, 2021.

20

PART VV

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

24 (iv) (A) for taxable years beginning before January first, two thou-
25 sand sixteen, if the business income base is not more than two hundred
26 ninety thousand dollars the amount shall be six and one-half percent of
27 the business income base; if the business income base is more than two
28 hundred ninety thousand dollars but not over three hundred ninety thou-
29 sand dollars the amount shall be the sum of (1) eighteen thousand eight
30 hundred fifty dollars, (2) seven and one-tenth percent of the excess of
31 the business income base over two hundred ninety thousand dollars but
32 not over three hundred ninety thousand dollars and (3) four and thirty-
33 five hundredths percent of the excess of the business income base over
34 three hundred fifty thousand dollars but not over three hundred ninety
35 thousand dollars;

36 (B) for taxable years beginning on or after January first, two thou-
37 sand nineteen, if the business income base is not more than four hundred
38 thousand dollars the amount shall be four percent of the business income
39 base; if the business income base is more than four hundred thousand
40 dollars but not over five hundred thousand dollars the amount shall be
41 the sum of (1) sixteen thousand dollars, (2) six and one-half percent of
42 the excess of the business income base over four hundred thousand
43 dollars but not over five hundred thousand dollars and (3) twenty
44 percent of the excess of the business income base over four hundred
45 fifty thousand dollars but not over five hundred thousand dollars;

46 (C) for taxable years beginning on or after January first, two thou-
47 sand twenty, if the business income base is not more than four hundred
48 thousand dollars the amount shall be two and one-half percent of the
49 business income base; if the business income base is more than four
50 hundred thousand dollars but not over five hundred thousand dollars the
51 amount shall be the sum of (1) ten thousand dollars, (2) six and one-
52 half percent of the excess of the business income base over four hundred
53 thousand dollars but not over five hundred thousand dollars and (3)
54 thirty-two percent of the excess of the business income base over four

1 hundred fifty thousand dollars but not over five hundred thousand
 2 dollars.

3 § 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as
 4 added by section 1 of part Y of chapter 59 of the laws of 2013, is
 5 amended to read as follows:

6 (39) (A) In the case of a taxpayer who is a small business or a
 7 taxpayer who is a member, partner, or shareholder of a limited liability
 8 company, partnership, or New York S corporation, respectively, that is a
 9 small business, who or which has business income [~~and/or farm income~~] as
 10 defined in the laws of the United States, an amount equal to [~~three~~]
 11 five percent of the net items of income, gain, loss and deduction
 12 attributable to such business [~~or farm~~] entering into federal adjusted
 13 gross income, but not less than zero, for taxable years beginning after
 14 two thousand [~~thirteen~~ eighteen, an amount equal to [~~three and three-~~
 15 quarters] ten percent of the net items of income, gain, loss and
 16 deduction attributable to such business [~~or farm~~] entering into federal
 17 adjusted gross income, but not less than zero, for taxable years begin-
 18 ning after two thousand [~~fourteen~~ nineteen, and an amount equal to
 19 [~~five~~ fifteen percent of the net items of income, gain, loss and
 20 deduction attributable to such business [~~or farm~~] entering into federal
 21 adjusted gross income, but not less than zero[~~, for taxable years begin-~~
 22 ning after two thousand fifteen].

23 (B) In the case of a taxpayer who is a farm business or a taxpayer who
 24 is a member, partner, or shareholder of a limited liability company,
 25 partnership, or New York S corporation, respectively, that is a farm
 26 business, who or which has farm income as defined by the laws of the
 27 United States, an amount equal to twenty percent of the net items of
 28 income, gain, loss and deduction attributable to such farm. The term
 29 farm business shall mean a farm business that has net farm income of
 30 less than five hundred thousand dollars.

31 (C) (i) For the purposes of this paragraph, the term small business
 32 shall mean: (I) a sole proprietor [~~or a farm business who employs one or~~
 33 ~~more persons during the taxable year and~~] who has net business income
 34 [~~or net farm income~~] of less than [~~two hundred fifty~~] five hundred thou-
 35 sand dollars; or (II) a limited liability company, partnership or New
 36 York S corporation that during the taxable year has New York gross busi-
 37 ness income attributable to a non-farm business that is greater than
 38 zero but less than one million five hundred thousand dollars or net farm
 39 income attributable to a farm business that is greater than zero but
 40 less than five hundred thousand dollars. (ii) For purposes of this para-
 41 graph, the term New York gross business income shall mean: (I) in the
 42 case of a limited liability company or a partnership, New York source
 43 gross income as defined in subparagraph (B) of paragraph three of
 44 subsection (c) of section six hundred fifty-eight of this article, and,
 45 (II) in the case of a New York S corporation, New York receipts included
 46 in the numerator of the apportionment factor determined under section
 47 two hundred ten-A of this chapter for the taxable year.

48 (D) To qualify for this modification in relation to a non-farm small
 49 business that is a limited liability company, partnership or New York S
 50 corporation, the taxpayer's income attributable to the net business
 51 income from its ownership interests in non-farm limited liability compa-
 52 nies, partnerships or New York S corporations must be less than five
 53 hundred thousand dollars.

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

1 (35) (A) In the case of a taxpayer who is a small business or a
 2 taxpayer who is a member, partner, or shareholder of a limited liability
 3 company, partnership, or New York S corporation, respectively, that is a
 4 small business, who or which has business income [~~and/or farm income~~] as
 5 defined in the laws of the United States, an amount equal to [~~three~~]
 6 fifteen percent of the net items of income, gain, loss and deduction
 7 attributable to such business [~~or farm~~] entering into federal adjusted
 8 gross income, but not less than zero[~~, for taxable years beginning after~~
 9 ~~two thousand thirteen, an amount equal to three and three quarters~~
 10 ~~percent of the net items of income, gain, loss and deduction attribut-~~
 11 ~~able to such business or farm entering into federal adjusted gross~~
 12 ~~income, but not less than zero, for taxable years beginning after two~~
 13 ~~thousand fourteen, and an amount equal to five percent of the net items~~
 14 ~~of income, gain, loss and deduction attributable to such business or~~
 15 ~~farm entering into federal adjusted gross income, but not less than~~
 16 ~~zero, for taxable years beginning after two thousand fifteen].~~

17 (B) In the case of a taxpayer who is a farm business or a taxpayer who
 18 is a member, partner, or shareholder of a limited liability company,
 19 partnership, or New York S corporation, respectively, that is a farm
 20 business, who or which has farm income as defined by the laws of the
 21 United States, an amount equal to twenty percent of the net items of
 22 income, gain, loss and deduction attributable to such farm. The term
 23 farm business shall mean a farm business that has net farm income of
 24 less than five hundred thousand dollars.

25 (C) (i) For the purposes of this paragraph, the term small business
 26 shall mean: (I) a sole proprietor [~~or a farm business who employs one or~~
 27 ~~more persons during the taxable year and~~] who has net business income
 28 [~~or net farm income~~] of less than [~~two hundred fifty~~] five hundred thou-
 29 sand dollars; or (II) a limited liability company, partnership or New
 30 York S corporation that during the taxable year has New York gross busi-
 31 ness income attributable to a non-farm business that is greater than
 32 zero but less than one million five hundred thousand dollars or net farm
 33 income attributable to a farm business that is greater than zero but
 34 less than five hundred thousand dollars. (ii) For purposes of this para-
 35 graph, the term New York gross business income shall mean: (I) in the
 36 case of a limited liability company or a partnership, New York source
 37 gross income as defined in subparagraph (B) of paragraph three of
 38 subsection (c) of section six hundred fifty-eight of the tax law, and,
 39 (II) in the case of a New York S corporation, New York receipts included
 40 in the numerator of the apportionment factor determined under section
 41 two hundred ten-A of the tax law for the taxable year.

42 (D) To qualify for this modification in relation to a non-farm small
 43 business that is a limited liability company, partnership or New York S
 44 corporation, the taxpayer's income attributable to the net business
 45 income from its ownership interests in non-farm limited liability compa-
 46 nies, partnerships or New York S corporations must be less than five
 47 hundred thousand dollars.

48 § 4. This act shall take effect immediately and shall apply to taxable
 49 years beginning on or after January 1, 2019.

50

PART WW

51 Section 1. Subdivision 3 of section 425 of the real property tax law,
 52 as added by section 1 of part B of chapter 389 of the laws of 1997,
 53 paragraph (a) as amended by chapter 264 of the laws of 2000, paragraph
 54 (b-1) as added by section 1 of part FF of chapter 57 of the laws of

1 2010, paragraph (d) as amended by chapter 564 of the laws of 2015, para-
2 graph (e) as added by section 2 of part W of chapter 57 of the laws of
3 2008, and paragraph (f) as added by section 1 of part B of chapter 59 of
4 the laws of 2012, is amended to read as follows:

5 3. Eligibility requirements. (a) Property use. To qualify for
6 exemption pursuant to this section, the property must be a one, two or
7 three family residence, a farm dwelling, small business or residential
8 property held in condominium or cooperative form of ownership. If the
9 property is not an eligible type of property, but a portion of the prop-
10 erty is partially used by the owner as a primary residence, that portion
11 which is so used shall be entitled to the exemption provided by this
12 section; provided that in no event shall the exemption exceed the
13 assessed value attributable to that portion.

14 (b) Primary residence. The property must serve as the primary resi-
15 dence of one or more of the owners thereof, unless such property is
16 owned by a small business as defined in paragraph (g) of this subdivi-
17 sion.

18 (b-1) Income. For final assessment rolls to be used for the levy of
19 taxes for the two thousand eleven-two thousand twelve school year and
20 thereafter, the parcel's affiliated income may be no greater than five
21 hundred thousand dollars, as determined by the commissioner of taxation
22 and finance pursuant to section one hundred seventy-one-u of the tax
23 law, in order to be eligible for the basic exemption authorized by this
24 section. As used herein, the term "affiliated income" shall mean the
25 combined income of all of the owners of the parcel who resided primarily
26 thereon on the applicable taxable status date, and of any owners' spous-
27 es residing primarily thereon. For exemptions on final assessment rolls
28 to be used for the levy of taxes for the two thousand eleven-two thou-
29 sand twelve school year, affiliated income shall be determined based
30 upon the parties' incomes for the income tax year ending in two thousand
31 nine. In each subsequent school year, the applicable income tax year
32 shall be advanced by one year. The term "income" as used herein shall
33 have the same meaning as in subdivision four of this section.

34 (c) Trusts. If legal title to the property is held by one or more
35 trustees, the beneficial owner or owners shall be deemed to own the
36 property for purposes of this subdivision.

37 (d) Farm dwellings not owned by the resident. (i) If legal title to
38 the farm dwelling is held by an S-corporation or by a C-corporation, the
39 exemption shall be granted if the property serves as the primary resi-
40 dence of a shareholder of such corporation.

41 (ii) If the legal title to the farm dwelling is held by a partnership,
42 the exemption shall be granted if the property serves as the primary
43 residence of one or more of the partners.

44 (iii) If the legal title to the farm dwelling is held by a limited
45 liability company, the exemption shall be granted if the property serves
46 as the primary residence of one or more of the owners.

47 (iv) Any information deemed necessary to establish shareholder, part-
48 ner or owner status for eligibility purposes shall be considered confi-
49 dential and exempt from the freedom of information law.

50 (e) Dwellings owned by limited partnerships. (i) If legal title to a
51 dwelling is held by a limited partnership, the exemption shall be grant-
52 ed if the property serves as the primary residence of one or more of the
53 partners, provided that the limited partnership which holds title to the
54 property does not engage in any commercial activity, that the limited
55 partnership was lawfully created to hold title solely for estate plan-
56 ning and asset protection purposes, and that the partner or partners who

1 primarily reside thereon personally pay all of the real property taxes
2 and other costs associated with the property's ownership.

3 (ii) Any information deemed necessary to establish partner status for
4 eligibility purposes shall be considered confidential and exempt from
5 the freedom of information law.

6 (f) Compliance with state tax obligations. The property's eligibility
7 for the STAR exemption must not be suspended pursuant to section one
8 hundred seventy-one-y of the tax law due to the past-due state tax
9 liabilities of one or more of its owners. Notwithstanding any provision
10 of law to the contrary, where a property's eligibility for a STAR
11 exemption has been suspended pursuant to such section, the following
12 provisions shall be applicable:

13 (i) The property shall be ineligible for a basic or enhanced STAR
14 exemption effective with the next school year commencing after the issu-
15 ance of notice by the department of the suspension of its eligibility
16 for the STAR exemption, even if the notice was issued after the applica-
17 ble taxable status date. If a STAR exemption has been granted to such a
18 property on a tentative or final assessment roll, the assessor or other
19 person having custody of that roll is hereby authorized and directed to
20 immediately remove that STAR exemption from the roll.

21 (ii) Any challenge to the factual or legal basis behind the suspension
22 of a property's eligibility for a STAR exemption pursuant to section one
23 hundred seventy-one-y of the tax law must be presented to the department
24 in the manner prescribed by such section. Neither an assessor nor a
25 board of assessment review has the authority to consider such a chal-
26 lenge.

27 (iii) The property shall remain ineligible for the STAR exemption
28 until the department notifies the assessor that the suspension of its
29 eligibility has been lifted. Once the assessor has been so notified, the
30 exemption may be resumed on a prospective basis only, provided that the
31 eligibility requirements of this section are otherwise satisfied.

32 (iv) In the case of a cooperative apartment or mobile home receiving a
33 STAR exemption pursuant to paragraph (k) or (l) of subdivision two of
34 this section, a suspension of a STAR exemption due to a taxpayer's past-
35 due state tax liabilities shall only apply to the STAR exemption on the
36 cooperative apartment or mobile home owned, or deemed to be owned, by
37 that taxpayer.

38 (g) Small businesses. (i) For the purposes of this subdivision, the
39 term "small business" shall mean a sole proprietor, a limited liability
40 company, partnership, or New York S-corporation, that during the taxable
41 year employs twenty persons or less and has a gross business income
42 and/or farm income of less than three hundred fifty thousand dollars
43 attributable to the business or a New York corporation that during the
44 taxable year employs twenty persons or less and has a business income
45 base of five hundred thousand dollars or less.

46 (ii) For purposes of this paragraph, the term New York gross business
47 income shall mean: (A) in the case of a limited liability company or a
48 partnership, New York source gross income as defined in subparagraph (B)
49 of paragraph three of subsection (c) of section six hundred fifty-eight
50 of the tax law; and (B) in the case of a New York S-corporation, New
51 York receipts included in the apportionment determined under section two
52 hundred ten-A of this chapter for the taxable year.

53 (iii) For purposes of this paragraph, the term business income base
54 shall mean in the case of a New York corporation, business income as
55 defined in subdivision eight of section two hundred eight of the tax
56 law.

1 § 2. Clause (B) of subparagraph (vi) of paragraph (b) of subdivision 2
 2 of section 425 of the real property tax law, as added by section 1 of
 3 part D-1 of chapter 57 of the laws of 2007, is amended to read as
 4 follows:

5 (B) The base figure for the basic STAR exemption shall be thirty thou-
 6 sand dollars. In the case of a small business as defined in paragraph
 7 (g) of subdivision three of this section, the base figure for the basic
 8 STAR exemption shall be: (I) ten thousand dollars in the two thousand
 9 nineteen--two thousand twenty school year; (II) twenty thousand dollars
 10 in the two thousand twenty--two thousand twenty-one school year; and
 11 (III) thirty thousand dollars in the two thousand twenty-one--two thou-
 12 sand twenty-two school year and thereafter.

13 § 3. This act shall take effect immediately and shall apply to all
 14 taxable years beginning on and after January 1, 2019.

15 PART XX

16 Section 1. Section 38 of the tax law, as added by section 1 of part EE
 17 of chapter 59 of the laws of 2013, is renumbered section 44 and subdivi-
 18 sions (b) and (c) are amended to read as follows:

19 (b) An eligible employer is a corporation (including a New York S
 20 corporation), a sole proprietorship, a limited liability company or a
 21 partnership. ~~Am~~ For taxable years beginning on and after January
 22 first, two thousand fourteen and before January first, two thousand
 23 nineteen, an eligible employee is an individual who is (i) employed by
 24 an eligible employer in New York state, (ii) paid at the minimum wage
 25 rate as defined in article nineteen of the labor law during the taxable
 26 year by the eligible employer, (iii) between the ages of sixteen and
 27 nineteen during the period in which he or she is paid at such minimum
 28 wage rate by the eligible employer, and (iv) a student during the period
 29 in which he or she is paid at such minimum wage rate by the taxpayer.
 30 For taxable years beginning on and after January first, two thousand
 31 nineteen, an eligible employee is an individual who is (i) employed by
 32 an eligible employer in New York state, (ii) paid at a rate that does
 33 not exceed the minimum wage rate as defined in article nineteen of the
 34 labor law plus fifty cents during the taxable year by the eligible
 35 employer, (iii) between the ages of sixteen and nineteen during the
 36 period in which he or she is paid at such rate that does not exceed such
 37 minimum wage rate plus fifty cents by the eligible employer, and (iv) a
 38 student during the period in which he or she is paid at such rate that
 39 does not exceed such minimum wage rate plus fifty cents by the taxpayer.

40 (c) For taxable years beginning on or after January first, two thou-
 41 sand fourteen and before January first, two thousand fifteen, the amount
 42 of the credit allowed under this section shall be equal to the product
 43 of the total number of hours worked during the taxable year by eligible
 44 employees for which they were paid at the minimum wage rate as defined
 45 in article nineteen of the labor law and ~~seventy-five~~ seventy-five
 46 cents. For taxable years beginning on or after January first, two thou-
 47 sand fifteen and before January first, two thousand sixteen, the amount
 48 of the credit allowed under this section shall be equal to the product
 49 of the total number of hours during the taxable year worked by eligible
 50 employees for which they were paid at such minimum wage rate and one
 51 dollar and thirty-one cents. For taxable years beginning on or after
 52 January first, two thousand sixteen and before January first, two thou-
 53 sand ~~nineteen~~ eighteen, the amount of the credit allowed under this
 54 section shall be equal to the product of the total number of hours

1 during the taxable year worked by eligible employees for which they were
 2 paid at such minimum wage rate and one dollar and thirty-five cents. For
 3 taxable years beginning on or after January first, two thousand nineteen
 4 and before January first, two thousand twenty-two, the amount of the
 5 credit allowed under this section shall be equal to the product of the
 6 total number of hours during the taxable year worked by eligible employ-
 7 ees for which they were paid at a rate that does not exceed such minimum
 8 wage rate plus fifty cents and one dollar and thirty-five cents.

9 Provided, however, if the federal minimum wage established by federal
 10 law pursuant to 29 U.S.C. section 206 or its successors is increased
 11 above eighty-five percent of the minimum wage in article nineteen of the
 12 labor law, the dollar amounts in this subdivision shall be reduced to
 13 the difference between the minimum wage in article nineteen of the labor
 14 law and the federal minimum wage. Such reduction would take effect on
 15 the date that employers are required to pay such federal minimum wage.

16 § 2. This act shall take effect immediately and shall apply to taxable
 17 years beginning on and after January 1, 2019.

18

PART YY

19 Section 1. Subdivision (b) of section 38 of the tax law, as added by
 20 section 1 of part EE of chapter 59 of the laws of 2013, is amended to
 21 read as follows:

22 (b) An eligible employer is a corporation (including a New York S
 23 corporation), a sole proprietorship, a limited liability company or a
 24 partnership. An eligible employee is an individual who is (i) employed
 25 by an eligible employer in New York state, (ii) paid at the minimum wage
 26 rate as defined in article nineteen of the labor law during the taxable
 27 year by the eligible employer, (iii) between the ages of sixteen and
 28 nineteen during the period in which he or she is paid at such minimum
 29 wage rate by the eligible employer, ~~and~~ (iv) a student during the
 30 period in which he or she is paid at such minimum wage rate by the
 31 taxpayer, and (v) notwithstanding the provisions of paragraphs (iii) and
 32 (iv) of this subdivision, an eligible employee shall also mean any
 33 employee who meets the criteria set forth in paragraphs (i) and (ii) of
 34 this subdivision who is temporarily employed for a period of ninety days
 35 or less in a calendar year; provided, however, that the provisions of
 36 this paragraph shall be applicable to taxable years beginning on and
 37 after January first, two thousand nineteen.

38 § 2. This act shall take effect immediately and shall apply to taxable
 39 years beginning on and after January 1, 2019.

40

PART ZZ

41 Section 1. Subsection (b) of section 612 of the tax law is amended by
 42 adding a new paragraph 43 to read as follows:

43 (43) Any income, gain, loss and deduction, to the extent it is
 44 included in federal adjusted gross income and is, combined, less than
 45 zero, of an individual or trust from a qualified pass-through manufac-
 46 turer, as defined in paragraph forty-four of subsection (c) of this
 47 section.

48 § 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as
 49 added by section 1 of part Y of chapter 59 of the laws of 2013, is
 50 amended and a new paragraph 44 is added to read as follows:

51 (39) In the case of a taxpayer who is a small business who has busi-
 52 ness income and/or farm income as defined in the laws of the United

1 States, an amount equal to three percent of the net items of income,
2 gain, loss and deduction attributable to such business or farm entering
3 into federal adjusted gross income, but not less than zero, for taxable
4 years beginning after two thousand thirteen, an amount equal to three
5 and three-quarters percent of the net items of income, gain, loss and
6 deduction attributable to such business or farm entering into federal
7 adjusted gross income, but not less than zero, for taxable years begin-
8 ning after two thousand fourteen, and an amount equal to five percent of
9 the net items of income, gain, loss and deduction attributable to such
10 business or farm entering into federal adjusted gross income, but not
11 less than zero, for taxable years beginning after two thousand fifteen.
12 For the purposes of this paragraph, the term small business shall mean a
13 sole proprietor or a farm business who employs one or more persons
14 during the taxable year and who has net business income or net farm
15 income of less than two hundred fifty thousand dollars. For the purposes
16 of this paragraph, the term small business shall exclude any business
17 that is a qualified pass-through manufacturer, as defined in paragraph
18 forty-four of this subsection for the current tax year.

19 (44) (A) Any income, gain, loss and deduction, to the extent included
20 federal adjusted gross income and is, combined, greater than zero, of an
21 individual or trust from a qualified pass-through manufacturer. Income
22 from a qualified pass-through manufacturer shall not include an amount
23 representing reasonable compensation for an individual controlling ten
24 percent or more of the qualified business or entity.

25 (B) The qualified pass-through manufacturer may be organized as a sole
26 proprietorship, a partnership, a limited liability company electing to
27 be treated as a partnership or sole proprietorship, or an S corporation.

28 (C) For the purposes of this subsection, the term qualified pass-
29 through manufacturer shall mean a business that is a qualified New York
30 manufacturer, as defined by subparagraph (vi) of paragraph (a) of subdi-
31 vision one of section two hundred ten of this chapter, except that the
32 term "gross receipts" shall be replaced by "business receipts" in deter-
33 mining whether the business is "principally engaged" in manufacturing. A
34 qualified pass-through manufacturer shall not include a business that is
35 currently participating in the START-UP NY program.

36 § 3. Paragraph 2 of subsection (a) of section 606 of the tax law is
37 amended by adding a new subparagraph (B-1) to read as follows:

38 (B-1) Property placed in service during the tax year that is otherwise
39 eligible for the investment tax credit described in subparagraph (A) of
40 this paragraph, will not be eligible for the investment tax credit if
41 the use of the property is by a qualified pass-through manufacturer, as
42 defined in paragraph forty-four of subsection (c) of section six hundred
43 twelve of this article for the current tax year.

44 § 4. This act shall take effect immediately and shall apply to taxable
45 years beginning on and after January 1, 2019.

46

PART AAA

47 Section 1. The real property tax law is amended by adding a new
48 section 431 to read as follows:

49 § 431. Public utility security camera or device; exemption. 1. For
50 purposes of this section, the term "public utility" shall mean a public
51 service corporation, other electric service provider, fiber optics,
52 television cable, or any other telecommunication company subject to the
53 jurisdiction of the department of public service.

1 2. Any camera or interrelated devices or appurtenances installed on or
 2 otherwise utilizing property that a public utility assessed an ad valo-
 3 rem tax, or that such utility contributes to a payment in lieu of taxes
 4 agreement, whether or not such camera, interrelated devices or appurte-
 5 nances are owned by the public utility, and installed for the purposes
 6 of providing any police force or public security office access to real
 7 time or recorded information, shall be exempt from real property or
 8 other ad valorem taxes, levies and assessments or payments in lieu of
 9 taxes contributions.

10 3. The office of real property tax services is hereby authorized and
 11 directed to promulgate rules and regulations necessary for the implemen-
 12 tation of this section.

13 § 2. This act shall take effect immediately and shall apply to assess-
 14 ment rolls prepared on the basis of taxable status dates occurring on or
 15 after such date; provided, however, that the office of real property tax
 16 services shall promulgate rules and regulations necessary to effectuate
 17 this act prior to such effective date.

18 PART BBB

19 Section 1. Declaration of policy. The people of this state have a
 20 vital interest in the maintenance and preservation of cemetery corpo-
 21 rations to prevent them from becoming a burden upon local governments
 22 and the community. The preservation of cemetery funds is vital to the
 23 long-term maintenance and preservation of these burial grounds to
 24 prevent abandonment and dilapidation. In order to preserve this order,
 25 and the uniqueness of cemetery corporations, clarifications of cemetery
 26 sales tax collections are necessary.

27 § 2. Subdivision (a) of section 1115 of the tax law is amended by
 28 adding a new paragraph 7-a to read as follows:

29 (7-a) Tangible personal property and services sold by a cemetery for
 30 the exclusive use on the grounds and in the buildings of the cemetery
 31 corporation including but not limited to the additional services
 32 provided by a cemetery as defined in paragraph (b) of section fifteen
 33 hundred nine of the not-for-profit corporation law and for the mainte-
 34 nance and preservation of lots, plots and parts thereof.

35 § 3. Subdivision (a) of section 1116 of the tax law is amended by
 36 adding a new paragraph 10 to read as follows:

37 (10) A cemetery corporation, as defined in paragraph (a) of section
 38 fifteen hundred two of the not-for-profit corporation law, including but
 39 not limited to those cemeteries regulated by the religious corporations
 40 law where it is the purchaser, user, or consumer, or where it is the
 41 vendor of services or property exclusively to be used on the grounds or
 42 buildings of the corporation.

43 § 4. The tax law is amended by adding a new section 1149 to read as
 44 follows:

45 § 1149. Amnesty program. (a) Notwithstanding the provisions of any
 46 other law to the contrary, there is hereby established an amnesty
 47 program as described herein, to be administered by the commissioner, to
 48 be effective for the period as prescribed by such commissioner, for all
 49 eligible taxpayers as described herein, owing any tax or surcharge
 50 imposed or formerly imposed by sections eleven hundred five and eleven
 51 hundred ten of this article, and administered by such commissioner.

52 (b) Such amnesty program shall apply to tax liabilities for the taxes
 53 set forth in sections eleven hundred five and eleven hundred ten of this

1 article for taxable periods ending or transactions or uses occurring on
2 or before December thirty first, two thousand eighteen.

3 (c) For purposes of the amnesty program established under this
4 section, an eligible taxpayer is a cemetery corporation as defined by
5 paragraph (a) of section fifteen hundred two of the not-for-profit
6 corporation law who or which has a tax liability with regard to one or
7 more of the designated taxes for the period of time described in subdi-
8 vision (b) of this section.

9 (d) The amnesty program established herein shall provide, that upon
10 application, including applicable returns, which application and returns
11 shall be in such form and submitted in such manner as prescribed by the
12 commissioner, by an eligible taxpayer, and upon payment in such form and
13 in such manner as prescribed by such commissioner, which payment shall
14 either accompany such application or be made within the time stated on a
15 bill issued by such commissioner to such taxpayer, of the amount of a
16 tax liability under one or more of the designated taxes with respect to
17 which amnesty is sought, such commissioner shall waive any applicable
18 penalties and interest (including the additional rate of interest
19 prescribed under section eleven hundred forty-five of this part). In
20 addition, no civil, administrative or criminal action or proceeding
21 shall be brought against such an eligible taxpayer relating to the tax
22 liability covered by such waiver. Failure to pay all such taxes by the
23 later of March fifteenth, two thousand nineteen, or the date prescribed
24 therefor on a bill issued by such commissioner, shall invalidate any
25 amnesty granted pursuant to the amnesty program established under this
26 section.

27 (e) Amnesty tax return forms shall be in a form, contain such informa-
28 tion and be submitted as prescribed by the commissioner and shall
29 provide for specifications by the applicant of the tax liability with
30 respect to which amnesty is sought. The applicant must also provide such
31 additional information as is required by such commissioner. Amnesty
32 shall be granted only with respect to the tax liabilities specified by
33 the taxpayer on such forms. Any return or report filed under the amnesty
34 program established herein is subject to verification and assessment as
35 provided by statute. If the applicant files a false or fraudulent tax
36 return or report, or attempts in any manner to defeat or evade a tax
37 under the amnesty program, amnesty shall be denied or rescinded.

38 (f) With respect to any existing installment payment agreement of an
39 eligible taxpayer, where such agreement applies to a tax liability with
40 respect to which amnesty is sought by such taxpayer, notwithstanding any
41 terms of such agreement to the contrary, such taxpayer, as a condition
42 of receiving amnesty, must pay any such liability in full by the later
43 of the last day of the prescribed amnesty period, or the date prescribed
44 therefor on a bill issued by the commissioner.

45 (g) The commissioner may promulgate regulations, issue forms and
46 instructions and take any and all other actions necessary to implement
47 the provisions of the amnesty program established under this section.
48 Such commissioner shall publicize the amnesty program provided for in
49 this section so as to maximize public awareness of and participation in
50 such program.

51 § 5. On or before February 28, 2021, the commissioner of taxation and
52 finance shall submit a report to the chairperson of the assembly ways
53 and means committee, the ranking minority member of the assembly ways
54 and means committee, the chairperson of the senate finance committee,
55 the ranking minority member of the senate finance committee and the
56 director of the budget regarding the amnesty program established pursu-

1 ant to this act. The report shall contain the following information as
2 of the report cutoff date: (i) the gross revenue collected under each
3 tax and the year or other applicable period for or during which the
4 liability was incurred; (ii) the amount of money spent on advertising,
5 notification, and outreach activities, by each activity, and a
6 description of the form and content of such activities, by each activ-
7 ity; (iii) the amount paid by the department of taxation and finance for
8 services and expenses related to the establishment of the amnesty
9 program; and (iv) an estimate of the net revenue generated from the
10 amnesty program.

11 § 6. This act shall take effect immediately and shall apply to taxable
12 years beginning on or after January 1, 2019.

13 PART CCC

14 Section 1. Subsection (oo) of section 606 of the tax law, as amended
15 by chapter 239 of the laws of 2009, paragraph 1 as amended by chapter
16 472 of the laws of 2010, subparagraph (A) of paragraph 1 and paragraphs
17 4 and 5 as amended by section 1 of part F of chapter 59 of the laws of
18 2013, is amended to read as follows:

19 (oo) Credit for rehabilitation of historic properties. (1) (A) For
20 taxable years beginning on or after January first, two thousand ten and
21 before January first, two thousand [~~twenty~~] twenty-five, a taxpayer
22 shall be allowed a credit as hereinafter provided, against the tax
23 imposed by this article, in an amount equal to [~~one hundred percent of~~
24 ~~the amount of credit allowed the taxpayer with respect to a certified~~
25 ~~historic structure under subsection (a) (2) of section 47 of the federal~~
26 ~~internal revenue code~~] twenty percent of the qualified rehabilitation
27 expenditures with respect to a certified historic structure located
28 within the state. Provided, however, the credit shall not exceed five
29 million dollars. For taxable years beginning on or after January first,
30 two thousand [~~twenty~~] twenty-five, a taxpayer shall be allowed a credit
31 as hereinafter provided, against the tax imposed by this article, in an
32 amount equal to thirty percent of the [~~amount of credit allowed the~~
33 ~~taxpayer with respect to a certified historic structure under subsection~~
34 ~~(a)(2) of section 47 of the federal internal revenue code~~] qualified
35 rehabilitation expenditures with respect to a certified historic struc-
36 ture located within the state; provided, however, the credit shall not
37 exceed one hundred thousand dollars. For purposes of this subsection the
38 term "qualified rehabilitation expenditure" means any amount properly
39 chargeable to capital account in connection with the certified rehabili-
40 tation of a qualified historic structure, and for property for which
41 depreciation would be allowable under section 168 of the internal reven-
42 ue code and which is (i) nonresidential real property, (ii) residential
43 rental property, or (iii) an addition or improvement to nonresidential
44 real property or residential rental property.

45 (B) If the taxpayer is a partner in a partnership or a shareholder of
46 a New York S corporation, then the credit cap imposed in subparagraph
47 (A) of this paragraph shall be applied at the entity level, so that the
48 aggregate credit allowed to all the partners or shareholders of each
49 such entity in the taxable year does not exceed the credit cap that is
50 applicable in that taxable year.

51 (2) (A) Tax credits allowed pursuant to this subsection shall be
52 allowed in the taxable year [~~that the qualified rehabilitation is placed~~
53 ~~in service under section 167 of the federal internal revenue code~~] in

1 which the final certification step of the certified rehabilitation is
2 completed as provided in subparagraph (C) of this paragraph.

3 (B) For purposes of this subsection the term "certified rehabili-
4 tation" means any rehabilitation of a certified historic structure which
5 has been approved and certified as being consistent with the standards
6 established by the commissioner of parks, recreation and historic pres-
7 ervation for rehabilitation by the office of parks, recreation and
8 historic preservation, a local government certified pursuant to section
9 101(c)(1) of the national historic preservation act or a local landmark
10 commission established pursuant to section ninety-six-a or one hundred
11 nineteen-dd of the general municipal law.

12 (C) A certified rehabilitation shall require:

13 (i) an initial certification that the structure meets the definition
14 of the term "certified historic structure";

15 (ii) a second certification, to be issued prior to construction,
16 certifying that the proposed rehabilitation work is consistent with
17 standards established by the commissioner of parks, recreation and
18 historic preservation for rehabilitation; and

19 (iii) a final certification issued when construction is completed,
20 certifying that the work was completed as proposed and that the costs
21 are consistent with the work completed. Such final certification shall
22 be acceptable as proof that the expenditures related to such
23 construction qualify as qualified rehabilitation expenditures for
24 purposes of the credit allowed under either subparagraph (A) or (B) of
25 paragraph one of this subsection.

26 (D) For purposes of this subsection the term "qualified historic
27 structure" means a certified historic structure located within New York
28 state which has been substantially rehabilitated. A certified historic
29 structure shall be considered substantially rehabilitated if the quali-
30 fied rehabilitation expenditures in relation to such structure total
31 five thousand dollars or more.

32 (E) For purposes of this subsection the term "certified historic
33 structure" means any building and its structural components which:

34 (i) is listed in the state or national register of historic places, or

35 (ii) is located in a state or national registered historic district
36 and is certified as being of historic significance in the district.

37 ~~(3) [If the credit allowed the taxpayer pursuant to section 47 of the~~
38 ~~internal revenue code with respect to a qualified rehabilitation is~~
39 ~~recaptured pursuant to subsection (a) of section 50 of the internal~~
40 ~~revenue code, a portion of the credit allowed under this subsection must~~
41 ~~be added back in the same taxable year and in the same proportion as the~~
42 ~~federal recapture] (A) If, before the end of the two-year period begin-~~
43 ~~ning on the date of the final certification referred to in subparagraph~~
44 ~~(C) of paragraph two of this subsection, the taxpayer disposes of such~~
45 ~~taxpayer's interest in a certified historic structure, or such certified~~
46 ~~historic structure otherwise ceases to be eligible for the credit~~
47 ~~allowed under this subsection, the taxpayer's tax imposed by this arti-~~
48 ~~cle for the taxable year in which such disposition occurs shall be~~
49 ~~increased by the recapture portion of the credit allowed under this~~
50 ~~subsection for all prior taxable years with respect to such rehabili-~~
51 ~~tation.~~

52 (B) For purposes of subparagraph (A) of this paragraph, the recapture
53 portion shall be the product of the amount of credit claimed by the
54 taxpayer multiplied by a fraction, the numerator of which is equal to
55 twenty-four less the number of months before the disposition or cessa-
56 tion of the structure occurred.

1 (4) If the amount of the credit allowed under this subsection for any
2 taxable year shall exceed the taxpayer's tax for such year, the excess
3 shall be treated as an overpayment of tax to be credited or refunded in
4 accordance with the provisions of section six hundred eighty-six of this
5 article, provided, however, that no interest shall be paid thereon.

6 (5) To be eligible for the credit allowable under this subsection the
7 rehabilitation project shall be in whole or in part located within a
8 census tract which is identified as being at or below one hundred
9 percent of the state median family income as calculated as of [~~January~~
10 April] first of each year using the most recent five year estimate from
11 the American community survey published by the United States Census
12 bureau. If there is a change in the most recent five year estimate, a
13 census tract that qualified for eligibility under this subsection before
14 information about the change was released shall remain eligible for a
15 credit under this subsection for an additional eighteen months.

16 (6) Nothing contained in this subsection shall be construed to impose
17 a duty on a local landmark commission established pursuant to section
18 ninety-six-a or one hundred nineteen-dd of the general municipal law or
19 a local government certified pursuant to section 101(c)(1) of the
20 national historic preservation act to undertake any review or approval
21 of an application for the certification of the rehabilitation of histor-
22 ic structures and of rehabilitation expenditures provided for in this
23 subsection.

24 § 2. Paragraph 2 of subsection (pp) of section 606 of the tax law, as
25 added by chapter 547 of the laws of 2006, subparagraphs (A) and (B) as
26 amended by section 1 of part V of chapter 59 of the laws of 2013, is
27 amended to read as follows:

28 (2) (A) With respect to any particular residence of a taxpayer, the
29 credit allowed under paragraph one of this subsection shall not exceed
30 fifty thousand dollars for taxable years beginning on or after January
31 first, two thousand ten and before January first, two thousand [~~twenty~~
32 twenty-five] and twenty-five thousand dollars for taxable years beginning
33 on or after January first, two thousand [~~twenty~~] twenty-five. In the
34 case of a husband and wife, the amount of the credit shall be divided
35 between them equally or in such other manner as they may both elect. If
36 a taxpayer incurs qualified rehabilitation expenditures in relation to
37 more than one residence in the same year, the total amount of credit
38 allowed under paragraph one of this subsection for all such expenditures
39 shall not exceed fifty thousand dollars for taxable years beginning on
40 or after January first, two thousand ten and before January first, two
41 thousand [~~twenty~~] twenty-five and twenty-five thousand dollars for tax-
42 able years beginning on or after January first, two thousand [~~twenty~~
43 twenty-five].

44 (B) For taxable years beginning on or after January first, two thou-
45 sand ten and before January first, two thousand [~~twenty~~] twenty-five, if
46 the amount of credit allowable under this subsection shall exceed the
47 taxpayer's tax for such year, and the taxpayer's New York adjusted gross
48 income for such year does not exceed sixty thousand dollars, the excess
49 shall be treated as an overpayment of tax to be credited or refunded in
50 accordance with the provisions of section six hundred eighty-six of this
51 article, provided, however, that no interest shall be paid thereon. If
52 the taxpayer's New York adjusted gross income for such year exceeds
53 sixty thousand dollars, the excess credit that may be carried over to
54 the following year or years and may be deducted from the taxpayer's tax
55 for such year or years. For taxable years beginning on or after January
56 first, two thousand [~~twenty~~] twenty-five, if the amount of credit allow-

1 able under this subsection shall exceed the taxpayer's tax for such
2 year, the excess may be carried over to the following year or years and
3 may be deducted from the taxpayer's tax for such year or years.

4 § 3. Subdivision 26 of section 210-B of the tax law, as added by
5 section 17 of part A of chapter 59 of the laws of 2014, is amended to
6 read as follows:

7 26. Credit for rehabilitation of historic properties. (a) Application
8 of credit. (i) For taxable years beginning on or after January first,
9 two thousand ten, and before January first, two thousand [~~twenty~~] twen-
10 ty-five, a taxpayer shall be allowed a credit as hereinafter provided,
11 against the tax imposed by this article, in an amount equal to [~~one~~
12 ~~hundred percent of the amount of credit allowed the taxpayer for the~~
13 ~~same taxable year with respect to a certified historic structure under~~
14 ~~subsection (c)(2) of section 47 of the internal revenue code~~] twenty
15 percent of the qualified rehabilitation expenditures with respect to a
16 certified historic structure located within the state. Provided, howev-
17 er, the credit shall not exceed five million dollars.

18 (ii) For taxable years beginning on or after January first, two thou-
19 sand [~~twenty~~] twenty-five, a taxpayer shall be allowed a credit as here-
20 inafter provided, against the tax imposed by this article, in an amount
21 equal to thirty percent of the [~~amount of credit allowed the taxpayer~~
22 ~~for the same taxable year with respect to a certified historic structure~~
23 ~~under subsection (c)(3) of section 47 of the internal revenue code~~] qualified rehabilitation expenditures
24 with respect to a certified
25 historic structure located within the state. Provided, however, the
26 credit shall not exceed one hundred thousand dollars.

27 [~~(B)~~] (b) If the taxpayer is a partner in a partnership or a share-
28 holder in a New York S corporation, then the credit caps imposed in
29 [~~subparagraph (A)~~] paragraph (a) of this [~~paragraph~~] subdivision shall
30 be applied at the entity level, so that the aggregate credit allowed to
31 all the partners or shareholders of each such entity in the taxable year
32 does not exceed the credit cap that is applicable in that taxable year.

33 [~~(b)~~] (c) Tax credits allowed pursuant to this subdivision shall be
34 allowed in the taxable year [~~that the qualified rehabilitation is placed~~
35 ~~in service under section 167 of the federal internal revenue code~~] in
36 which the final certification step of the certified rehabilitation is
37 completed pursuant to subparagraph (C) of paragraph two of subsection
38 (oo) of section six hundred six of this chapter.

39 [~~(c)~~ ~~If the credit allowed the taxpayer pursuant to section 47 of the~~
40 ~~internal revenue code with respect to a qualified rehabilitation is~~
41 ~~recaptured pursuant to subsection (a) of section 50 of the internal~~
42 ~~revenue code, a portion of the credit allowed under this subsection must~~
43 ~~be added back in the same taxable year and in the same proportion as the~~
44 ~~federal credit~~] (d)(i) If, before the end of the two-year period begin-
45 ning on the date of the final certification referred to in paragraph (b)
46 of this subdivision, the taxpayer disposes of such taxpayer's interest
47 in a certified structure, or such certified historic structure otherwise
48 ceases to be eligible for the credit allowed under this subdivision, the
49 taxpayer's tax imposed by this article for the taxable year in which
50 such disposition occurs shall be increased by the recapture portion of
51 the credit allowed under this paragraph for all prior taxable years with
52 respect to such rehabilitation.

53 (ii) For purposes of subparagraph (i) of this paragraph, the recapture
54 portion shall be the product of the amount of credit claimed by the
55 taxpayer multiplied by a fraction, the numerator of which is equal to

twenty-four less the number of months before the disposition or cessation of the structure occurred.

~~[(d)]~~ (e) The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be recredited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

~~[(e)]~~ (f) To be eligible for the credit allowable under this subdivision, the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income as calculated as of January first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau.

§ 4. Paragraphs 1, 2 and 3 of subdivision (y) of section 1511 of the tax law, as added by chapter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by section 4 of part F of chapter 59 of the laws of 2013, are amended to read as follows:

(1) (A) For taxable years beginning on or after January first, two thousand ten and before January first, two thousand ~~twenty~~ twenty-five, a taxpayer shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to ~~[one hundred percent of the amount of credit allowed the taxpayer with respect to a certified historic structure under subsection (a)(2) of section 47 of the federal internal revenue code]~~ twenty percent of the qualified rehabilitation expenditures with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed five million dollars. For taxable years beginning on or after January first, two thousand ~~twenty~~ twenty-five, a taxpayer shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to thirty percent of the ~~[amount of credit allowed the taxpayer with respect to a certified historic structure under subsection (a)(2) of section 47 of the federal internal revenue code]~~ qualified rehabilitation expenditure with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed one hundred thousand dollars.

(B) If the taxpayer is a partner in a partnership, then the cap imposed in subparagraph (A) of this paragraph shall be applied at the entity level, so that the aggregate credit allowed to all the partners of such partnership in the taxable year does not exceed the credit cap that is applicable in that taxable year.

(2) Tax credits allowed pursuant to this subsection shall be allowed in the taxable year ~~[that the qualified rehabilitation is placed in service under section 167 of the federal internal revenue code]~~ in which the final certification step of the certified rehabilitation is completed pursuant to subparagraph (C) of paragraph two of subsection (oo) of section six hundred six of this chapter.

(3) ~~[If the credit allowed the taxpayer pursuant to section 47 of the internal revenue code with respect to a qualified rehabilitation is~~

~~recaptured pursuant to subsection (a) of section 50 of the internal revenue code, a portion of the credit allowed under this subsection in the taxable year the credit was claimed must be added back in the same taxable year and in the same proportion as the federal recapture]~~ (A) If, before the end of the two-year period beginning on the date of the final certification referred to in paragraph two of this subdivision, the taxpayer disposes of such taxpayer's interest in a certified structure, or such certified historic structure otherwise ceases to be eligible for the credit allowed under this subdivision, the taxpayer's tax imposed by this article for the taxable year in which such disposition occurs shall be increased by the recapture portion of the credit allowed under this paragraph for all prior taxable years with respect to such rehabilitation.

(B) For purposes of subparagraph (A) of this paragraph, the recapture portion shall be the product of the amount of credit claimed by the taxpayer multiplied by a fraction, the numerator of which is equal to twenty-four less the number of months before the disposition or cessation of the structure occurred.

§ 5. Subdivision 6 of section 13.15 of the parks, recreation and historic preservation law, as added by chapter 547 of the laws of 2006, is amended to read as follows:

6. The office may establish a fee or fees for its processing and review of applications for the certification of the rehabilitation of historic buildings and the approval of rehabilitation expenditures and related work pursuant to ~~subsection~~ subsections (oo) and (pp) of section six hundred six of the tax law. All revenues from these fees shall be deposited by the comptroller in the miscellaneous special revenue fund to be credited to the agency's patron services account and shall be used to support the office's historic preservation program. Nothing in this subdivision shall be construed to limit the ability of a local landmark commission established pursuant to section ninety-six-a or one hundred nineteen-dd of the general municipal law or a local government certified pursuant to section 101(c)(1) of the national historic preservation act to establish and charge fees for its processing and review of applications for the certification of the rehabilitation of historic buildings and the approval of rehabilitation expenditures.

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

PART DDD

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

(iii) Clinical preceptorship credit. (1) General. A taxpayer who is a preceptor clinician who provides preceptor instruction as part of a clinical preceptorship shall be allowed a credit of one thousand dollars for each one hundred hours of such preceptor instruction; provided that the credit allowed pursuant to this subsection shall not exceed three thousand dollars during any taxable year.

(2) Definitions. As used in this subsection:

(A) The term "preceptor clinician" means a (i) physician licensed pursuant to article one hundred thirty-one of the education law, (ii) physician assistant licensed pursuant to article one hundred thirty-one-B of the education law, (iii) specialist assistant registered pursuant to article one hundred thirty-one-C of the education law, (iv)

1 certified registered nurse anesthetist certified by the education
2 department, (v) registered professional nurse licensed pursuant to
3 section sixty-nine hundred five of the education law, (vi) nurse practi-
4 tioner certified pursuant to section sixty-nine hundred ten of the
5 education law, (vii) clinical nurse specialist certified pursuant to
6 section sixty-nine hundred eleven of the education law, or (viii)
7 midwife licensed pursuant to article one hundred forty of the education
8 law, who, without the provision of any form of compensation therefor,
9 provides a clinical preceptorship or preceptorships including, but not
10 limited to, both community and in-patient facilities, during the taxable
11 year.

12 (B) The term "clinical preceptorship" means a preceptorship for a
13 student enrolled in a New York state based educational program approved
14 pursuant to title eight of the education law to become a physician,
15 physician assistant, specialist assistant, certified registered nurse
16 anesthetist, registered professional nurse, nurse practitioner, clinical
17 nurse specialist or midwife, and which preceptorship provides preceptor
18 instruction in family medicine, internal medicine, pediatrics, obstet-
19 rics and gynecology, emergency medicine, psychiatry or general surgery
20 under the supervision of a preceptor clinician.

21 (3) Application of credit. If the amount of the credit allowed under
22 this subsection for any taxable year exceeds the taxpayer's tax for such
23 year, the excess will be treated as an overpayment of tax to be credited
24 or refunded in accordance with the provisions of section six hundred
25 eighty-six of this article; provided, however, that no interest shall be
26 paid thereon.

27 § 2. This act shall take effect on the first of January next succeed-
28 ing the date on which it shall have become a law.

29 PART EEE

30 Section 1. The tax law is amended by adding a new section 24-b to read
31 as follows:

32 § 24-b. Television writers' and directors' fees and salaries credit.
33 (a)(1) A taxpayer which is a qualified film production company, or a
34 qualified independent film production company, or which is a sole
35 proprietor of or a member of a partnership which is a qualified film
36 production company or a qualified independent film production company,
37 and which is subject to tax under articles nine-A or twenty-two of this
38 chapter, shall be allowed a credit against such tax, pursuant to the
39 provisions referenced in subdivision (c) of this section, to be computed
40 as hereinafter provided.

41 (2) The amount of the credit shall be the product (or pro rata share
42 of the product, in the case of a member of a partnership) of thirty
43 percent and the qualified television writers' and directors' fees and
44 salaries costs paid or incurred in the production of a qualified film,
45 provided that: (i) the credit amount shall not exceed fifty thousand
46 dollars for qualified television writers' and directors' fees and sala-
47 ries claimed for such expenses incurred for the employment of any one
48 specific writer or director for the production of a single television
49 pilot or a single episode of a television series, and (ii) the credit
50 amount shall not exceed one hundred fifty thousand dollars for qualified
51 television writers' and directors' fees and salaries claimed for such
52 expenses incurred for the employment of any one specific writer or
53 director. The credit shall be allowed for the taxable year in which the
54 production of such qualified film is completed.

1 (3) No qualified television writers' and directors' fees and salaries
2 used by a taxpayer either as the basis for the allowance of the credit
3 provided for pursuant to this section or used in the calculation of the
4 credit provided pursuant to this section shall be used by such taxpayer
5 to claim any other credit allowed pursuant to this chapter.

6 (b) Definitions. As used in this section, the following terms shall
7 have the following meanings:

8 (1) "Qualified film production company" is a corporation, partnership,
9 limited partnership, or other entity or individual which or who is prin-
10 cipally engaged in the production of a qualified film and controls the
11 qualified film during production.

12 (2) "Qualified independent film production company" is a corporation,
13 partnership, limited partnership, or other entity or individual, that or
14 who (i) is principally engaged in the production of a qualified film
15 with a maximum budget of fifteen million dollars, (ii) controls the
16 qualified film during production, and (iii) either is not a publicly
17 traded entity, or no more than five percent of the beneficial ownership
18 of which is owned, directly or indirectly, by a publicly traded entity.

19 (3) "Qualified film" means a television film, television pilot and/or
20 each episode of a television series, regardless of the medium by means
21 of which the film, pilot or episode is created or conveyed.

22 (4) "Qualified television writers' and directors' fees and salaries"
23 means: (i) salaries or fees paid to a writer or director who receives an
24 on-air credit; (ii) for a non-credited writer, up to seventy-five thou-
25 sand dollars in salaries or fees per series of episodes. Provided that
26 in each case, such writer or director is a minority group member, as
27 defined in subdivision eight of section three hundred ten of the execu-
28 tive law, or a woman, and provided, further, that salaries or fees paid
29 to any writer or director who is a profit participant in the qualified
30 film shall not be eligible.

31 (5) "Writer" means a person who is: (i) engaged by a qualified film
32 production company or a qualified independent film production company to
33 write literary material (including making changes or revisions in liter-
34 ary material), when the company has the right by contract to direct the
35 performance of personal services in writing or preparing such material
36 or in making revisions, modifications or changes therein; or (ii)
37 engaged by the company and who performs services (at the company's
38 direction or with its consent) in writing or preparing such literary
39 material or making revisions, modifications, or changes in such materi-
40 al; and (iii) who reports to work regularly in a writers room located in
41 the state.

42 (6) "Literary material" shall be deemed to include stories, adapta-
43 tions, treatments, original treatments, scenarios, continuities, tele-
44 plays, screenplays, dialogue, scripts, sketches, plots, outlines, narra-
45 tive synopses, routines, narrations, and formats.

46 (7) "Writers room" means a room or physical location where writers
47 employed by a qualified film production company or qualified independent
48 film production company write or revise literary materials utilized in a
49 qualified film.

50 (8) "Director" means an individual employed or retained to direct the
51 production, as the word "direct" is commonly used in the motion picture
52 industry, and who would be classified as a director under the basic
53 agreement in place between the Association of Motion Picture and Tele-
54 vision Producers and the Director's Guild of America and who is a resi-
55 dent of New York.

1 (9) "Profit participant" is an individual who has negotiated for a
2 percentage of profits generated by a qualified film. Profit partic-
3 ipation does not include monies contractually required by collectively
4 bargained agreements for reuse of a qualified film on different plat-
5 forms over time.

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

8 (1) article 9-A: section 210-B: subdivision 53.

9 (2) article 22: section 606: subsection (v).

10 (d) Notwithstanding any provision of this chapter, (1) employees and
11 officers of the department of economic development and the department
12 shall be allowed and are directed to share and exchange information
13 regarding the credits applied for, allowed, or claimed pursuant to this
14 section and taxpayers who are applying for credits or who are claiming
15 credits, including information contained in or derived from credit claim
16 forms submitted to the department and applications for certification
17 submitted to the department of economic development, and (2) the commis-
18 sioner and the commissioner of the department of economic development
19 may release the names and addresses of any taxpayer claiming this credit
20 and the amount of the credit earned by the taxpayer. Provided, however,
21 if 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 (e) Maximum amount of credits. (1) The aggregate amount of tax credits
26 allowed under this section, subdivision fifty-three of section two
27 hundred ten-B and subsection (v) of section six hundred six of this
28 chapter in any calendar year shall be five million dollars. Such aggre-
29 gate amount of credits shall be allocated by the department of economic
30 development among taxpayers in order of priority based upon the date of
31 filing an application for allocation of television writers' and direc-
32 tors' fees and salaries credit with such department. If the total amount
33 of allocated credits applied for in any particular year exceeds the
34 aggregate amount of tax credits allowed for such year under this
35 section, such excess shall be treated as having been applied for on the
36 first day of the subsequent year.

37 (2) The commissioner of economic development, after consulting with
38 the commissioner, shall promulgate regulations by October thirty-first,
39 two thousand eighteen to establish procedures for the allocation of tax
40 credits as required by subdivision (a) of this section. Such rules and
41 regulations shall include provisions describing the application process,
42 the due dates for such applications, the standards which shall be used
43 to evaluate the applications, the documentation that will be provided to
44 taxpayers to substantiate to the department the amount of tax credits
45 allocated to such taxpayers, and such other provisions as deemed neces-
46 sary and appropriate. Notwithstanding any other provisions to the
47 contrary in the state administrative procedure act, such rules and regu-
48 lations may be adopted on an emergency basis if necessary to meet such
49 October thirty-first, two thousand eighteen deadline.

50 (f) The department of economic development shall submit to the gover-
51 nor, the temporary president of the senate, and the speaker of the
52 assembly, an annual report to be submitted on February first of each
53 year evaluating the effectiveness of the television writers' and direc-
54 tors' fees and salaries tax credit provided by this section in stimulat-
55 ing the growth of diversity in the film industry in the state. Such
56 report shall include, but need not be limited to, the number of quali-

1 fied film production companies and/or qualified independent film
 2 production companies which received a television writers' and directors'
 3 fees and salaries credit, the credit amounts claimed by each qualified
 4 film production company and/or qualified independent film production
 5 company, as well as the impact on employment and the economy of the
 6 state. Such report shall be based on data available from the application
 7 filed with the department of economic development for allocation of
 8 television writers' and directors' fees and salaries credits. Notwith-
 9 standing any provision of law to the contrary, the information contained
 10 in the report shall be public information. The report may also include
 11 any recommendations of changes in the calculation or administration of
 12 the credit, and any other recommendation of the commissioner of the
 13 department of economic development regarding continuing modification,
 14 repeal of such act, and such other information regarding the act as the
 15 commissioner of the department of economic development may feel useful
 16 and appropriate.

17 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
 18 sion 53 to read as follows:

19 53. Television writers' and directors' fees and salaries credit. (a)
 20 Allowance of credit. A taxpayer who is eligible pursuant to section
 21 twenty-four-b of this chapter shall be allowed a credit to be computed
 22 as provided in such section against the tax imposed by this article.

23 (b) Application of credit. The credit allowed under this subdivision
 24 for any taxable year shall not reduce the tax due for such year to less
 25 than the amount prescribed in paragraph (d) of subdivision one of
 26 section two hundred ten of this article. Provided, however, that if the
 27 amount of the credit allowable under this subdivision for any taxable
 28 year reduces the tax to such amount or if the taxpayer otherwise pays
 29 tax based on the fixed dollar minimum amount, the excess shall be treat-
 30 ed as an overpayment of tax to be credited or refunded in accordance
 31 with the provisions of section one thousand eighty-six of this chapter.
 32 Provided, further, the provisions of subsection (c) of section one thou-
 33 sand eighty-eight of this chapter notwithstanding, no interest shall be
 34 paid thereon.

35 § 3. Section 606 of the tax law is amended by adding a new subsection
 36 (v) to read as follows:

37 (v) Television writers' and directors' fees and salaries credit. (1)
 38 Allowance of credit. A taxpayer who is eligible pursuant to section
 39 twenty-four-b of this chapter shall be allowed a credit to be computed
 40 as provided in such section against the tax imposed by this article.

41 (2) Application of credit. If the amount of the credit allowable under
 42 this subsection for any taxable year exceeds the taxpayer's tax for such
 43 year, the excess shall be treated as an overpayment of tax to be credit-
 44 ed or refunded as provided in section six hundred eighty-six of this
 45 article, provided, however, that no interest shall be paid thereon.

46 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 47 of the tax law is amended by adding a new clause (xlix) to read as
 48 follows:

<p>49 <u>(xlix) Television writers'</u> 50 <u>and directors' fees and salaries</u> 51 <u>credit under subsection (v)</u> 52 53</p>	<p><u>Amount of credit for the sum of</u> <u>qualified television writers' and</u> <u>directors' salaries credit</u> <u>under subdivision fifty-three of</u> <u>section two hundred ten-B</u></p>
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1 § 5. This act shall take effect immediately, and shall apply to taxa-
2 ble years beginning on or after January 1, 2019.

3 PART FFF

4 Section 1. Subsection (i) of section 612 of the tax law is REPEALED.

5 § 2. Subdivision (i) of section 11-1712 of the administrative code of
6 the city of New York, as amended by chapter 333 of the laws of 1987, is
7 amended to read as follows:

8 (i) In the case of mines, oil and gas wells and other natural depos-
9 its, any allowance for percentage depletion pursuant to section six
10 hundred thirteen or section six hundred thirteen A of the internal
11 revenue code shall be added to federal adjusted gross income. However,
12 with respect to the property as to which such addition to federal
13 adjusted gross income is required, an allowance for depletion shall be
14 subtracted from federal adjusted gross income in the amount that would
15 be deductible under section six hundred eleven of such code if the
16 deduction for an allowance for depletion were computed without reference
17 to such section six hundred thirteen or section six hundred thirteen A.
18 ~~[With respect to the computation of depletion pursuant to this subdivi-~~
19 ~~sion, the basis for such computation shall be the basis for state income~~
20 ~~tax purposes provided for in subsection (i) of section six hundred~~
21 ~~twelve of the tax law.]~~ The portion of any gain from the sale or other
22 disposition of such property having a higher adjusted basis for city
23 income tax purposes than for federal income tax purposes, that does not
24 exceed such difference in basis, shall be subtracted from federal
25 adjusted gross income.

26 § 3. Paragraph 10 of subsection (b) of section 612 of the tax law is
27 REPEALED.

28 § 4. Paragraph 13 of subsection (c) of section 612 of the tax law is
29 REPEALED.

30 § 5. Subsection 4 of section 618 of the tax law, as amended by section
31 9 of part C of chapter 25 of the laws of 2009, is amended to read as
32 follows:

33 (4) There shall be added or subtracted (as the case may be) the
34 modifications described in paragraphs (6)~~[(10)]~~, (17), (18), (19),
35 (20), (21), (22), (23), (24), (25), (26), (27), (29), (38) and (39) of
36 subsection (b) and in paragraphs (11)~~[(13)]~~, (15), ~~[(19)]~~, (20), (21),
37 (22), (23), (24), (25), (26) and (28) of subsection (c) of section six
38 hundred twelve of this part.

39 § 6. Subsection 4 of section 618 of the tax law, as separately amended
40 by section 5 of part HH-1 of chapter 57 of the laws of 2008 and section
41 9 of part C of chapter 25 of the laws of 2009, is amended to read as
42 follows:

43 (4) There shall be added or subtracted (as the case may be) the
44 modifications described in paragraphs (6)~~[(10)]~~, (17), (18), (19),
45 (20), (21), (22), (23), (24), (25), (26), (27), ~~[(28)]~~, (29), (38) and
46 (39) of subsection (b) and in paragraphs (11)~~[(13)]~~, (15), ~~[(19)]~~,
47 (20), (21), (22), (23), (24), (25), (26) and (28) of subsection (c) of
48 section six hundred twelve of this part.

49 § 7. This act shall take effect immediately and shall apply to all
50 taxable years beginning on or after January 1, 2019; provided that the
51 amendments to subsection 4 of section 618 of the tax law made by section
52 five of this act shall be subject to the expiration and reversion of
53 such subdivision pursuant to section 8 of chapter 782 of the laws of

1 1988, as amended, when upon such date the provisions of section six of
2 this act shall take effect.

3 PART GGG

4 Section 1. Paragraph 38 of subsection (c) of section 612 of the tax
5 law, as added by chapter 565 of the laws of 2006, is amended to read as
6 follows:

7 (38) An amount of up to ten thousand dollars if a taxpayer, while
8 living, donates one or more of his or her human organs to another human
9 being for human organ transplantation. For purposes of this paragraph,
10 "human organ" means all or part of a liver, pancreas, kidney, intestine,
11 lung, or bone marrow. A subtract modification allowed under this para-
12 graph shall be claimed in the taxable year in which the human organ
13 transplantation occurs.

14 (A) A taxpayer shall claim the subtract modification allowed under
15 this paragraph only once and such subtract modification shall be claimed
16 for only the following unreimbursed expenses which are incurred by the
17 taxpayer or spouse of the taxpayer, and related to the taxpayer's organ
18 donation:

- 19 (i) travel expenses;
- 20 (ii) lodging expenses; ~~and~~
- 21 (iii) lost wages~~[-];~~ and
- 22 (iv) child care costs;

23 (B) The subtract modification allowed under this paragraph shall not
24 be claimed by a part-year resident or a non-resident of this state.

25 § 2. This act shall take effect on the sixtieth day after it shall
26 have become a law.

27 PART HHH

28 Section 1. Subdivision (e) of section 24-a of the tax law, as added by
29 section 1 of part HH of chapter 59 of the laws of 2014, is amended to
30 read as follows:

31 (e) Maximum amount of credits. (1) The aggregate amount of tax credits
32 allowed under this section, subdivision forty-seven of section two
33 hundred ten-B and subsection (u) of section six hundred six of this
34 chapter in any calendar year shall be ~~four~~ six million dollars. Such
35 aggregate amount of credits shall be allocated by the department of
36 economic development among taxpayers in order of priority based upon the
37 date of filing an application for allocation of musical and theatrical
38 production credit with such department. If the total amount of allocated
39 credits applied for in any particular year exceeds the aggregate amount
40 of tax credits allowed for such year under this section, such excess
41 shall be treated as having been applied for on the first day of the
42 subsequent year.

43 (2) The commissioner of economic development, after consulting with
44 the commissioner, shall promulgate regulations by October thirty-first,
45 two thousand fourteen to establish procedures for the allocation of tax
46 credits as required by subdivision (a) of this section. Such rules and
47 regulations shall include provisions describing the application process,
48 the due dates for such applications, the standards which shall be used
49 to evaluate the applications, the documentation that will be provided to
50 taxpayers to substantiate to the department the amount of tax credits
51 allocated to such taxpayers, and such other provisions as deemed neces-
52 sary and appropriate. Such rules and regulations shall permit an appli-

1 cant for credits under this section to provide the required certifi-
2 ications by providing information and other documentation provided by a
3 licensed auditor on behalf of the applicant. Notwithstanding any other
4 provisions to the contrary in the state administrative procedure act,
5 such rules and regulations may be adopted on an emergency basis if
6 necessary to meet such October thirty-first, two thousand fourteen dead-
7 line.

8 § 2. Section 5 of part HH of chapter 59 of the laws of 2014 amending
9 the tax law relating to a musical and theatrical production credit, is
10 amended to read as follows:

11 § 5. This act shall take effect immediately, provided that section two
12 of this act shall take effect on January 1, 2015, and shall apply to
13 taxable years beginning on or after January 1, 2015, with respect to
14 "qualified production expenditures" and "transportation expenditures"
15 paid or incurred on or after such effective date, regardless of whether
16 the production of the qualified musical or theatrical production
17 commenced before such date, provided further that this act shall expire
18 and be deemed repealed [~~4 years after such date~~] March 31, 2023.

19 § 3. This act shall take effect immediately, provided, however, that
20 the amendments to section 24-a of the tax law made by section one of
21 this act shall not affect the repeal of such section and shall expire
22 and be deemed to repeal therewith.

23 PART III

24 Section 1. The education law is amended by adding a new section 682 to
25 read as follows:

26 § 682. College debt freedom account pilot program. 1. There is hereby
27 established the college debt freedom account pilot program. Such program
28 shall permit employees of any employer jointly certified by the commis-
29 sioner and the commissioner of taxation and finance pursuant to this
30 section to deposit a portion of their pre-tax income pursuant to para-
31 graph forty-four of subsection (c) of section six hundred twelve of the
32 tax law, into an account solely intended for undergraduate student loan
33 repayments. Certified employers shall receive a tax credit by contrib-
34 uting matching funds to an employee's student loan repayment account
35 established pursuant to this section. Such contribution shall be mini-
36 maximally fifty percent of the employee's deposit and a maximum one hundred
37 percent of the employee's deposit, up to twenty-five hundred dollars
38 annually, per employee account. The annual maximum aggregate amount to
39 be deposited per account by the employee and employer shall be five
40 thousand dollars.

41 2. For the purposes of this section, "student loan" shall mean the
42 cumulative total of the annual student loans covering the cost of
43 attendance at an undergraduate college or university, and any interest
44 thereon or as defined in subparagraph (i) of paragraph forty-four of
45 subsection (c) of section six hundred twelve of the tax law.

46 3. Any employer which is a middle-sized business in this state, having
47 between twenty and five hundred full-time employees, may submit an
48 application to the commissioner for certification to participate in the
49 program established pursuant to this section. The commissioner and the
50 commissioner of taxation and finance shall jointly consider each appli-
51 cation for certification submitted pursuant to this subdivision.
52 Provided that not more than fifty employers shall be certified to
53 participate in the program.

1 4. Employee student loan repayment accounts shall be established by an
 2 employee for deposit of funds to be used solely for repayment of student
 3 loans. Such accounts shall be managed by the higher education services
 4 corporation. All enrollees and certified participating employers shall
 5 provide the corporation with all necessary information in order to
 6 implement the provisions of this section.

7 5. Moneys in a student loan repayment account shall be available only
 8 for repayments of student loans. Any withdrawal or distribution from a
 9 student loan repayment account which violated the provisions of this
 10 subdivision shall be subject to a penalty of ten percent on any such
 11 withdrawal or distribution.

12 6. The commissioner and the commissioner of taxation and finance shall
 13 jointly promulgate rules and regulations necessary to implement the
 14 provisions of this section.

15 § 2. Subsection (c) of section 612 of the tax law is amended by adding
 16 a new paragraph 44 to read as follows:

17 (44) Payment not in excess of twenty-five hundred dollars actually
 18 paid by an eligible borrower employed by an employer certified pursuant
 19 to section six hundred eighty-two of the education law for student loan
 20 repayment, to the extent not deductible in determining federal adjusted
 21 gross income and not reimbursed. For the purposes of this paragraph, the
 22 following terms shall have the following meanings:

23 (i) "Student loans" shall mean any indebtedness incurred by the
 24 taxpayer for an undergraduate education loan in accordance with section
 25 221 of the internal revenue code or as defined in subdivision two of
 26 section six hundred eighty-two of the education law.

27 (ii) "Eligible borrower" shall mean a taxpayer who has incurred
 28 indebtedness on student loans as defined in subparagraph (i) of this
 29 paragraph.

30 § 3. Section 210-B of the tax law is amended by adding a new subdivi-
 31 sion 53 to read as follows:

32 53. College debt freedom account program tax credit. (a) General. An
 33 employer certified pursuant to section six hundred eighty-two of the
 34 education law, who contributes matching funds towards an employee's
 35 undergraduate student loan repayments, shall be allowed a credit, to be
 36 computed as provided in this subdivision, against the tax imposed by
 37 this article, for contributions the employer deposits annually, up to
 38 twenty-five hundred dollars per employee per year.

39 (b) Amount of credit. The credit authorized by this subdivision shall
 40 be equal to the amount of the employer's contribution; provided that
 41 such contribution shall be a minimum of fifty percent and a maximum of
 42 one hundred percent of the employee's deposit to a student loan repay-
 43 ment account subject to the limits set forth in this subdivision.

44 § 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 45 of the tax law is amended by adding a new clause (xliv) to read as
 46 follows:

47 <u>(xliv) College debt</u>	<u>Amount of credit</u>
48 <u>freedom account</u>	<u>under subdivision fifty-three</u>
49 <u>program tax credit under</u>	<u>of section two hundred ten-B</u>
50 <u>subsection (ccc)</u>	

51 § 5. Section 606 of the tax law is amended by adding a new subsection
 52 (ccc) to read as follows:

53 (ccc) College debt freedom account program tax credit. (a) General. An
 54 employer, certified pursuant to section six hundred eighty-two of the
 55 education law, who contributes matching funds towards an employee's
 56 undergraduate student loan repayments, shall be allowed a credit, to be

1 computed as provided in this subsection, against the tax imposed by this
2 article, for contributions the employer deposits annually, up to twenty-
3 five hundred dollars per employee per year.

4 (b) Amount of credit. The credit authorized by this subsection shall
5 be equal to the amount of the employer contribution; provided that such
6 contribution shall be a minimum of fifty percent and a maximum of one
7 hundred percent of the employee's deposit to a student loan repayment
8 account subject to the limits set forth in this subsection.

9 § 6. Section 1511 of the tax law is amended by adding a new subdivi-
10 sion (dd) to read as follows:

11 (dd) College debt freedom account program tax credit. (1) General. An
12 employer, certified pursuant to section six hundred eighty-two of the
13 education law, who contributes matching funds towards an employee's
14 undergraduate student loan repayments, shall be allowed a credit, to be
15 computed as provided in this subdivision, against the tax imposed by
16 this article, for contributions the employer deposits annually, up to
17 twenty-five hundred dollars per employee per year.

18 (2) Amount of credit. The credit authorized by this subdivision shall
19 be equal to the amount of the employer's contribution; provided that
20 such contribution shall be a minimum of fifty percent and a maximum of
21 one hundred percent of the employee's deposit to a student loan repay-
22 ment account subject to the limits set forth in this subdivision.

23 § 7. Notwithstanding any provision of the tax law to the contrary, the
24 aggregate of tax expenditure and taxes forgone pursuant to sections two,
25 three, four, five and six of this act shall not exceed \$70,000,000. The
26 commissioner of taxation and finance shall immediately suspend all
27 deductions and credits established pursuant to such sections upon reach-
28 ing the \$70,000,000 threshold.

29 § 8. This act shall take effect on the sixtieth day after it shall
30 have become a law and shall apply to taxable years commencing on or
31 after January 1, 2019.

32 PART JJJ

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

35 (44)(A) (i) For a taxpayer who files singly or as the head of a house-
36 hold with a federal adjusted income, without the deduction of any inter-
37 est paid on student loans, of not less than sixty-five thousand dollars
38 nor more than eighty thousand dollars, the difference between the inter-
39 est paid on student loans by the taxpayer, is an amount not to exceed
40 two thousand five hundred dollars, and the amount of such interest
41 deducted by such taxpayer to calculate his or her federal adjusted gross
42 income; and

43 (ii) For a taxpayer who files singly or as the head of a household
44 with a federal adjusted gross income of not less than eighty thousand
45 dollars, nor more than one hundred twenty-five thousand dollars, inter-
46 est, in an amount not to exceed two thousand five hundred dollars, paid
47 on indebtedness incurred from a student loan; and

48 (iii) For married taxpayers filing jointly with a federal adjusted
49 gross income, without the deduction of any interest paid on student
50 loans, of not less than one hundred thirty thousand dollars, nor more
51 than one hundred sixty thousand dollars, the difference between the
52 interest paid on student loans by the taxpayers, in an amount not to
53 exceed two thousand five hundred dollars, and the amount of such inter-

1 est deducted by such taxpayers to calculate their federal adjusted gross
2 income; and

3 (iv) For married taxpayers filing jointly with a federal adjusted
4 gross income of not less than one hundred sixty thousand dollars, nor
5 more than two hundred fifty thousand dollars, interest, in an amount not
6 to exceed two thousand five hundred dollars, paid on indebtedness
7 incurred from a student loan.

8 (B) For the purposes of this paragraph, "student loan" shall have the
9 same meaning as ascribed to such term by subparagraph (B) of paragraph
10 forty-two of this subsection, as added by chapter four hundred fifty-six
11 of the laws of two thousand seventeen.

12 § 2. This act shall take effect immediately, and shall apply to taxa-
13 ble years commencing on or after January 1, 2019.

14 PART KKK

15 Section 1. Section 606 of the tax law is amended by adding a new
16 subsection (p-1) to read as follows:

17 (p-1) Residential fuel oil storage tank credit. (1) Allowance of cred-
18 it. A taxpayer shall be allowed a credit, to be computed as hereinafter
19 provided, against the tax imposed by this article for the removal or
20 permanent closure and installation of a below-ground or above-ground
21 residential fuel oil storage tank used to provide heating fuel for
22 single family, two family, three family and four family residences
23 located in this state.

24 (2) Amount of credit. The amount of the credit shall be equal to the
25 costs of removal or permanent closure of an existing below-ground or
26 above-ground residential fuel oil tank and the purchase and installation
27 costs of a new below-ground or above-ground residential fuel oil storage
28 tank which is installed during the taxable year where such new tank is
29 used in place of such formerly used below-ground or above-ground resi-
30 dential fuel oil tank which was removed or permanently closed during the
31 taxable year, not to exceed five hundred dollars.

32 (3) Limitation. A credit allowed under this subsection may be allowed
33 only once with respect to a particular residence.

34 (4) Carryover. If the amount of the credit allowable under this
35 subsection exceeds the taxpayer's tax for any taxable year, the excess
36 may be carried over to the following year or years and may be deducted
37 from the taxpayer's tax for such year or years.

38 (5) To qualify for the credit established by this subsection, a
39 replacement fuel oil storage tank must be installed and shall be of a
40 design approved by Underwriters Laboratories (U.L.), as follows:

41 (A) U.L. 80: A steel tank with a polyurethane exterior coating;

42 (B) U.L. 80: A steel tank with a double-bottom leak protection system,
43 with or without a polyurethane exterior coating;

44 (C) U.L. 80 steel tank, without a polyurethane exterior coating,
45 provided that such tank is located inside a sealed, leak-proof secondary
46 containment structure listed to U.L. 2258 (non-metallic tub for oil
47 tanks), wherein such structure has a volumetric capacity of 110% of the
48 inside tank;

49 (D) U.L. 2558: A double wall tank consisting of an interior polyethy-
50 lene tank placed inside a secondary liquid-tight metallic tank;

51 (E) U.L. 2558: A single wall or double wall fiberglass tank; or

52 (F) U.L. 58 and U.L. 1746-Part 1: A Steel Tank Institute P-3 tank with
53 cathodic protection.

1 A standard unprotected single wall oil storage tank listed to U.L. 80 is
2 not permitted as a replacement tank and will not be eligible for the tax
3 credit provided herein.

4 § 2. The office of temporary and disability assistance shall develop a
5 program utilizing the heating energy assistance program (HEAP) to assist
6 eligible households to remove/permanently close and replace existing
7 fuel oil storage tanks and to promulgate such regulations and apply for
8 such permissions and waivers from the United States government as may be
9 necessary to do so. To qualify for assistance, a replacement fuel oil
10 storage tank must be installed and shall be of a design as specified in
11 paragraph (5) of subsection (p-1) of section 606 of the tax law.

12 § 3. This act shall take effect immediately and shall apply to taxable
13 years beginning on or after January 1, 2019.

14 PART LLL

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

18 1. General. A taxpayer shall be allowed a credit against the tax
19 imposed by this article equal to [~~twenty percent~~] the following percent-
20 ages of the premium paid during the taxable year for long-term care
21 insurance or for a policy rider to a life insurance policy issued pursu-
22 ant to subparagraph (C), (D), (E) or (F) of paragraph one of subsection
23 (a) of section one thousand one hundred thirteen of the insurance law:

24 (a) forty percent if the insured is less than forty years of age at
25 the end of the tax year for the first four policy years;

26 (b) thirty percent if the insured is less than fifty years of age, but
27 forty or more years of age, at the end of the tax year for the first
28 four policy years;

29 (c) twenty-five percent if the insured is less than fifty-five years
30 of age, but fifty or more years of age, at the end of the tax year for
31 the first four policy years; or

32 (d) twenty percent if the insured is fifty-five or more years of age
33 at the end of the tax year, and for all other insureds who have had a
34 policy for five years or more.

35 In order to qualify for such credit, the taxpayer's premium payment
36 must be for the purchase of or for continuing coverage under a long-term
37 care insurance policy that qualifies for such credit pursuant to section
38 one thousand one hundred seventeen of the insurance law.

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

42 (a) General. A taxpayer shall be allowed a credit against the tax
43 imposed by this article equal to [~~twenty percent~~] the following percent-
44 ages of the premium paid during the taxable year for long-term care
45 insurance or for a policy rider to a life insurance policy issued pursu-
46 ant to subparagraph (C), (D), (E) or (F) of paragraph one of subsection
47 (a) of section one thousand one hundred thirteen of the insurance law:

48 (i) forty percent if the insured is less than forty years of age at
49 the end of the tax year for the first four policy years;

50 (ii) thirty percent if the insured is less than fifty years of age,
51 but forty or more years of age, at the end of the tax year for the first
52 four policy years;

1 (iii) twenty-five percent if the insured is less than fifty-five years
2 of age, but fifty or more years of age, at the end of the tax year for
3 the first four policy years; or

4 (iv) twenty percent if the insured is fifty-five or more years of age
5 at the end of the tax year, and for all other insureds who have had a
6 policy for five years or more.

7 In order to qualify for such credit, the taxpayer's premium payment
8 must be for the purchase of or for continuing coverage under a long-term
9 care insurance policy that qualifies for such credit pursuant to section
10 one thousand one hundred seventeen of the insurance law.

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

14 (1) Residents. A taxpayer shall be allowed a credit against the tax
15 imposed by this article equal to [~~twenty percent~~] the following percent-
16 ages of the premium paid during the taxable year for long-term care
17 insurance or for a policy rider to a life insurance policy issued pursu-
18 ant to subparagraph (C), (D), (E) or (F) of paragraph one of subsection
19 (a) of section one thousand one hundred thirteen of the insurance law:

20 (A) forty percent if the insured is less than forty years of age at
21 the end of the tax year for the first four policy years;

22 (B) thirty percent if the insured is less than fifty years of age, but
23 forty or more years of age, at the end of the tax year for the first
24 four policy years;

25 (C) twenty-five percent if the insured is less than fifty-five years
26 of age, but fifty or more years of age, at the end of the tax year for
27 the first four policy years; or

28 (D) twenty percent if the insured is fifty-five or more years of age
29 at the end of the tax year, and for all other insureds who have had a
30 policy for five years or more.

31 In order to qualify for such credit, the taxpayer's premium payment
32 must be for the purchase of or for continuing coverage under a long-term
33 care insurance policy that qualifies for such credit pursuant to section
34 one thousand one hundred seventeen of the insurance law. If the amount
35 of the credit allowable under this subsection for any taxable year shall
36 exceed the taxpayer's tax for such year, the excess may be carried over
37 to the following year or years and may be deducted from the taxpayer's
38 tax for such year or years.

39 § 4. Paragraph 1 of subdivision (m) of section 1511 of the tax law, as
40 amended by section 21 of part B of chapter 58 of the laws of 2004, is
41 amended to read as follows:

42 (1) A taxpayer shall be allowed a credit against the tax imposed by
43 this article equal to [~~twenty percent~~] the following percentages of the
44 premium paid during the taxable year for long-term care insurance or for
45 a policy rider to a life insurance policy issued pursuant to subpara-
46 graph (C), (D), (E) or (F) of paragraph one of subsection (a) of section
47 one thousand one hundred thirteen of the insurance law:

48 (A) forty percent if the insured is less than fifty years of age at
49 the end of the tax year for the first four policy years;

50 (B) thirty percent if the insured is less than fifty years of age, but
51 forty or more years of age, at the end of the tax year for the first
52 four policy years;

53 (C) twenty-five percent if the insured is less than fifty-five years
54 of age, but fifty or more years of age, at the end of the tax year for
55 the first four policy years; or

1 (D) twenty percent if the insured is fifty-five or more years of age
 2 at the end of the tax year, and for all other insureds who have had a
 3 policy for five years or more.

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

8 § 5. Paragraphs 1 and 2 of subsection (g) of section 1117 of the
 9 insurance law, paragraph 1 as amended by chapter 417 of the laws of
 10 2001, paragraph 2 as amended by section 12 of part E of chapter 63 of
 11 the laws of 2000 and subparagraphs (A) and (B) of paragraph 2 as amended
 12 by chapter 311 of the laws of 2002, are amended to read as follows:

13 (1) Except for certain group contracts described in paragraph four of
 14 this subsection, in order for premium payments for long-term care insur-
 15 ance, or for a policy rider to a life insurance policy issued pursuant
 16 to subparagraph (C), (D), (E) or (F) of paragraph one of subsection (a)
 17 of section one thousand one hundred thirteen of this article, to qualify
 18 for purposes of section one hundred ninety, subdivision [~~twenty-five-a~~]
 19 fourteen of section two hundred [~~ten~~] ten-B, subsection (aa) of section
 20 six hundred six[~~, subsection (k) of section one thousand four hundred~~
 21 ~~fifty-six~~] and subsection (m) of section one thousand five hundred elev-
 22 en of the tax law, the long-term care insurance or such policy rider
 23 must be approved by the superintendent pursuant to this subsection.
 24 Prior to approving any such insurance or policy rider, the superinten-
 25 dent shall conclude that it meets minimum standards, including minimum
 26 loss ratio standards under this section or section three thousand two
 27 hundred twenty-nine of this chapter and is a qualified long-term care
 28 insurance contract as defined in section 7702B of the internal revenue
 29 code.

30 (2) (A) No insurer, agent, broker, person, business or corporation
 31 doing business in or into this state shall in any manner state, adver-
 32 tise or claim that a long-term care insurance policy, or a policy rider
 33 to a life insurance policy issued pursuant to subparagraph (C), (D),
 34 (E), or (F) of paragraph one of subsection (a) of section one thousand
 35 one hundred thirteen of this article, qualifies for purposes of the
 36 above-referenced provisions of the tax law unless either: (i) the super-
 37 intendent has issued a letter or other written instrument to the insurer
 38 stating that the policy or policy rider has been determined to qualify
 39 under this subsection, or (ii) the policy or policy rider qualifies
 40 under paragraph four of this subsection without the need for approval by
 41 the superintendent.

42 (B) Any policy or policy rider which is held out or purported to be a
 43 long-term care insurance policy by any insurer, agent, broker, person,
 44 business or corporation doing business in or into this state which has
 45 not been determined by the superintendent to qualify and which does not
 46 qualify under paragraph four of this subsection for purposes of the
 47 above referenced provisions of the tax law shall so state clearly, legi-
 48 bly and in close physical proximity to any description of the policy or
 49 policy rider as a long-term care insurance policy that it does not so
 50 qualify. This subsection shall also be deemed to cover any statement,
 51 advertisement or claim concerning such policy by any insurer, agent,
 52 broker, person, business or corporation doing business in or into this
 53 state.

54 (C) Violation of this paragraph shall be considered a misrepresen-
 55 tation under section [~~twenty-one~~] two thousand one hundred twenty-three
 56 of this chapter.

1 § 6. This act shall take effect immediately and shall apply to tax
2 years beginning on or after January 1, 2019.

3 PART MMM

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

6 § 44. New York agriculture and rural jobs credit. (a) Definitions. For
7 the purpose of this section the following terms shall have the following
8 meanings:

9 (1) "Affiliate" means a person that directly, or indirectly through
10 one or more intermediaries, controls, is controlled by, or is under
11 common control with another person. For the purposes of this division, a
12 person is "controlled by" another person if the controlling person
13 holds, directly or indirectly, the majority voting or ownership interest
14 in the controlled person or has control over the day-to-day operations
15 of the controlled person by contract or by law.

16 (2) "Closing date" means the date on which a rural business growth
17 fund has collected all of the amounts specified by subparagraphs (A) and
18 (B) of paragraph seven of subdivision (b) of this section.

19 (3) "Credit-eligible capital contribution" means an investment of cash
20 by a person in a rural business growth fund that equals the amount spec-
21 ified on a tax credit certificate issued by the department under subpar-
22 agraph (B) of paragraph six of subdivision (b) of this section. The
23 investment shall purchase an equity interest in the rural business
24 growth fund or purchase, at par value or premium, a debt instrument
25 issued by the rural growth fund that meets all of the following crite-
26 ria:

27 (A) The debt instrument has an original maturity date of at least five
28 years after the date of issuance.

29 (B) The debt instrument has a repayment schedule that is not faster
30 than a level principal amortization over five years.

31 (C) The debt instrument has no interest, distribution, or payment
32 features dependent on the rural business growth fund's profitability or
33 the success of the rural growth investments.

34 (4) "Eligible investment authority" means the amount stated on the
35 notice issued under subparagraph (A) of paragraph six of subdivision (b)
36 of this section certifying the rural business growth fund. At least
37 sixty-five percent of a rural business growth fund's eligible investment
38 authority shall be comprised of credit-eligible capital contributions.

39 (5) A business's "principal business operations" are in this state if
40 at least eighty percent of the business's employees reside in this
41 state, the individuals who receive eighty percent of the business's
42 payroll reside in this state, or the business has agreed to use the
43 proceeds of a rural growth investment to relocate at least eighty
44 percent of its employees to this state or pay at least eighty percent of
45 its payroll to individuals residing in this state.

46 (6) "Rural area" means either of the following:

47 (A) An area of the state not in a city or town that has a population
48 of more than fifty thousand inhabitants according to the latest decenni-
49 al census of the United States or in the urbanized area contiguous and
50 adjacent to a city or town that has a population of more than fifty
51 thousand inhabitants; or

52 (B) Any area determined to be "rural in character" by the under-secre-
53 tary of agriculture for rural development within the United States
54 department of agriculture.

1 (7) "Rural business concern" means an operating company that, at the
2 time if the initial investment in the company by a rural business growth
3 fund, has its principal business operations in this state, has fewer
4 than two hundred fifty employees or not more than fifteen million
5 dollars in net income for the preceding taxable year, and meets either
6 of the following criteria:

7 (A) The business's principal business operations are located in a
8 rural area; or

9 (B) The business produces or provides any goods or services normally
10 used by farmers, ranchers, or producers and harvesters of aquatic
11 products in their business operations, or to improve the welfare or
12 livelihood of such persons, or is involved in the processing and market-
13 ing of agricultural products, farm supply, and input suppliers. For the
14 purposes of this section, "net income" means federal adjusted gross
15 income as required to be reported under the Internal Revenue Code less
16 federal and state taxes imposed on or measured by income. Any business
17 which is classified as a rural business concern at the time of the
18 initial investment in said business by a rural business growth fund
19 shall remain classified as a rural business concern and may receive
20 follow-on investments from any rural business growth fund, and such
21 follow-on investments shall be rural growth investments even though such
22 business may not meet the definition of a rural business concern at the
23 time of such follow-on investments.

24 (8) "Rural business growth fund" means an entity certified by the
25 department under this section.

26 (9) "Rural growth investment" means any capital or equity investment
27 in a rural business concern or any loan to a rural business concern with
28 a term of at least one year.

29 (10) "Taxable year" when used in reference to an insurance company
30 means the calendar year ending on the thirty-first day of December next
31 preceding the day the annual report is required to be returned under
32 subdivision (d) of this section.

33 (b) Certification. (1) On and after August first, two thousand eigh-
34 teen, an applicant that has developed a business plan to invest in rural
35 business concerns in this state and has successfully solicited private
36 investors to make capital contributions in support of the plan may apply
37 to the department for certification as a rural business growth fund. The
38 application shall include all of the following:

39 (A) The total eligible investment authority sought by the applicant
40 under the business plan;

41 (B) Documents and other evidence sufficient to prove, to the satisfac-
42 tion of the department, that the applicant meets all of the following
43 criteria: (i) The applicant or an affiliate of the applicant is licensed
44 as a rural business investment company under 7 U.S.C. 2009cc, or as a
45 small business investment company under 15 U.S.C. 681.

46 (ii) As of the date the application is submitted, the applicant has
47 invested more than one hundred million dollars in operating companies,
48 including at least fifty million dollars in operating companies located
49 in rural areas. In computing investments under this division, the appli-
50 cant may include investments made by affiliates of the applicant.

51 (C) An estimate of the number of jobs that will be created or retained
52 in this state as a result of the applicant's rural growth investments;

53 (D) A revenue impact assessment for the applicant's proposed rural
54 growth investments prepared by a nationally recognized third-party inde-
55 pendent economic forecasting firm using a dynamic economic forecasting
56 model. The revenue impact assessment shall analyze the applicant's

1 business plan over the ten years following the date the application is
2 submitted to the department.

3 (E) A signed affidavit from each investor successfully solicited by
4 the applicant to make a credit eligible capital contribution in support
5 of the business plan. Each affidavit shall include information suffi-
6 cient for the tax commissioner to identify the investor and shall state
7 the amount of the investor's credit-eligible capital contribution.

8 (F) A nonrefundable application fee of five thousand dollars.

9 (2) The department shall review and make a determination with respect
10 to each application submitted under paragraph one of this subdivision
11 within thirty days of receipt. The department shall review and make
12 determinations on the applications in the order in which the applica-
13 tions are received by the department. Applications received by the
14 department on the same day shall be deemed to have been received simul-
15 taneously. Except as provided in paragraph four of subdivision (c) of
16 this section, the department shall not approve more than one hundred
17 million dollars in eligible investment authority or more than sixty-five
18 million dollars in credit-eligible capital contributions.

19 (3) The department shall deny an application submitted under this
20 section if any of the following are true: (A) The application is incom-
21 plete.

22 (B) The application fee is not paid in full.

23 (C) The applicant does not satisfy all the criteria described in
24 subparagraph (B) of paragraph one of this subdivision.

25 (D) The revenue impact assessment submitted under subparagraph (D) of
26 paragraph one of this subdivision does not demonstrate that the appli-
27 cant's business plan will result in a positive economic impact on this
28 state over a ten-year period that exceeds the eligible investment
29 authority sought by the applicant.

30 (E) The credit-eligible capital contributions described in affidavits
31 submitted under subparagraph (E) of paragraph one of this subdivision do
32 not equal sixty-five percent of the total amount of eligible investment
33 authority sought under the applicant's business plan.

34 (F) The department has already approved the maximum amount of eligible
35 investment authority and credit-eligible capital contributions allowed
36 under paragraph two of this subdivision.

37 (4) If the department denies an application under paragraph three of
38 this subdivision, the department shall send notice of its determination
39 of the applicant. The notice shall include the reasons that the applica-
40 tion was denied. If the application was denied for any reason other than
41 the reason specified in subparagraph (F) of paragraph three of this
42 subdivision, the applicant may provide additional information to the
43 department to complete, clarify, or cure defects in the application.
44 The additional information must be submitted within thirty days after
45 the date the notice of denial was sent by the department. If the person
46 or entity submits additional information within thirty days, the depart-
47 ment shall reconsider the application within thirty days after receiving
48 such additional information. If after submission of additional informa-
49 tion, the department approves the application, then the submission date
50 shall be the date of the original submission of the application. If the
51 person or entity does not submit additional information within thirty
52 days after the notice of denial was sent, the applicant may submit a new
53 application with a new submission date at any time.

54 (5) Of approving multiple simultaneously submitted applications would
55 result in exceeding the overall eligible investment limit prescribed by
56 paragraph two of this subdivision, the department shall proportionally

1 reduce the eligible investment authority and the credit-eligible capital
2 contributions for each approved application as necessary to avoid
3 exceeding the limit.

4 (6) The department shall not deny a rural business growth fund appli-
5 cation or reduce the requested eligible investment authority for reasons
6 other than those described in paragraphs three and five of this subdivi-
7 sion. If the department approves such application, the department shall
8 issue all of the following notices: (A) To the applicant, a written
9 notice certifying that the applicant qualifies as a rural business
10 growth fund and specifying the amount of the applicant's eligible
11 investment authority; (B) To each investor whose affidavit was included
12 in the application, a tax credit certificate specifying the amount of
13 the investor's credit-eligible capital contribution; (C) To the commis-
14 sioner, a copy of each tax credit certificate issued under subparagraph
15 (B) of this paragraph.

16 (7) A rural business growth fund shall complete all of the following
17 within sixty days of receiving the certification issued under subpara-
18 graph (A) of paragraph six of this subdivision:

19 (A) Collect the credit-eligible capital contributions from each inves-
20 tor issued a tax credit certificate under subparagraph (B) of para-
21 graph six of this subdivision;

22 (B) Collect one or more investments of cash, which shall purchase an
23 equity interest in the rural growth fund or a debt instrument issued by
24 the rural growth fund at par value or premium, with a maturity date of
25 at least five years from the closing date that, when added to the
26 contributions collected under subparagraph (A) of this paragraph, equal
27 the fund's eligible investment authority. At least ten percent of the
28 fund's eligible investment authority shall be comprised of equity
29 investments contributed by affiliates of the rural business growth fund,
30 including employees, officers, and directors of such affiliates.

31 (C) Send to the department documentation sufficient to prove that the
32 amounts described in subparagraphs (A) and (B) of this paragraph have
33 been collected. If the rural business growth fund fails to fully comply
34 with this paragraph, the fund's certification shall lapse.

35 (8) Eligible investment authority and corresponding credit-eligible
36 capital contributions that lapse under paragraph seven of this subdivi-
37 sion do not count toward limits on total eligible investment authority
38 and credit-eligible capital contributions prescribed in paragraph two of
39 this subdivision. Once eligible investment authority has lapsed, the
40 department shall first award lapsed authority pro rata to each rural
41 business growth fund that was awarded less than the requested eligible
42 investment authority under paragraph five of this subdivision. Any
43 remaining eligible investment authority may be awarded by the department
44 to new applicants.

45 (9) Application fees submitted to the department pursuant to subpara-
46 graph (F) of paragraph one of this subdivision shall be credited to the
47 New York agriculture and rural jobs fund, created in section ninety-
48 nine-bb of the state finance law.

49 (c) Revocation of certification. (1) The department shall revoke a tax
50 credit certificate issued under subdivision (b) of this section if any
51 of the following occur with respect to a rural business growth fund
52 before the fund exits the program under paragraph five of this subdivi-
53 sion.

54 (A) The rural business growth fund in which the credit-eligible capi-
55 tal contribution was made does not invest sixty percent of its eligible
56 investment authority in rural growth investments in this state within

1 two years of the closing date and one hundred percent of its eligible
2 investment authority in rural growth investments in this state within
3 three years of the closing date.

4 (B) After investing one hundred percent of its eligible investment
5 authority in rural growth investments in this state, the rural business
6 growth fund fails to maintain that investment until the fifth anniver-
7 sary of the closing date, including the reinvestment of such investment.
8 For the purposes of this section, an investment is "maintained" even if
9 the investment is sold or repaid so long as the rural business growth
10 fund reinvests an amount equal to the capital returned or recovered by
11 the fund from the original investment, exclusive of any profits real-
12 ized, in other rural growth investments in this state within twelve
13 months of the receipt of such capital. Amounts received periodically by
14 a rural business growth fund shall be treated as continually invested in
15 rural growth investments if the amounts are reinvested in one or more
16 rural growth investments by the end of the following calendar year. A
17 rural business growth fund is not required to reinvest capital returned
18 from rural growth investments in the six months immediately preceding
19 the fifth anniversary of the closing date, and such rural growth invest-
20 ments shall be considered held continuously by the rural growth fund
21 through the fifth anniversary of the closing date.

22 (C) The rural business growth fund invests more than the greater of
23 seven million five hundred thousand dollars or twenty percent of its
24 eligible investment authority in the same rural business concern,
25 including amounts invested in affiliates of the rural business concern
26 but excluding amounts reinvested in the rural business growth fund with
27 repaid or redeemed rural business growth investments, provided such
28 reinvestments shall not count towards the requirement of subparagraph
29 (A) of this paragraph.

30 (D) The rural business growth fund makes a rural growth investment in
31 a rural business concern that directly or indirectly through an affil-
32 iate owns, has the right to acquire an ownership interest, make a loan
33 to, or make an investment in the rural business growth fund, an affil-
34 iate of the rural business growth fund, or an investor in the rural
35 business growth fund. This paragraph does not apply to investments in
36 publicly traded securities by a rural business concern or an owner or
37 affiliate of such concern.

38 (2) Before taking action under paragraph one of this subdivision, the
39 department shall notify the rural business growth fund of the reasons
40 for the pending action. If the rural business growth fund corrects the
41 violations, other than violations of subparagraph (D) of paragraph one
42 of this subdivision, outlined in the notice to the satisfaction of the
43 department within one hundred eighty days of the date of the notice was
44 sent, the department shall not revoke the tax credit certificates or
45 levy a fine.

46 (3) If the department revokes a tax credit certificate under paragraph
47 one of this subdivision, the commissioner shall make an assessment for
48 the amount of the credit claimed by the certificate holder before the
49 certificate was revoked. The commissioner shall make the assessment
50 within one year after the certificate has been revoked.

51 (4) If tax credit certificates are revoked under paragraph one of this
52 subdivision, the associated eligible investment authority and credit-el-
53 igible capital contributions do not count toward the limit on total
54 eligible investment authority and credit-eligible capital contributions
55 described by paragraph two of subdivision (b) of this section. The
56 department shall first award reverted authority pro rata to each rural

1 business growth fund that was awarded less than the requested eligible
2 investment authority under paragraph five of subdivision (b) of this
3 section. Any remaining eligible investment authority may be awarded by
4 the department to new applicants.

5 (5) (A) On or after the fifth anniversary of the closing date, a rural
6 business growth fund that has not committed any of the acts described in
7 paragraph one of this subdivision may apply to the department to exit
8 the program as a rural business growth fund and no longer be subject to
9 regulation under this section. The department shall respond to the
10 application within thirty days after receiving such application. In
11 evaluating such request the fact that no tax credit certificates have
12 been revoked with respect to the rural business growth fund shall be
13 sufficient evidence to prove that the fund is eligible to exit the
14 program. The department shall not unreasonably deny an application
15 submitted under this subdivision.

16 (B) The department shall send notice of its determination with respect
17 to an application submitted under subparagraph (A) of this paragraph to
18 the rural business growth fund. If the application is denied, the notice
19 shall include the reasons for the determination.

20 (C) The department shall not revoke a tax credit certificate due to
21 any actions of a rural business growth fund that occur after the date
22 the fund's application for exiting the program is approved under subpar-
23 agraph (A) of this paragraph.

24 (6) If the number of jobs created or retained by the rural business
25 concern that received rural growth investments from the rural business
26 growth fund is:

27 (A) Less than sixty percent of the number projected in the approved
28 rural business growth fund's business plan filed as part of its applica-
29 tion for certification under subdivision (b) of this section, then the
30 state shall receive twenty percent of any distribution or payment to an
31 equity holder in an approved rural business growth fund in excess of the
32 sum of the amount of equity capital invested in the fund by such equity
33 holder and an amount equal to any projected increase in the equity hold-
34 er's federal or state tax liability, including penalties and interest,
35 related to the equity holder's ownership, management, or operation of
36 the fund; or

37 (B) Greater than sixty percent but less than eighty percent of the
38 number projected in the approved rural business growth fund's business
39 plan filed as part of its application for certification under subdivi-
40 sion (b) of this section, then the state shall receive ten percent of
41 any distribution or payment to an equity holder in an approved rural
42 business growth fund in excess of the sum of the amount of equity capi-
43 tal invested in the fund by such equity holder and an amount equal to
44 any projected increase in the equity holder's federal or state tax
45 liability, including penalties and interest, related to the equity hold-
46 er's ownership, management, or operation of the fund.

47 (7) A rural business growth fund may, prior to making a rural growth
48 investment, request from the department a written determination as to
49 whether the business entity in which it proposes to invest qualifies as
50 a rural business concern.

51 (d) Reports. (1) Each rural business growth fund shall submit a report
52 to the department on or before the fifth business day after the second
53 and third anniversaries of the closing date. The report shall provide
54 documentation as to the rural growth investments made by the rural busi-
55 ness growth fund. Such documentation shall include the following:

1 (A) A bank statement of the rural business growth fund displaying each
2 rural growth investment;

3 (B) The name and location of each rural business concern in which the
4 rural business growth fund has made a rural growth investment, including
5 evidence that the business concern was qualified at the time the invest-
6 ment was made.

7 (2) On or before the last day of February of each year following the
8 year in which the report required under paragraph one of this subdivi-
9 sion is due, the rural business growth fund shall submit an annual
10 report to the department including the following:

11 (A) The number of employment positions created or retained as a result
12 of the fund's rural growth investments as of the last day of the preced-
13 ing calendar year;

14 (B) The average annual salary of the positions described in subpara-
15 graph (A) of this paragraph;

16 (C) Any other information required by the department.

17 (3) The department shall adopt rules necessary to implement this
18 subdivision.

19 § 2. Section 1511 of the tax law is amended by adding a new subdivi-
20 sion (dd) to read as follows:

21 (dd) Credit for certain investments to a rural business growth fund.

22 (1) There is hereby allowed a nonrefundable tax credit for taxpayers
23 that made a credit-eligible capital contribution to a rural business
24 growth fund and were issued a tax credit certificate under subparagraph
25 (B) of paragraph six of subdivision (b) of section forty-four of this
26 chapter. The credit may be claimed against the tax imposed by this arti-
27 cle and section one thousand one hundred twelve of the insurance law.
28 The credit may not be sold, transferred, or allocated to any entity
29 other than an affiliate of the taxpayer.

30 (2) On the closing date, the taxpayer shall earn a vested credit equal
31 to the amount of the taxpayer's credit-eligible capital contribution to
32 the rural business growth fund, as specified on the tax credit certifi-
33 cate. The taxpayer may claim up to twenty-five percent of the eligible
34 investment authority for the taxable year containing the third anniver-
35 sary date of the closing date, exclusive of amounts carried forward
36 pursuant to paragraph three of this subdivision. The taxpayer may claim
37 up to twenty percent of the eligible investment authority for the taxa-
38 ble years that include the fourth and fifth anniversary dates of the
39 closing date, exclusive of amounts carried forward pursuant to paragraph
40 three of this subdivision.

41 (3) If the amount of the credit for a taxable year exceeds the tax
42 otherwise due for that year, the excess shall be carried forward to
43 ensuing taxable years until fully used. A taxpayer claiming a credit
44 under this section shall submit a copy of the tax credit certificate
45 with the taxpayer's return for each taxable year for which the credit is
46 claimed.

47 § 3. The tax law is amended by adding a new section 187-q to read as
48 follows:

49 § 187-q. Credit for certain investments to a rural business growth
50 fund. 1. There is hereby allowed a nonrefundable tax credit for taxpay-
51 ers that made a credit-eligible capital contribution to a rural business
52 growth fund and were issued a tax credit certificate under subparagraph
53 (B) of paragraph six of subdivision (b) of section forty-four of this
54 chapter. The credit may be claimed against the tax imposed by this arti-
55 cle. The credit may not be sold, transferred, or allocated to any entity
56 other than an affiliate of the taxpayer.

1 2. On the closing date, the taxpayer shall earn a vested credit equal
2 to the amount of the taxpayer's credit-eligible capital contribution to
3 the rural business growth fund, as specified on the tax credit certifi-
4 cate. The taxpayer may claim up to twenty-five percent of the eligible
5 investment authority for the taxable year containing the third anniver-
6 sary date of the closing date, exclusive of amounts carried forward
7 pursuant to subdivision three of this section. The taxpayer may claim up
8 to twenty percent of the eligible investment authority for the taxable
9 years that include the fourth and fifth anniversary dates of the closing
10 date, exclusive of amounts carried forward pursuant to subdivision three
11 of this section.

12 3. If the amount of the credit for a taxable year exceeds the tax
13 otherwise due for that year, the excess shall be carried forward to
14 ensuing taxable years until fully used. A taxpayer claiming a credit
15 under this section shall submit a copy of the tax credit certificate
16 with the taxpayer's return for each taxable year for which the credit is
17 claimed.

18 § 4. Section 210-B of the tax law is amended by adding a new subdivi-
19 sion 53 to read as follows:

20 53. Credit for certain investments to a rural business growth fund.
21 (1) There is hereby allowed a nonrefundable tax credit for taxpayers
22 that made a credit-eligible capital contribution to a rural business
23 growth fund and were issued a tax credit certificate under subparagraph
24 (B) of paragraph six of subdivision (b) of section forty-four of this
25 chapter. The credit may be claimed against the tax imposed by this arti-
26 cle. The credit may not be sold, transferred, or allocated to any entity
27 other than an affiliate of the taxpayer.

28 (2) On the closing date, the taxpayer shall earn a vested credit equal
29 to the amount of the taxpayer's credit-eligible capital contribution to
30 the rural business growth fund, as specified on the tax credit certifi-
31 cate. The taxpayer may claim up to twenty-five percent of the eligible
32 investment authority for the taxable year containing the third anniver-
33 sary date of the closing date, exclusive of amounts carried forward
34 pursuant to paragraph three of this subdivision. The taxpayer may claim
35 up to twenty percent of the eligible investment authority for the taxa-
36 ble years that include the fourth and fifth anniversary dates of the
37 closing date, exclusive of amounts carried forward pursuant to paragraph
38 three of this subdivision.

39 (3) If the amount of the credit for a taxable year exceeds the tax
40 otherwise due for that year, the excess shall be carried forward to
41 ensuing taxable years until fully used. A taxpayer claiming a credit
42 under this section shall submit a copy of the tax credit certificate
43 with the taxpayer's return for each taxable year for which the credit is
44 claimed.

45 § 5. The state finance law is amended by adding a new section 99-bb to
46 read as follows:

47 § 99-bb. New York agriculture and rural jobs fund. 1. There is hereby
48 established in the joint custody of the state comptroller and the
49 commissioner of taxation and finance a special fund to be known as the
50 "New York agriculture and rural jobs fund".

51 2. Such fund shall consist of all application fees submitted pursuant
52 to subparagraph (F) of paragraph one of subdivision (b) of section
53 forty-four of the tax law, and all other moneys appropriated, credited,
54 or transferred thereto from any other fund or source pursuant to law.

55 3. Moneys of the fund, following appropriation by the legislature
56 shall be expended only for the purposes of providing funding for the New

1 York agriculture and rural jobs credit set forth in section forty-four
2 of the tax law. Moneys shall be paid out of the fund on the audit and
3 warrant of the state comptroller on vouchers approved and certified by
4 the commissioner of taxation and finance. Any interest received by the
5 comptroller on moneys on deposit in the New York agriculture and rural
6 jobs fund shall be retained in and become part of such fund.

7 § 6. This act shall take effect April 1, 2019.

8 PART NNN

9 Section 1. Subdivision (a) of section 1115 of the tax law is amended
10 by adding a new paragraph 45 to read as follows:

11 (45) School buses as such term is defined in section one hundred
12 forty-two of the vehicle and traffic law, and parts, equipment, lubri-
13 cants and fuel purchased and used in their operation.

14 § 2. Paragraph a of subdivision 14 of section 305 of the education
15 law, as amended by chapter 273 of the laws of 1999, is amended to read
16 as follows:

17 a. All contracts for the transportation of school children, all
18 contracts to maintain school buses owned or leased by a school district
19 that are used for the transportation of school children, all contracts
20 for mobile instructional units, and all contracts to provide, maintain
21 and operate cafeteria or restaurant service by a private food service
22 management company shall be subject to the approval of the commissioner,
23 who may disapprove a proposed contract if, in his or her opinion, the
24 best interests of the district will be promoted thereby. Except as
25 provided in paragraph e of this subdivision, all such contracts involv-
26 ing an annual expenditure in excess of the amount specified for purchase
27 contracts in the bidding requirements of the general municipal law shall
28 be awarded to the lowest responsible bidder, which responsibility shall
29 be determined by the board of education or the trustee of a district,
30 with power hereby vested in the commissioner to reject any or all bids
31 if, in his or her opinion, the best interests of the district will be
32 promoted thereby and, upon such rejection of all bids, the commissioner
33 shall order the board of education or trustee of the district to seek,
34 obtain and consider new proposals. All proposals for such transporta-
35 tion, maintenance, mobile instructional units, or cafeteria and restau-
36 rant service shall be in such form as the commissioner may prescribe.
37 Advertisement for bids shall be published in a newspaper or newspapers
38 designated by the board of education or trustee of the district having
39 general circulation within the district for such purpose. Such adver-
40 tisement shall contain a statement of the time when and place where all
41 bids received pursuant to such advertisement will be publicly opened and
42 read either by the school authorities or by a person or persons desig-
43 nated by them. All bids received shall be publicly opened and read at
44 the time and place so specified. At least five days shall elapse between
45 the first publication of such advertisement and the date so specified
46 for the opening and reading of bids. The requirement for competitive
47 bidding shall not apply to an award of a contract for the transportation
48 of pupils or a contract for mobile instructional units, if such award is
49 based on an evaluation of proposals in response to a request for
50 proposals pursuant to paragraph e of this subdivision. The requirement
51 for competitive bidding shall not apply to annual, biennial, or trienni-
52 al extensions of a contract nor shall the requirement for competitive
53 bidding apply to quadrennial or quinquennial year extensions of a
54 contract involving transportation of pupils, maintenance of school buses

1 or mobile instructional units secured either through competitive bidding
2 or through evaluation of proposals in response to a request for
3 proposals pursuant to paragraph e of this subdivision, when such exten-
4 sions (1) are made by the board of education or the trustee of a
5 district, under rules and regulations prescribed by the commissioner,
6 and, (2) do not extend the original contract period beyond five years
7 from the date cafeteria and restaurant service commenced thereunder and
8 in the case of contracts for the transportation of pupils, for the main-
9 tenance of school buses or for mobile instructional units, that such
10 contracts may be extended, except that power is hereby vested in the
11 commissioner, in addition to his or her existing statutory authority to
12 approve or disapprove transportation or maintenance contracts, (i) to
13 reject any extension of a contract beyond the initial term thereof if he
14 or she finds that amount to be paid by the district to the contractor in
15 any year of such proposed extension fails to reflect any decrease in the
16 regional consumer price index for the N.Y., N.Y.-Northeastern, N.J.
17 area, based upon the index for all urban consumers (CPI-U) during the
18 preceding twelve month period; and (ii) to reject any extension of a
19 contract after ten years from the date transportation or maintenance
20 service commenced thereunder, or mobile instructional units were first
21 provided, if in his or her opinion, the best interests of the district
22 will be promoted thereby. Upon such rejection of any proposed extension,
23 the commissioner may order the board of education or trustee of the
24 district to seek, obtain and consider bids pursuant to the provisions of
25 this section; and to reject any extension of a contract for transporta-
26 tion, or new contract, if he or she finds that the amount to be paid by
27 the district to the contractor in any year of such proposed contract
28 fails to reflect the savings realized from the sales tax exemption on
29 school buses, parts, equipment, lubricants and fuel used for school
30 purposes pursuant to paragraph forty-five of subdivision (a) of section
31 eleven hundred fifteen of the tax law. The board of education or the
32 trustee of a school district electing to extend a contract as provided
33 herein, may, in its discretion, increase the amount to be paid in each
34 year of the contract extension by an amount not to exceed the regional
35 consumer price index increase for the N.Y., N.Y.-Northeastern, N.J.
36 area, based upon the index for all urban consumers (CPI-U), during the
37 preceding twelve month period, provided it has been satisfactorily
38 established by the contractor that there has been at least an equivalent
39 increase in the amount of his or her cost of operation, during the peri-
40 od of the contract.

41 § 3. This act shall take effect immediately; provided, however that
42 section one of this act shall take effect on the first day of a quarter-
43 ly sales tax period as set forth in subdivision (b) of section 1136 of
44 the tax law, next succeeding December 1, 2018; and provided further,
45 that such exemption shall only apply to contracts executed or extended
46 after such date. Provided further, that the commissioner of taxation and
47 finance may take any action necessary for the timely implementation of
48 this act on or before the date on which it shall have become a law.

49

PART 000

50 Section 1. Short title. This act shall be known and may be cited as
51 the "education affordability act".

52 § 2. The tax law is amended by adding a new section 44 to read as
53 follows:

1 § 44. Education affordability tax credit. (a) Definitions. For the
2 purposes of this section, the following terms shall have the same defi-
3 inition as provided for in article twenty-five of the education law:

4 "Authorized contribution";

5 "Contribution";

6 "Educational program";

7 "Educational scholarship organization";

8 "Eligible pupil";

9 "Local education fund";

10 "Nonpublic school";

11 "Public education entity";

12 "Public school";

13 "Qualified contribution";

14 "Qualified educator";

15 "Qualified school";

16 "Scholarship"; and

17 "School improvement organization".

18 (b) Allowance of credit. A taxpayer subject to tax under article
19 nine-A or twenty-two of this chapter shall be allowed credit against
20 such tax, pursuant to the provisions referenced in subdivision (1) of
21 this section, with respect to qualified contributions made during the
22 taxable year.

23 (c) Amount of credit. For taxpayers whose federal adjusted gross
24 income is less than three hundred thousand dollars for the taxable year
25 during which such taxpayer made at least one qualified contribution, the
26 amount of the credit shall be ninety percent of the taxpayer's total
27 qualified contributions, capped at eight hundred seventy-five thousand
28 dollars. For taxpayers whose federal adjusted gross income is greater
29 than or equal to three hundred thousand dollars for the taxable year
30 during which such taxpayer made at least one qualified contribution, the
31 amount of credit shall be seventy-five percent of the taxpayer's total
32 qualified contributions, capped at eight hundred seventy-five thousand
33 dollars. A taxpayer that is a partner in a partnership, member of a
34 limited liability company or shareholder in an S corporation shall be
35 allowed to claim its pro rata share of the credit earned by the partner-
36 ship, limited liability company or S corporation, provided that such a
37 taxpayer shall not claim credit in excess of eight hundred seventy-five
38 thousand dollars.

39 (d) Information to be posted on the department's website. The commis-
40 sioner shall maintain on the department's website a running total of the
41 amount of available credit for which taxpayers may apply pursuant to
42 this section. Such running total shall be updated on a daily basis.
43 Additionally, the commissioner shall maintain on the department's
44 website a list of the school improvement organizations, local education
45 funds and educational scholarship organizations approved to issue
46 certificates of receipt pursuant to article twenty-five of the education
47 law. The commissioner shall also maintain on the department's website a
48 list of public education entities, school improvement organizations,
49 local education funds and educational scholarship organizations whose
50 approval to issue certificates of receipt has been revoked along with
51 the date of revocation.

52 (e) Applications for contribution authorization certificates. Prior to
53 making a contribution to a public education entity, school improvement
54 organization, local education fund, or educational scholarship organiza-
55 tion, the taxpayer shall apply to the department for a contribution
56 authorization certificate for such contribution. Such application shall

1 be in the form and manner prescribed by the department. The department
2 may allow taxpayers to make multiple applications on the same form,
3 provided that each contribution listed on such application shall be
4 treated as a separate application and that the department shall issue
5 separate contribution authorization certificates for each such applica-
6 tion.

7 (f) Contribution authorization certificates. 1. Issuance of certif-
8 icates. The commissioner shall issue contribution authorization certif-
9 icates in two phases. In phase one, which begins on the first day of
10 January and ends on the thirty-first day of January, the commissioner
11 shall accept applications for contribution authorization certificates.
12 Commencing after the fifth day of February, the commissioner shall issue
13 contribution authorization certificates for applications received during
14 phase one, provided that if the aggregate total of the contributions for
15 which applications have been received during phase one exceeds the
16 amount of the credit cap in subdivision (h) of this section, then phase
17 one of the credit cap application shall be allocated in two steps. In
18 step one, the allocation shall equal the contribution cap divided by the
19 total number of applications for contributions, rounded down to the
20 nearest cent. Each application requesting an amount which is less than
21 or equal to the allocation in step one shall receive the amount on their
22 application for contribution and the difference, which shall be referred
23 to as "excess distributions" for the purposes of this subdivision, shall
24 be available for allocation in step two. Each application requesting an
25 amount which exceeds the allocation in step one shall be allocated cred-
26 its in step two. In step two, if excess distributions equal zero then
27 each application shall receive the allocation amount from step one,
28 otherwise each application shall receive an amount equal to the sum of
29 the (i) the allocation amount in step one and (ii) a pro rata share of
30 aggregate excess distributions based on the difference between the
31 amount on their application for contribution and the allocation in step
32 one. For the purposes of this subdivision, multiple applications by the
33 same taxpayer shall be treated as one application. If the credit cap is
34 not exceeded, phase two commences on February twentieth and ends on
35 October thirty-first. During phase two the commissioner shall issue
36 contribution authorization certificates on a first-come first serve
37 basis based upon the date the department received the taxpayer's appli-
38 cation for such certificate. Contribution authorization certificates
39 for applications received during phase one shall be mailed no later than
40 the twentieth day of February. Contribution authorization certificates
41 for applications received during phase two shall be mailed within five
42 days of receipt of such applications.

43 2. Contribution authorization certificate contents. Each contribution
44 authorization certificate shall state (i) the date such certificate was
45 issued, (ii) the date by which the authorized contribution listed on the
46 certificate must be made, which shall be no later than December thirty-
47 first of the year for which the contribution authorization certificate
48 was issued, (iii) the amount of authorized contribution, (iv) the
49 certificate number, (v) the taxpayer's name and address, (vi) the name
50 and address of the public education entity, school improvement organiza-
51 tion, local education fund or educational scholarship organization to
52 which the taxpayer may make the authorized contribution, and (vii) any
53 other information that the commissioner deems necessary.

54 3. Notification of the issuance of a contribution authorization
55 certificate. Upon the issuance of a contribution authorization certif-
56 icate to a taxpayer, the commissioner shall notify the public education

1 entity, school improvement organization, local education fund or educa-
2 tional scholarship organization of the issuance of such contribution
3 authorization certificate. Such notification shall include (i) the
4 taxpayer's name and address, (ii) the date such certificate was issued,
5 (iii) the date by which the authorized contribution listed in the
6 notification must be made by the taxpayer, (iv) the amount of the
7 authorized contribution, (v) the contribution authorization certif-
8 icate's certificate number, and (vi) any other information that the
9 commissioner deems necessary.

10 (g) Certificate of receipt. 1. In general. No public education entity,
11 school improvement organization, local education fund, or educational
12 scholarship organization shall issue a certificate of receipt for any
13 contribution made by a taxpayer unless such public education entity,
14 school improvement organization, local education fund, or educational
15 scholarship organization has been approved to issue certificates of
16 receipt pursuant to article twenty-five of the education law. No public
17 education entity, school improvement organization, local education fund,
18 or educational scholarship organization shall issue a certificate of
19 receipt for a contribution made by a taxpayer unless such public educa-
20 tion entity, school improvement organization, local education fund, or
21 educational scholarship organization has received notice from the
22 department that the department issued a contribution authorization
23 certificate to the taxpayer for such contribution.

24 2. Timely contribution. If a taxpayer makes an authorized contribution
25 to the public education entity, school improvement organization, local
26 education fund, or educational scholarship organization set forth on the
27 contribution authorization certificate issued to the taxpayer no later
28 than the date by which such authorized contribution is required to be
29 made, such public education entity, school improvement organization,
30 local education fund, or educational scholarship organization shall,
31 within thirty days of receipt of the authorized contribution, issue to
32 the taxpayer a certificate of receipt; provided, however, that if the
33 taxpayer contributes an amount that is less than the amount listed on
34 the taxpayer's contribution authorization certificate, the taxpayer
35 shall not be issued a certificate of receipt for such contribution.

36 3. Certificate of receipt contents. Each certificate of receipt shall
37 state (i) the name and address of the issuing public education entity,
38 school improvement organization, local education fund, or educational
39 scholarship organization, (ii) the taxpayer's name and address, (iii)
40 the date for each contribution, (iv) the amount of each contribution and
41 the corresponding contribution authorization certificate number, (v) the
42 total amount of contributions, (vi) certificate of receipt number and
43 (vii) any other information that the commissioner may deem necessary.

44 4. Notification to the department for the issuance of a certificate of
45 receipt. Upon the issuance of a certificate of receipt, the issuing
46 public education entity, school improvement organization, local educa-
47 tion fund, or educational scholarship organization shall, within thirty
48 days of issuing the certificate of receipt, provide the department with
49 notification of the issuance of such certificate in the form and manner
50 prescribed by the department.

51 5. Notification to the department of the non-issuance of a certificate
52 of receipt. Each public education entity, school improvement organiza-
53 tion, local education fund, or educational scholarship organization that
54 received notification from the department pursuant to subdivision (f) of
55 this section regarding the issuance of a contribution authorization
56 certificate to a taxpayer shall, within thirty days of the expiration

1 date for such authorized contribution, provide notification to the
2 department for each taxpayer that failed to make the authorized contrib-
3 ution to such public education entity, school improvement organization,
4 local education fund, or educational scholarship organization in the
5 form and manner prescribed by the department.

6 6. Failure to notify the department. Within thirty days of the discov-
7 ery of the failure of any public education entity, school improvement
8 program, local education fund, or educational scholarship organization
9 to comply with the notification requirements prescribed by paragraphs
10 four and five of this subdivision, the commissioner shall issue a notice
11 of compliance failure to such entity, program, fund, or organization.
12 Such entity, program, fund, or organization shall have thirty days from
13 the date of such notice to make the notifications prescribed by para-
14 graphs four and five of this subdivision. Such period may be extended
15 for an additional thirty days upon the request of the entity, program,
16 fund, or organization. Upon the expiration of period for compliance set
17 forth in the notice prescribed by this paragraph, the commissioner shall
18 notify the commissioner of education that such entity, program, fund, or
19 organization failed to make the notifications prescribed by paragraphs
20 four and five of this subdivision.

21 (h) Credit cap. The maximum permitted credits under this section
22 available to all taxpayers for qualified contributions for calendar year
23 two thousand nineteen shall be one hundred fifty million dollars. In
24 calendar year two thousand twenty, the maximum permitted credits under
25 this section available to all taxpayers shall be two hundred twenty-five
26 million dollars plus any amounts that are required to be added to the
27 cap pursuant to subdivision (i) of this section. For calendar year two
28 thousand twenty-one and each calendar year thereafter, the maximum
29 permitted credits available to all taxpayers shall be three hundred
30 million dollars plus any amounts that are required to be added to the
31 cap pursuant to subdivision (i) of this section. The maximum permitted
32 credits under this section for qualified contributions shall be allo-
33 cated fifty percent to public education entities, school improvement
34 organizations, and local education funds and fifty percent to educa-
35 tional scholarship organizations.

36 (i) Additions to credit cap. Unissued certificates of receipt. Any
37 amounts for which the department receives notification of non-issuance
38 of a certificate of receipt shall be added to the cap prescribed in
39 subdivision (h) of this section for the immediately following year.

40 (j) Regulations. The commissioner is hereby authorized to promulgate
41 and adopt on an emergency basis regulations necessary for the implemen-
42 tation of this section.

43 (k) Written report. On or before the last day of June for each calen-
44 dar year, for the immediately preceding year, the commissioner and the
45 commissioner of education shall jointly submit a written report to the
46 governor, the temporary president of the senate, the speaker of the
47 assembly, the chairman of the senate finance committee and the chairman
48 of the assembly ways and means committee regarding the education afford-
49 ability tax credit. Such report shall contain information for articles
50 nine-A and twenty-two of this chapter, respectively, regarding: (i) the
51 number of applications received; (ii) the number of and aggregate value
52 of the contribution authorization certificates issued for contributions
53 to public education entities, school improvement organizations, local
54 education funds, and scholarship organizations, respectively; (iii) the
55 geographical distribution by county of (A) the applications for contrib-
56 ution authorization certificates, distribution by county of (B) the

1 public education entities, school improvement organizations, local
 2 education funds, and educational scholarship organizations listed on the
 3 issued contribution authorization certificates; and (iv) information,
 4 including geographical distribution by county, of the number of eligible
 5 pupils that received scholarships, the number of qualified schools
 6 attended by eligible pupils that received such scholarships, and the
 7 average value of scholarships received by such eligible pupils. The
 8 commissioner and designated employees of the department, the commission-
 9 er of education and designated employees of the state education depart-
 10 ment, shall be allowed and are directed to share and exchange informa-
 11 tion regarding the school improvement organizations, local education
 12 funds and educational scholarship organizations that applied for
 13 approval to be authorized to receive qualified contributions; and the
 14 public education entities, school improvement organizations, local
 15 education funds, and educational scholarship organizations authorized to
 16 issue certificates of receipt, including information contained in or
 17 derived from application forms and reports submitted to the commissioner
 18 of education.

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

21 1. Article 9-A: section 210-B; subdivision 53;

22 2. Article 22: section 606; subsections (i) and (ccc).

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

25 (23) The amount of any deduction allowed pursuant to section one
 26 hundred seventy of the internal revenue code for which a credit is
 27 claimed pursuant to subdivision fifty-three of section two hundred ten-B
 28 of this article.

29 § 4. Section 210-B of the tax law is amended by adding a new subdivi-
 30 sion 53 to read as follows:

31 53. Education affordability tax credit. (a) Allowance of credit. A
 32 taxpayer shall be allowed a credit, to be computed as provided in
 33 section forty-four of this chapter, against the tax imposed by this
 34 article.

35 (b) Application of credit. The credit allowed under this subdivision
 36 for any taxable year shall not reduce the tax due for that year to less
 37 than the higher of the amounts prescribed in paragraph (d) of subdivi-
 38 sion one of section two hundred ten of this article. However, if the
 39 amount of credit allowed under this subdivision for qualified contrib-
 40 utions for any taxable year reduces the tax to such amount, any amount
 41 of credit not deductible in such taxable year may be carried over to the
 42 succeeding five years and may be deducted from the taxpayer's tax for
 43 such year or years.

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

47 <u>(xliv) Education affordability</u>	<u>Amount of credit under</u>
48 <u>tax credit under subsection (ccc)</u>	<u>subdivision fifty-three of section</u>
	49 <u>two hundred ten-B</u>

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

52 (w) Home-based instructional materials credit. (1) For taxable years
 53 beginning on or after January first, two thousand nineteen, a taxpayer
 54 shall be allowed a credit against the tax imposed by this article for
 55 the purchase of instructional materials approved by the education
 56 department for use in non-public home-based educational programs;

1 provided, that the amount of credit claimed does not exceed the lesser
2 of two hundred dollars or one hundred percent of the cost of such
3 purchases made by the taxpayer during the taxable year.

4 (2) A husband and wife who file separate returns for a taxable year in
5 which they could have filed a joint return may each claim only one-half
6 of the tax credit that would have been allowed for a joint return.

7 (3) If the amount of the credit allowed under this subsection for any
8 taxable year shall exceed the taxpayer's tax for such year, the excess
9 shall be treated as an overpayment of tax to be credited or refunded in
10 accordance with the provisions of section six hundred eighty-six of this
11 article, provided, however, that no interest shall be paid thereon.

12 (w-1) Instructional materials and supplies credit. (1) For taxable
13 years beginning on and after January first, two thousand nineteen, a
14 taxpayer shall be allowed a credit equal to the lesser of the amount
15 paid by the taxpayer during the taxable year for instructional materials
16 and supplies, or two hundred dollars; provided that the taxpayer is a
17 teacher or instructor in a qualified school, as defined in section
18 forty-four of this chapter, for at least nine hundred hours during a
19 school year. For purposes of this subsection, the term "materials and
20 supplies" means instructional materials or supplies that are used in the
21 classroom in any qualified school.

22 (2) A husband and wife who file separate returns for a taxable year in
23 which they could have filed a joint return may each claim only one-half
24 of the tax credit that would have been allowed for a joint return.

25 (3) If the amount of the credit allowed under this subsection for any
26 taxable year shall exceed the taxpayer's tax for such year, the excess
27 shall be treated as an overpayment of tax to be credited or refunded in
28 accordance with the provisions of section six hundred eighty-six of this
29 article, provided, however, that no interest shall be paid thereon.

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

32 (ccc) Education affordability tax credit. (1) Allowance of credit. A
33 taxpayer shall be allowed a credit to be computed as provided in section
34 forty-four of this chapter, against the tax imposed by this article.

35 (2) Application of credit. If the amount of the credit allowed under
36 this subsection for any qualified contributions for any taxable year
37 exceeds the taxpayer's tax for such year, the excess may be carried over
38 to the succeeding five years and may be deducted from the taxpayer's tax
39 for such year or years.

40 § 8. Subsection (c) of section 615 of the tax law is amended by adding
41 a new paragraph 10 to read as follows:

42 (10) The amount of any federal deduction for contributions made for
43 which a taxpayer claims a credit under subsection (ccc) of section six
44 hundred six of this article.

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

47 (iii) Helping open opportunities to learn tax credit. (1) General. A
48 resident low and middle income taxpayer shall be allowed a credit, to be
49 computed as provided in paragraph three of this subsection, against the
50 tax imposed by this article for the qualified primary or secondary
51 education tuition expenses paid by the taxpayer during the taxable year.

52 (2) Definitions. For purposes of this subsection, the following terms
53 shall have the following meanings:

54 (A) "Resident low and middle income taxpayer" shall mean a taxpayer
55 who is a full-year resident of this state and whose federal taxable
56 income is equal to or less than seven hundred twenty percent of the

1 federal poverty guidelines, as promulgated annually by the United States
2 department of health and human services, for the taxable year for which
3 this credit is claimed.

4 (B) "Qualified primary or secondary education tuition expenses" shall
5 mean the tuition required for the enrollment or attendance of an eligi-
6 ble student at a qualified school, as defined in section forty-four of
7 this chapter. Provided, however, that any tuition payments made for such
8 eligible student pursuant to the receipt of financial aid or one or more
9 scholarships shall be excluded from the definition of the term "quali-
10 fied primary or secondary education tuition expenses" for such eligible
11 student.

12 (C) "Eligible student" shall mean any dependent of the taxpayer with
13 respect to whom the taxpayer is allowed an exemption under section six
14 hundred sixteen of this article for the taxable year who is enrolled in,
15 and for whom qualified primary and secondary education tuition expenses
16 have been paid for, kindergarten or grade one through twelve in a quali-
17 fied school.

18 (3) Amount of credit. The amount of credit that a resident low and
19 middle income taxpayer may claim for the qualified primary or secondary
20 education tuition expenses paid for each eligible student shall equal
21 the lesser of twelve percent of the total per pupil state public school
22 expenditures or fifteen percent of the qualified primary or secondary
23 education tuition expenses paid by the taxpayer during the taxable year
24 for such eligible student. The total state public school expenditures
25 shall equal the school aid, as reported in the state enacted budget
26 financial plan for the taxable year in which the school year began,
27 divided by the total number of students enrolled in kindergarten and
28 grades one through twelve at public schools in this state as published
29 by the department of education for such taxable year.

30 (4) Application of credit. If the amount of the credit allowed under
31 this subsection for any taxable year shall exceed the taxpayer's tax for
32 such year, the excess shall be treated as an overpayment of tax to be
33 credited or refunded in accordance with the provisions of section six
34 hundred eighty-six of this article, provided, however, that no interest
35 shall be paid thereon.

36 (5) Husband and wife. In the case of a husband and wife who file a
37 joint federal return, but who are required to determine their New York
38 taxes separately, the credit allowed pursuant to this subsection may be
39 applied against the tax imposed of either or divided between them as
40 they may elect.

41 § 10. The education law is amended by adding a new article 25 to read
42 as follows:

43 ARTICLE 25

44 EDUCATION AFFORDABILITY PROGRAM

45 Section 1209. Short title.

46 1210. Definitions.

47 1211. Approval to issue certificates of receipt.

48 1212. Applications for approval to issue certificates of
49 receipt.

50 1213. Application approval.

51 1214. Revocation of approval to issue certificates of receipt.

52 1215. Recordkeeping.

53 1216. Joint annual report.

54 1217. Commissioner; powers.

55 § 1209. Short title. This article shall be known and may be cited as
56 the "education affordability program".

1 § 1210. Definitions. As used in this article, the following terms
2 shall have the following meanings:

3 1. "Authorized contribution" means the contribution amount listed on
4 the contribution authorization certificate issued to a taxpayer.

5 2. "Contribution" means a donation paid by cash, check, electronic
6 funds transfer, debit card or credit card made by the taxpayer during
7 the tax year.

8 3. "Educational program" means an academic program of a public school
9 that enhances the curriculum, or provides or expands a pre-kindergarten
10 program or an after-school program to the public school. For purposes of
11 this definition, the instruction, materials, programs or other activ-
12 ities offered by or through an educational program may include, but are
13 not limited to, the following features: (a) instruction or materials
14 promoting health, physical education, and family and consumer sciences;
15 literary, performing and visual arts; mathematics, social studies, tech-
16 nology and scientific achievement; (b) instruction or programming to
17 meet the education needs of at-risk students or students with disabili-
18 ties, including tutoring or counseling; or (c) use of specialized
19 instructional materials, instructors or instruction not provided by a
20 public school.

21 4. "Educational scholarship organization" means a not-for-profit enti-
22 ty which (a) is exempt from taxation under paragraph three of subsection
23 (c) of section five hundred one of the internal revenue code, (b)
24 commits for the expenditure of at least ninety percent of the revenue
25 from qualified contributions received during the calendar year and any
26 income derived from qualified contributions for scholarships, (c) depos-
27 its and holds qualified contributions and any income derived from quali-
28 fied contributions in an account that is separate from the organiza-
29 tion's operating or other funds until such qualified contributions or
30 income are withdrawn for use, and (d) provides scholarships to eligible
31 pupils for use at no fewer than three qualified schools.

32 5. "Eligible pupil" means a child who (a) is a resident of this state,
33 (b) is school age in accordance with subdivision one of section thirty-
34 two hundred two of this chapter or who is four years of age on or before
35 December first of the year in which they are enrolled in a pre-kinder-
36 garten program, (c) attends or is about to attend a qualified school,
37 and (d) resides in a household that has a federal adjusted gross income
38 of five hundred thousand dollars or less, provided however, for house-
39 holds with three or more dependent children, such income level shall be
40 increased by ten thousand dollars per dependent child in excess of two,
41 not to exceed five hundred fifty thousand dollars.

42 6. "Local education fund" means a not-for-profit entity which (a) is
43 exempt from taxation under paragraph three of subsection (c) of section
44 five hundred one of the internal revenue code, (b) is established for
45 the purpose of supporting an educational program in at least one public
46 school, or public school district, (c) uses at least ninety percent of
47 the qualified contributions received during the calendar year and any
48 income derived from qualified contributions to support the public school
49 or schools or public school district or districts that such fund has
50 been established to support, and (d) deposits and holds qualified
51 contributions and any income derived from qualified contributions in an
52 account that is separate from the fund's operating or other funds until
53 such qualified contributions or income are withdrawn for use.

54 7. "Nonpublic school" means any not-for-profit pre-kindergarten
55 program or elementary, secondary sectarian or nonsectarian school
56 located in this state, other than a public school, that is providing

1 instruction at one or more locations to a student in accordance with
2 subdivision two of section thirty-two hundred four of this chapter.

3 8. "Public education entity" means a public school or a public school
4 district, provided that such public school, or public school district
5 deposits and holds qualified contributions and any income derived from
6 qualified contributions in an account that is separate from the public
7 school or public school district's operating or other funds until such
8 qualified contributions or income are withdrawn for use, and is approved
9 to issue certificates of receipt pursuant to this article.

10 9. "Public school" means any free elementary or secondary school in
11 this state guaranteed by article eleven of the constitution or charter
12 school authorized by article fifty-six of this chapter.

13 10. "Qualified contribution" means the authorized contribution made by
14 a taxpayer to the public education entity, school improvement organiza-
15 tion, local education fund, or educational scholarship organization that
16 is listed on the contribution authorization certificate issued to the
17 taxpayer and for which the taxpayer has received a certificate of
18 receipt from such entity, fund, or organization. A contribution does
19 not qualify if the taxpayer designates the taxpayer's contribution to an
20 entity or organization for the direct benefit of any particular or spec-
21 ified student.

22 11. "Qualified educator" means an individual who is a teacher or
23 instructor in a qualified school for at least nine hundred hours during
24 a school year.

25 12. "Qualified school" means a public school or nonpublic school.

26 13. "Scholarship" means an educational scholarship which provides a
27 tuition grant awarded to an eligible pupil to attend a qualified school
28 in an amount not to exceed the tuition charged to attend such school
29 less any other educational scholarship received by such eligible pupil
30 or his or her parent, parents or guardian for such eligible pupil's
31 tuition; provided, however, in the case of an eligible pupil attending a
32 public school in a public school district of which such pupil is not a
33 resident, the amount of the educational scholarship awarded may not
34 exceed the tuition charged by the public school pursuant to paragraph d
35 of subdivision four of section thirty-two hundred two of this chapter
36 less any other educational scholarship received by such eligible pupil
37 or his or her parent, parents or guardian for such eligible pupil's
38 tuition, but only if the public school district of which such pupil is a
39 resident is not required to pay for such tuition.

40 14. "School improvement organization" means a not-for-profit entity
41 which (i) is exempt from taxation under paragraph three of subsection
42 (c) of section five hundred one of the internal revenue code, (ii) uses
43 at least ninety percent of the qualified contributions received during
44 the calendar year and any income derived from such qualified contrib-
45 utions to assist public schools or public school districts located in
46 this state in their provision of educational programs, either by making
47 contributions to one or more public schools or public school districts
48 located in this state or providing educational programs to, or in
49 conjunction with, one or more public schools or public school districts
50 located in this state, (iii) deposits and holds qualified contributions
51 and any income derived from such qualified contributions in an account
52 that is separate from the organization's operating or other funds until
53 such qualified contributions or income are withdrawn for use, and (iv)
54 is approved to issue certificates of receipt pursuant to this article.
55 Such entity may allow the taxpayer to choose to donate to a program,

1 project or initiative identified by a qualified educator for use in a
2 public school.

3 § 1211. Approval to issue certificates of receipt. 1. Public schools
4 and public school districts. All public schools and public school
5 districts shall be approved to issue certificates of receipt provided,
6 that a public school or public school district shall not be approved if
7 either (a) the public school or public school district fails to deposit
8 and hold qualified contributions and any income derived from qualified
9 contributions in an account that is separate from the school or school
10 district's operating or other funds until such qualified contributions
11 or income are withdrawn for use, or (b) the commissioner has revoked
12 such approval for such public school or public school district pursuant
13 to section twelve hundred fourteen of this article.

14 2. School improvement organizations, educational scholarship organiza-
15 tions and local education funds. No school improvement organization,
16 educational scholarship organization or local education fund shall issue
17 any certificates of receipt without filing an application pursuant to
18 section twelve hundred twelve of this article and receiving approval
19 pursuant to section twelve hundred thirteen of this article.

20 § 1212. Applications for approval to issue certificates of receipt.
21 Each school improvement organization, educational scholarship organiza-
22 tion, and local education fund shall submit an application to the
23 commissioner for approval to issue certificates of receipt in the form
24 and manner prescribed by the commissioner; provided that such applica-
25 tion shall include: (a) submission of documentation that such school
26 improvement organization, local education fund or educational scholar-
27 ship organization has been granted exemption from taxation under para-
28 graph three of subsection (c) of section five hundred one of the inter-
29 nal revenue code; (b) the most recent annual financial audit, which
30 shall be completed by an independent certified public accountant and a
31 list of names and addresses of all members of the governing board of the
32 school improvement organization, local education fund or educational
33 scholarship organization; and (c) an educational scholarship organiza-
34 tion shall provide criteria for the awarding of scholarships to eligible
35 students. Neither the commissioner or the department shall require any
36 other information for such application except as authorized in this
37 article or by section forty-four of the tax law.

38 § 1213. Application approval. The commissioner shall review each
39 application to issue certificates of receipt pursuant to this article.
40 Approval or denial of an application shall be made within sixty days of
41 receipt of such application.

42 § 1214. Revocation of approval to issue certificates of receipt. The
43 commissioner, in consultation with the commissioner of taxation and
44 finance, may revoke the approval of a school improvement organization,
45 educational scholarship organization, local education fund, public
46 school or public school district to issue certificates of receipt upon a
47 finding that such organization, fund, school or school district has
48 violated this article or section forty-four of the tax law. These
49 violations shall include, but not be limited to, any of the following:
50 (a) failure to meet the requirements of this article or section forty-
51 four of the tax law, (b) the failure to maintain full and adequate
52 records with respect to the receipt of qualified contributions, (c) the
53 failure to supply such records to the commissioner or the department of
54 taxation and finance when requested by the department or the department
55 of taxation and finance, or (d) the failure to provide notice to the
56 department of taxation and finance of the issuance or nonissuance of

1 certificates of receipt pursuant to section forty-four of the tax law;
2 provided however, that the commissioner shall not revoke approval pursu-
3 ant to this section based upon a violation of the tax law unless the
4 commissioner of taxation and finance agrees that revocation is
5 warranted; and provided further that the commissioner shall not revoke
6 approval pursuant to this section when the failure to comply is due to
7 clerical error and not negligence or intentional disregard for the law.
8 Within five days of the determination revoking approval, the commission-
9 er shall provide notice of such revocation to the educational scholar-
10 ship organization, school improvement organization, local education
11 fund, public school, or public school district and to the department of
12 taxation and finance.

13 § 1215. Recordkeeping. Each school improvement organization, educa-
14 tional scholarship organization, local education fund, public school and
15 public school district that issued at least one certificate of receipt
16 shall maintain records including (a) notifications received from the
17 department of taxation and finance, (b) notifications made to the
18 department of taxation and finance, (c) copies of qualified contribu-
19 tions received, (d) copies of the deposit of such qualified contribu-
20 tions, (e) copies of issued certificates of receipt, (f) annual finan-
21 cial statements, (g) in the case of school improvement organizations,
22 educational scholarship organizations and local education funds, the
23 application submitted pursuant to section twelve hundred twelve of this
24 article and the approval issued by the commissioner, and (h) any other
25 information as prescribed by regulation promulgated by the commissioner.

26 § 1216. Joint annual report. On or before the last day of June for
27 each calendar year, the commissioner of taxation and finance and the
28 commissioner, jointly, shall submit a written report as provided in
29 subdivision (k) of section forty-four of the tax law.

30 § 1217. Commissioner; powers. The commissioner shall promulgate on an
31 emergency basis regulations necessary for the implementation of this
32 section. The commissioner shall make any application required to be
33 filed pursuant to this article available to applicants within sixty days
34 of the effective date of this article.

35 § 11. The education law is amended by adding a new section 1503-a to
36 read as follows:

37 § 1503-a. Power to accept and solicit gifts and donations. 1. All
38 school districts organized by special laws or pursuant to the provisions
39 of a general law are hereby authorized and empowered to accept gifts,
40 donations, and contributions to the district and to solicit the same.

41 2. Notwithstanding any other provision of this chapter or of any other
42 general or special law to the contrary, the receipt of such gifts,
43 donations, contributions and other funds, and any income derived there-
44 from, shall be disregarded for the purposes of all apportionments,
45 computations, and determinations of state aid.

46 § 12. Severability. If any provision of this act or the application
47 thereof to any person or circumstances is held invalid, such invalidity
48 shall not affect other provisions or applications of this act which can
49 be given effect without the invalid provision or application, and to
50 this end the provisions of this act are declared to be severable.

51 § 13. This act shall take effect immediately and shall apply to taxa-
52 ble years beginning on and after January 1, 2019.

1 Section 1. Subdivision 41 of section 1301 of the racing, pari-mutuel
 2 wagering and breeding law, as added by chapter 174 of the laws of 2013,
 3 is amended and a new subdivision 43 is added to read as follows:

4 41. "Table game". A game, including dealer-controlled electronic table
 5 games, other than a slot machine, which is authorized by the commission
 6 to be played in a gaming facility.

7 43. "Dealer-controlled electronic table game". A table game operated
 8 by a live dealer in which the outcome is determined by the actions of
 9 the dealer, that uses electronics as part of the game's operation in
 10 connection with the collection and payoff of wagers, but not to deter-
 11 mine the game outcome.

12 § 2. Section 1348 of the racing, pari-mutuel wagering and breeding
 13 law, as added by chapter 174 of the laws of 2013, is amended to read as
 14 follows:

15 § 1348. Machine and table fees. In addition to any other tax or fee
 16 imposed by this article, there shall be imposed an annual license fee of
 17 five hundred dollars for each slot machine and table approved by the
 18 commission for use by a gaming licensee at a gaming facility; provided,
 19 however, that not sooner than five years after award of an original
 20 gaming license, the commission may annually adjust the fee for
 21 inflation. The fee shall be imposed as of July first of each year for
 22 all approved slot machines and [~~tables~~] table games, including dealer-
 23 controlled electronic table games, on that date and shall be assessed on
 24 a pro rata basis for any slot machine or table, including dealer-cont-
 25 rolled electronic table games, approved for use thereafter.

26 Such assessed fees shall be deposited into the commercial gaming
 27 revenue fund established pursuant to section one thousand three hundred
 28 fifty-two of this article.

29 § 3. This act shall take effect immediately.

30 PART QQQ

31 Section 1. Paragraph 3 of subdivision i of section 1617-a of the tax
 32 law, as amended by section 1 of part SS of chapter 60 of the laws of
 33 2016, is amended to read as follows:

34 (3) For each video lottery facility, the annual value of the free play
 35 allowance credits authorized for use by the operator pursuant to this
 36 subdivision shall not exceed an amount equal to fifteen percent of the
 37 total amount wagered on video lottery games after payout of prizes
 38 provided, however, if a video lottery facility is located in development
 39 zone two as defined by section thirteen hundred ten of the racing, pari-
 40 mutuel wagering and breeding law, and the nearest commercial casino, as
 41 defined by section thirteen hundred one of the racing, pari-mutuel
 42 wagering and breeding law, is given a greater than fifteen percent free
 43 play allowance, the video lottery facility shall receive the same
 44 percentage of free play allowance credits as allowed to the nearest
 45 commercial casino. The gaming commission shall establish procedures to
 46 assure that free play allowance credits do not exceed such amount.

47 § 2. This act shall take effect immediately.

48 PART RRR

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

51 ARTICLE 15
 52 INTERACTIVE GAMING

1 Section 1500. Legislative findings and purpose.

2 1501. Definitions.

3 1502. Authorization.

4 1503. Required safeguards/minimum standards.

5 1504. Scope of licensing review.

6 1505. State tax.

7 1506. Disposition of taxes.

8 § 1500. Legislative findings and purpose. The legislature hereby finds
9 and declares that: 1. Under the New York penal law a person engages in
10 gambling when he or she stakes or risks something of value upon the
11 outcome of a contest of chance or a future contingent event not under
12 his or her control or influence, upon an agreement or understanding that
13 he or she will receive something of value in the event of a certain
14 outcome.

15 2. A contest of chance is defined as any contest, game, gaming scheme
16 or gaming device in which the outcome depends in a material degree upon
17 an element of chance, notwithstanding that skill of the contestants may
18 also be a factor therein. (Subdivision 1 of section 225.00 of the penal
19 law). Thus, games of chance may involve some skill, but in those games
20 the level of skill does not determine the outcome regardless of the
21 degree of skill employed. See People v. Turner, 165 Misc. 2d 222, 224,
22 629 N.Y.S.2d 661, 662 (Crim. Ct. 1995). On the other hand, where a
23 contest pits the skill levels of the players against each other, New
24 York courts have found a game to be one of skill rather than chance. See
25 People v. Hunt, 162 Misc. 2d 70, 72, 616 N.Y.S.2d 168, 170 (Crim. Ct.
26 1994) ("Played fairly, skill rather than chance is the material compo-
27 nent of three-card monte.");

28 3. Poker in many instances has been defined as a game of skill and a
29 New York federal court in U.S. v. DiCristina, 886 F. Supp. 2d 164, 224,
30 assessed that under federal law poker was predominantly a game of skill;

31 4. New York courts have interpreted New York law to apply a more
32 rigorous test in identifying a "contest of chance" than is applied by
33 most states in this nation and the courts have found that where a
34 contest pits the skill levels of the players against each other, those
35 games are games of skill and not games of chance. Furthermore, the
36 courts have not limited the legislature's ability to determine that
37 certain forms of poker should fall outside the general definition of
38 gambling since those games are games of skill;

39 5. Texas Hold'em poker involves two cards dealt face down to each
40 player and then five community cards placed face-up by the dealer, a
41 series of three, then two additional single cards, with players deter-
42 mining whether to check, bet, raise or fold after each deal. Omaha
43 Hold'em poker is a similar game, in which each player is dealt four
44 cards and makes his or her best hand using exactly two of them, plus
45 exactly three of the five community cards. These games are considered to
46 be complex forms of poker which involve player strategy and decision-
47 making and which pit the skill levels of the players against each other.
48 As games of skill, these forms of poker do not fall under the definition
49 of gambling as prohibited by the penal law; and

50 6. The legislature further finds that as the internet has become an
51 integral part of society, and internet poker a major form of enter-
52 tainment for many consumers, any interactive gaming enforcement and
53 regulatory structure must begin from the bedrock premise that partic-
54 ipation in a lawful and licensed gaming industry is a privilege and not
55 a right, and that regulatory oversight is intended to safeguard the

1 integrity of the games and participants and to ensure accountability and
2 the public trust.

3 § 1501. Definitions. As used in this article, the following terms
4 shall have the following meanings:

5 1. "Authorized game" means Omaha Hold'em and Texas Hold'em poker, as
6 well as any other poker game that the commission determines is the mate-
7 rial equivalent of either of those, whether in a cash game or tourna-
8 ment.

9 2. "Authorized participants" means persons who are either physically
10 present in this state when placing a wager or who otherwise are permit-
11 ted by applicable law, as determined by the commission, to place a
12 wager. The intermediate routing of electronic data in connection with
13 interactive gaming shall not determine the location or locations in
14 which a wager is initiated, received or otherwise made.

15 3. "Core function" means any of the following: (a) the management,
16 administration or control of wagers on interactive gaming; (b) the
17 management, administration or control of the games with which those
18 wagers are associated; or (c) the development, maintenance, provision or
19 operation of an interactive gaming platform.

20 4. "Commission" means the New York state gaming commission.

21 5. "Covered asset" means any of the following categories of assets if
22 used in connection with the knowing and willful acceptance of any wager
23 from persons located in the United States of any form of interactive
24 gaming (including but not limited to poker) after December thirty-first,
25 two thousand six, that has not been affirmatively authorized by law of
26 the United States or of each state in which persons making such wager
27 were located: (a) any trademark, trade name, service mark or similar
28 intellectual property that was used to identify any aspect of the inter-
29 net website or of the operator offering the wagers or games to its
30 patrons; (b) any database or customer list of individuals residing in
31 the United States who placed such wagers; (c) any derivative of a data-
32 base or customer list described in paragraph (b) of this subdivision; or
33 (d) an asset used to provide a core function.

34 6. "Division" means the division of gaming, established under para-
35 graph (c) of subdivision two of section one hundred three of this chap-
36 ter.

37 7. "Interactive gaming" means the conduct of games through the use of
38 the internet or other communications technology that allows a person,
39 utilizing money, checks, electronic checks, electronic transfers of
40 money, credit cards, debit cards or any other instrumentality, to trans-
41 mit to a computer information to assist in the placing of a wager and
42 corresponding information related to the display of the game, game
43 outcomes or other similar information. The term does not include the
44 conduct of (a) non-gambling games that do not otherwise require a
45 license under state or federal law; or (b) games that occur entirely
46 among participants who are located on a licensed casino premises. For
47 purposes of this provision, "communications technology" means any method
48 used and the components employed by an establishment to facilitate the
49 transmission of information, including, without limitation, transmission
50 and reception by systems based on wire, cable, radio, microwave, light,
51 optics or computer data networks, including, without limitation, the
52 internet and intranets.

53 8. "Interactive gaming gross revenue" means the total of all sums paid
54 to a licensee from interactive gaming involving authorized participants,
55 less only the total of all sums paid out as winnings to patrons and
56 promotional gaming credits; provided, however, that the cash equivalent

1 value of any merchandise or other non-cash thing of value included in a
2 contest or tournament shall not be included in the total of all sums
3 paid out as winnings to players for purposes of determining interactive
4 gaming gross revenue.

5 (a) Neither amounts deposited with a licensee for purposes of interac-
6 tive gaming nor amounts taken in fraudulent acts perpetrated against a
7 licensee for which the licensee is not reimbursed shall be considered to
8 have been "paid" to the licensee for purposes of calculating interactive
9 gaming gross revenue.

10 (b) "Promotional gaming credit" includes bonuses, promotions and any
11 amount received by a licensee from a patron for which the licensee can
12 demonstrate that it or its affiliate has not received cash.

13 9. "Interactive gaming platform" means the combination of hardware,
14 software and data networks used to manage, administer or control wagers
15 on interactive gaming or the games with which those wagers are associ-
16 ated.

17 10. "Internet" means a computer network of interoperable packet-
18 switched data networks.

19 11. "Licensee" means a person who is licensed by the commission to
20 offer interactive gaming, using an interactive gaming platform to
21 authorized participants. A licensee may utilize multiple interactive
22 gaming platforms provided that each platform is approved by the commis-
23 sion.

24 12. "Omaha Hold'em poker" means the poker game marketed as Omaha
25 Hold'em poker or Omaha poker in which each player is dealt four cards
26 and must make his or her best hand using exactly two of them, plus
27 exactly three of the five community cards.

28 13. "Significant vendor" means any person who offers or who proposes
29 to offer any of the following services with respect to interactive
30 gaming: (a) a core function; (b) sale, licensing or other receipt of
31 compensation for selling or licensing a database or customer list of
32 individuals residing in the United States selected in whole or in part
33 because they placed wagers or participated in gambling games with or
34 through an internet website or operator (or any derivative of such a
35 database or customer list); (c) provision of any trademark, tradename,
36 service mark or similar intellectual property under which a licensee or
37 significant vendor identifies interactive games to customers; or (d)
38 provision of any product, service or asset to a licensee or significant
39 vendor in return for a percentage of interactive gaming revenue (not
40 including fees to financial institutions and payment providers for
41 facilitating a deposit or withdrawal by an authorized participant). The
42 term "significant vendor" shall not include a provider of goods or
43 services to a licensee that are not specifically designed for use and
44 not principally used in connection with interactive gaming.

45 14. "Texas Hold'em poker" means the type of poker marketed as Texas
46 Hold'em poker that involves two cards being dealt face down to each
47 player and then five community cards being placed face-up by the dealer,
48 a series of three then two additional single cards, with players having
49 the option to check, bet, raise or fold after each deal.

50 § 1502. Authorization. 1. The commission shall, within one hundred
51 eighty days of the date this article becomes law, promulgate regulations
52 to implement interactive gaming in this state and shall authorize up to
53 eleven licenses to operate interactive gaming involving authorized
54 participants, subject to the provisions of this article and other appli-
55 cable provisions of law.

1 2. Applicants eligible to apply for a license as an operator pursuant
2 to this article shall be those entities:

3 (a) licensed by the state pursuant to section sixteen hundred seven-
4 teen-a of the tax law to operate video lottery gaming and has experience
5 in the operation of interactive gaming by being licensed in a state with
6 comparable licensing requirements or guarantees acquisition of adequate
7 business competence and experience in the operation of interactive
8 gaming; or

9 (b) licensed by the state to operate a class III gaming facility
10 pursuant to article thirteen of this chapter and has experience in the
11 operation of interactive gaming by being licensed in a state with compa-
12 rable licensing requirements or guarantees acquisition of adequate busi-
13 ness competence and experience in the operation of interactive gaming.

14 3. The commission shall, to the extent practicable, issue licenses to
15 multiple applicants no sooner than one hundred eighty days after the
16 promulgation of regulations in order to ensure a robust and competitive
17 market for consumers and to prevent early licensees from gaining an
18 unfair competitive advantage.

19 4. No person may operate, manage or make available an interactive
20 gaming platform or act as a significant vendor with respect to interac-
21 tive gaming that is offered to persons located in this state unless
22 licensed by the commission pursuant to this article and only those games
23 authorized by the commission shall be permitted.

24 5. License applicants may form a partnership, joint venture or other
25 contractual arrangement in order to facilitate the purposes of this
26 article.

27 6. Any person found suitable by the commission may be issued a license
28 as an operator or significant vendor pursuant to this article. In deter-
29 mining suitability, the commission shall consider those factors it deems
30 relevant in its discretion, including but not limited to:

31 (a) Whether the applicant is a person of good character, honesty and
32 integrity;

33 (b) Whether the applicant is person whose prior activities, criminal
34 record, if any, reputation, habits and associations do not:

35 (i) pose a threat to the public interest or to the effective regu-
36 lation and control of interactive gaming; or

37 (ii) create or enhance the dangers of unsuitable, unfair or illegal
38 practices, methods and activities in the conduct of interactive gaming
39 or in the carrying on of the business and financial arrangements inci-
40 idental to such gaming;

41 (c) Whether the applicant is capable of and likely to conduct the
42 activities for which the applicant is licensed in accordance with the
43 provisions of this article, any regulations prescribed under this arti-
44 cle and all other applicable laws;

45 (d) Whether the applicant has or guarantees acquisition of adequate
46 business competence and experience in the operation of licensed gaming
47 or of interactive gaming in this state or in a state with comparable
48 licensing requirements;

49 (e) Whether the applicant has or will obtain sufficient financing for
50 the nature of the proposed operation and from a suitable source; and

51 (f) Whether the applicant:

52 (i) has at any time, either directly, or through another person whom
53 it owned, in whole or in significant part, or controlled:

54 (A) knowingly and willfully accepted or made available wagers on
55 interactive gaming (including poker) from persons located in the United
56 States after December thirty-first, two thousand six, unless such wagers

1 were affirmatively authorized by law of the United States or of each
2 state in which persons making such wagers were located; or

3 (B) knowingly facilitated or otherwise provided services with respect
4 to interactive gaming (including poker) involving persons located in the
5 United States for a person described in clause (A) of this subparagraph
6 and acted with knowledge of the fact that such wagers or interactive
7 gaming involved persons located in the United States; or

8 (ii) has purchased or acquired, directly or indirectly, in whole or in
9 significant part, a person described in subparagraph (i) of this para-
10 graph or will use that person or a covered asset in connection with
11 interactive gaming licensed pursuant to this article.

12 7. The commission further shall develop standards by which to evaluate
13 and approve interactive gaming platforms for use with interactive
14 gaming. Interactive gaming platforms must be approved by the commission
15 before being used by a licensee or significant vendor to conduct inter-
16 active gaming in this state.

17 8. The commission shall require all licensees to operate interactive
18 gaming to pay a one-time fee of ten million dollars. Such fee paid by
19 each licensee shall be applied to satisfy, in whole or in part, as
20 applicable, that licensee's tax obligation pursuant to section fifteen
21 hundred five of this article in sixty equal monthly installments, allo-
22 cated to each of the first sixty months of tax owed after the licensee
23 has begun operating interactive gaming pursuant to this article. No
24 amounts not required to be used to satisfy such tax obligation during
25 that period shall be allocated to payment of such tax obligation after
26 that period.

27 9. Licenses to operate interactive gaming issued by the commission
28 shall remain in effect for ten years.

29 10. The commission, by regulation, may authorize and promulgate any
30 rules necessary to implement agreements with other states, or authorized
31 agencies thereof (a) to enable patrons in those states to participate in
32 interactive gaming offered by licensees under this article or (b) to
33 enable patrons in this state to participate in interactive gaming
34 offered by licensees under the laws of those other states, provided that
35 such other state or authorized agency applies suitability standards and
36 review materially consistent with the provisions of this article.

37 11. Any regulations adopted pursuant to subdivision ten of this
38 section must set forth provisions that address:

39 (a) Any arrangements to share revenue between New York and any other
40 state or agency within another state; and

41 (b) Arrangements to ensure the integrity of interactive gaming offered
42 pursuant to any such agreement and the protection of patrons located in
43 this state.

44 12. The commission may delegate its responsibilities to administer the
45 provisions of this article to the division, as it sees fit, except for
46 its responsibilities to approve licenses.

47 § 1503. Required safeguards/minimum standards. The commission shall
48 require licensees to implement measures to meet the standards set out in
49 this section, along with such other standards that the commission in its
50 discretion may choose to require.

51 (a) Appropriate safeguards to ensure, to a reasonable degree of
52 certainty, that participants in interactive gaming are not younger than
53 twenty-one years of age.

54 (b) Appropriate safeguards to ensure, to a reasonable degree of
55 certainty, that participants in interactive gaming are physically

1 located within the state or such other jurisdiction that the commission
2 has determined to be permissible.

3 (c) Appropriate safeguards to protect, to a reasonable degree of
4 certainty, the privacy and online security of participants in interac-
5 tive gaming.

6 (d) Appropriate safeguards to ensure, to a reasonable degree of
7 certainty, that the interactive gaming is fair and honest and that
8 appropriate measures are in place to deter, detect and, to the extent
9 reasonably possible, to prevent cheating, including collusion, and use
10 of cheating devices, including use of software programs (sometimes
11 referred to as "bots") that make bets or wagers according to algorithms.

12 (e) Appropriate safeguards to minimize compulsive gaming and to
13 provide notice to participants of resources to help problem gamblers.

14 (f) Appropriate safeguards to ensure participants' funds are held in
15 accounts segregated from the funds of licensees and otherwise are
16 protected from corporate insolvency, financial risk or criminal or civil
17 actions against the licensee.

18 § 1504. Scope of licensing review. 1. In connection with any license
19 issued pursuant to this article, the licensee, significant vendor or
20 applicant shall identify and the commission shall review the suitability
21 of such licensee's, significant vendor's or applicant's owner, chief
22 executive officer, chief financial officer and any other officer or
23 employee who the commission deems is significantly involved in the
24 management or control of the licensee, significant vendor or applicant
25 or of the interactive gaming platform. "Owner" for purposes of this
26 provision means any person who directly or indirectly holds any benefi-
27 cial or ownership interest in the applicant of five percent or greater
28 or any amount of ownership that the commission determines to be signif-
29 icant ownership of the licensee, significant vendor, or applicant.

30 2. Institutional investors are subject to the provisions set out in
31 this section.

32 (a) An institutional investor holding under twenty-five percent of the
33 equity securities of a licensee's or significant vendor's (or appli-
34 cant's) holding or intermediary companies, shall be granted a waiver of
35 any investigation of suitability or other requirement if such securities
36 are those of a corporation, whether publicly traded or privately held,
37 and its holdings of such securities were purchased for investment
38 purposes only and it files a certified statement to the effect that it
39 has no intention of influencing or affecting the affairs of the issuer,
40 the licensee (or significant vendor or applicant, as applicable) or its
41 holding or intermediary companies; provided, however, that it shall be
42 permitted to vote on matters put to the vote of the outstanding security
43 holders. The commission may grant such a waiver to an institutional
44 investor holding a higher percentage of such securities upon a showing
45 of good cause and if the conditions specified above are met. Any insti-
46 tutional investor granted a waiver under this paragraph which subse-
47 quently determines to influence or affect the affairs of the issuer
48 shall provide not less than thirty days' notice of such intent and shall
49 file with the commission a request for determination of suitability
50 before taking any action that may influence or affect the affairs of the
51 issuer; provided, however, that it shall be permitted to vote on matters
52 put to the vote of the outstanding security holders. If an institutional
53 investor changes its investment intent, or if the commission finds
54 reasonable cause to believe that the institutional investor may be found
55 unsuitable, no action other than divestiture shall be taken by such
56 investor with respect to its security holdings until there has been

1 compliance with any requirements established by the commission, which
2 may include the execution of a trust agreement. The licensee (or signif-
3 icant vendor or applicant, as applicable) and its relevant holding,
4 intermediary or subsidiary company shall notify the commission imme-
5 diately of any information about, or actions of, an institutional invest-
6 or holding its equity securities where such information or action may
7 impact upon the eligibility of such institutional investor for a waiver
8 pursuant to this paragraph.

9 (b) If at any time the commission finds that an institutional investor
10 holding any security of a holding or intermediary company of a licensee
11 or significant vendor or applicant, or, where relevant, of another
12 subsidiary company of a holding or intermediary company of a licensee or
13 significant vendor or applicant which is related in any way to the
14 financing of the licensee or significant vendor or applicant, fails to
15 comply with the terms of paragraph (a) of this section, or if at any
16 time the commission finds that, by reason of the extent or nature of its
17 holdings, an institutional investor is in a position to exercise such a
18 substantial impact upon the controlling interests of a licensee or
19 significant vendor or applicant that investigation and determination of
20 suitability of the institutional investor is necessary to protect the
21 public interest, the commission may take any necessary action otherwise
22 authorized under this article to protect the public interest.

23 (c) For purposes of this section, an "institutional investor" shall
24 mean any retirement fund administered by a public agency for the exclu-
25 sive benefit of federal, state, or local public employees; investment
26 company registered under the Investment Company Act of 1940 (15 U.S.C. §
27 80a-1 et seq.); collective investment trust organized by banks under
28 Part Nine of the Rules of the Comptroller of the Currency; closed end
29 investment trust; chartered or licensed life insurance company or prop-
30 erty and casualty insurance company; banking and other chartered or
31 licensed lending institution; investment advisor registered under The
32 Investment Advisors Act of 1940 (15 U.S.C. § 80b-1 et seq.); and such
33 other persons as the commission may determine for reasons consistent
34 with the public interest.

35 § 1505. State tax. Licensees engaged in the business of conducting
36 interactive gaming pursuant to this article shall pay a privilege tax
37 based on the licensee's interactive gaming gross revenue at a fifteen
38 percent rate.

39 § 1506. Disposition of taxes. The commission shall pay into the state
40 lottery fund all taxes imposed by this article; any interest and penal-
41 ties imposed by the commission relating to those taxes; all penalties
42 levied and collected by the commission; and the appropriate funds, cash
43 or prizes forfeited from interactive gaming.

44 § 2. Subdivision 1 of section 225.00 of the penal law is amended to
45 read as follows:

46 1. "Contest of chance" means any contest, game, gaming scheme or
47 gaming device in which the outcome depends [~~in a material degree~~]
48 predominantly upon an element of chance, notwithstanding that skill of
49 the contestants may also be a factor therein.

50 § 3. The penal law is amended by adding a new section 225.36 to read
51 as follows:

52 § 225.36 Interactive gaming offenses and exceptions.

53 1. The knowing and willful offering of unlicensed interactive gaming
54 to persons in this state, or the knowing and willful provision of
55 services with respect thereto, shall constitute a gambling offense under
56 this article.

1 2. Licensed interactive gaming activities under section fifteen
 2 hundred two of the racing, pari-mutuel wagering and breeding law shall
 3 not be a gambling offense under this article.

4 3. A person offering unlicensed interactive gaming to persons in this
 5 state shall be liable for all taxes set forth in section fifteen hundred
 6 five of the racing, pari-mutuel wagering and breeding law in the same
 7 manner and amounts as if such person were a licensee. Timely payment of
 8 such taxes shall not constitute a defense to any prosecution or other
 9 proceeding in connection with the interactive gaming except for a prose-
 10 cution or proceeding alleging failure to make such payment.

11 § 4. Severability clause. If any provision of this act or application
 12 thereof shall for any reason be adjudged by any court of competent
 13 jurisdiction to be invalid, such judgment shall not affect, impair, or
 14 invalidate the remainder of the act, but shall be confined in its opera-
 15 tion to the provision thereof directly involved in the controversy in
 16 which the judgment shall have been rendered.

17 § 5. This act shall take effect on the one hundred eightieth day after
 18 it shall have become a law.

19 PART SSS

20 Section 1. Section 486 of the general municipal law, as amended by
 21 section 6 of part MM of chapter 59 of the laws of 2017, is amended to
 22 read as follows:

23 § 486. Participation by persons under the age of eighteen. No person
 24 under the age of eighteen years shall be permitted to play any game or
 25 games of bingo conducted pursuant to any license issued under this arti-
 26 cle unless accompanied by an adult. No person under the age of eighteen
 27 years shall be permitted to conduct, operate or assist in the conduct of
 28 any game of bingo conducted pursuant to any license issued pursuant to
 29 this article. Nothing in this section shall prevent a person sixteen
 30 years of age or older from performing ancillary non-gaming activities
 31 conducted in conjunction with any game of bingo conducted pursuant to
 32 any license pursuant to this article.

33 § 2. This act shall take effect immediately.

34 PART TTT

35 Section 1. Subdivision f-1 of section 1612 of the tax law, as amended
 36 by chapter 175 of the laws of 2013, is amended to read as follows:

37 f-1. As consideration for operation of video lottery gaming facility
 38 located in the county of Nassau or Suffolk and operated by a corporation
 39 established pursuant to section five hundred two of the racing, pari-mu-
 40 tuel wagering and breeding law, the division shall cause the investment
 41 in the racing industry of the following percentages of the vendor fee to
 42 be deposited or paid as follows:

43 1. Two and three tenths percent of the total wagered after payout of
 44 prizes for the purpose of enhancing purses at Aqueduct racetrack,
 45 Belmont Park racetrack and Saratoga race course~~[, provided, however,~~
 46 ~~that any amount that is in excess of the amount necessary to maintain~~
 47 ~~purse support from video lottery gaming at Aqueduct racetrack, Belmont~~
 48 ~~Park racetrack and Saratoga race course at the same level realized in~~
 49 ~~two thousand thirteen, to be adjusted by the consumer price index for~~
 50 ~~all urban consumers, as published annually by the United States depart-~~
 51 ~~ment of labor, bureau of labor statistics, shall instead be returned to~~
 52 ~~the commission].~~

1 2. five tenths percent of the total wagered after payout of prizes for
 2 the appropriate breeding fund for the manner of racing at Aqueduct race-
 3 track, Belmont Park racetrack and Saratoga race course[~~, provided,~~
 4 ~~however, that any amount that is in excess of the amount necessary to~~
 5 ~~maintain payments from video lottery gaming at Aqueduct racetrack at the~~
 6 ~~same level realized in two thousand thirteen, to be adjusted by the~~
 7 ~~consumer price index for all urban consumers, as published annually by~~
 8 ~~the United States department of labor, bureau of labor statistics, shall~~
 9 ~~instead be returned to the commission].~~

10 3. one and three tenths percent of the total revenue wagered after
 11 payout of prizes to be deposited into an account of the franchised
 12 corporation established pursuant to section two hundred six of the
 13 racing, pari-mutuel wagering and breeding law to be used for capital
 14 expenditures in maintaining and upgrading Aqueduct racetrack, Belmont
 15 Park racetrack and Saratoga race course[~~, provided, however, that any~~
 16 ~~amount that is in excess of the amount necessary to maintain payments~~
 17 ~~for capital expenditures from video lottery gaming at Aqueduct racetrack~~
 18 ~~at the same level realized in two thousand thirteen, to be adjusted by~~
 19 ~~the consumer price index for all urban consumers, as published annually~~
 20 ~~by the United States department of labor, bureau of labor statistics,~~
 21 ~~shall instead be returned to the commission].~~

22 4. Nine tenths percent of the total revenue wagered after payout for
 23 prizes to be deposited into an account of the franchised corporation
 24 established pursuant to section two hundred six of the racing, pari-mu-
 25 tuel wagering and breeding law to be used for general thoroughbred
 26 racing operations at Aqueduct racetrack, Belmont Park racetrack and
 27 Saratoga race course[~~, provided, however, that any amount that is in~~
 28 ~~excess of the amount necessary to maintain payments for general~~
 29 ~~thoroughbred racing operations from video lottery gaming at Aqueduct~~
 30 ~~racetrack at the same level realized in two thousand thirteen, to be~~
 31 ~~adjusted by the consumer price index for all urban consumers, as~~
 32 ~~published annually by the United States department of labor, bureau of~~
 33 ~~labor statistics, shall instead be returned to the commission].~~

34 § 2. This act shall take effect immediately.

35 PART UUU

36 Section 1. Subdivision 2 of section 516 of the racing, pari-mutuel
 37 wagering and breeding law is amended to read as follows:

38 2. After payment of all of the costs of the corporation's functions,
 39 net revenue remaining to the corporation shall be divided[~~, quarterly,~~
 40 ~~not more than thirty days after the close of the calendar quarter],~~
 41 among the participating counties in accordance with the following
 42 provisions:

43 a. Each off-track betting corporation shall determine, at their organ-
 44 izational meeting, if such net revenue remaining to the corporation
 45 shall be divided to participating counties on an annual, bi-annual or
 46 quarterly basis, to be divided not more than thirty days after the close
 47 of the calendar year, the close of the bi-annual year (January-June and
 48 July-December) or calendar quarter;

49 b. Fifty percent of such revenue distributed among the participating
 50 counties on the basis of the proportion of the total off-track pari-mu-
 51 tuel wagering accepted by the corporation during the previous [~~calendar~~
 52 ~~quarter] period that originated in the branch offices located in each~~
 53 participating county;

1 ~~[b-]~~ c. Fifty percent of such revenue on the basis of population, as
2 defined as the total population in each participating county shown by
3 the latest preceding decennial federal census completed and published as
4 a final population count by the United States bureau of the census
5 preceding the commencement of the calendar year in which such distrib-
6 ution is to be made; and

7 ~~[e-]~~ d. A participating county containing a city electing to partic-
8 ipate in the management and revenues of a corporation under subdivision
9 two of section five hundred two of this article shall distribute revenue
10 received under paragraphs ~~[a]~~ b and ~~[b]~~ c of this subdivision to such
11 city according to the proportion such city's population bears to the
12 county's population.

13 § 2. This act shall take effect immediately.

14 PART VVV

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

17 § 103-a. Racing fan advisory council. There is hereby established a
18 racing fan advisory council within the commission which will operate as
19 follows:

20 1. The council shall be composed of five members. None of the members
21 of the council shall be employees or officers of the commission or be
22 paid employees, lobbyists, or officers of any licensed or franchised
23 racetrack or off-track betting corporation or any nonprofit corporation
24 which represents breeders or horsemen. Members shall be selected based
25 on their long-term involvement and interest in, knowledge of, and
26 devotion to the sport of horse racing as fans of the sport. Five persons
27 shall be appointed by the executive director of the commission. One
28 person shall be appointed upon the recommendation of the chairperson of
29 the senate committee on racing, gaming and wagering, and one person
30 shall be appointed by the chairperson of the assembly committee on
31 racing and wagering.

32 2. The chairperson of the council shall be selected by the executive
33 director of the commission. The deputy chairperson shall be selected by
34 a majority vote of the council from among the persons appointed at the
35 recommendation of the chairpersons of the designated legislative commit-
36 tees.

37 3. The members of the council shall serve for a period of five years
38 with all terms beginning September first, two thousand sixteen. In the
39 event of a vacancy occurring during a term of appointment by reason of
40 death, resignation, disqualification or otherwise, such vacancy shall be
41 filled for the unexpired term in the same manner as the original
42 appointment.

43 4. The racing fan advisory council shall request and shall receive the
44 assistance and cooperation of the commission in regard to receipt of
45 information relating to horse racing and wagering in this state.

46 5. The racing fan advisory council shall:

47 (a) have as its mission the growth of the fan base related to the
48 sport of horse racing;

49 (b) recommend procedures to ensure that the opinion of the fan is a
50 central part of the regulation of horse racing;

51 (c) prepare an annual report, and any other reports it deems neces-
52 sary, to the commission regarding the operation of the state's thorough-
53 bred and harness racetracks and the state's off-track betting corpo-
54 rations;

1 (d) advise the commission on appropriate actions to encourage fan
2 attendance and wagering at the state's thoroughbred and harness race-
3 tracks and the state's off-track betting corporations;

4 (e) be authorized by the commission to enter upon the racetracks and
5 their facilities regulated or controlled by the board during race times,
6 and during periods of horse workouts, and during hours when members of
7 the media are permitted to be present at the facilities;

8 (f) recommend changes to the rules of the commission and to the laws
9 affecting horse racing;

10 (g) perform such other duties as may be increased by order of the
11 commission;

12 (h) engage New York state's racing fan population on how to make the
13 sport more appealing;

14 (i) recommend to the commission further procedures to make steward and
15 presiding judge actions that impact the betting public more transparent;
16 and

17 (j) work with relevant component industries to better educate the
18 casual fan as to significant industry topics.

19 § 2. This act shall take effect immediately; provided, however, that
20 the members of the racing fan advisory council as created by resolution
21 of the New York Gaming Commission dated September 1, 2016, shall be the
22 initial members of the racing fan advisory council as established by
23 this act.

24 PART WWW

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

27 § 103-a. Advisory council on retired race horses. 1. For the purposes
28 of this section:

29 (a) "Council" means the advisory council on retired race horses estab-
30 lished in this section.

31 (b) "Retired race horse" means (i) a New York-bred thoroughbred, as
32 defined by subdivision three of section two hundred fifty-one of this
33 chapter, which is no longer engaged in horse racing; (ii) a standardbred
34 which meets the standard set forth in section three hundred thirty-four
35 of this chapter, which is no longer engaged in horse racing; or (iii)
36 any horse that is specifically bred for the intended purpose of
37 thoroughbred or standardbred horse racing, but was never used in horse
38 racing. The term retired race horse shall be broadly construed to
39 include those horses that were actually used in racing and those that
40 were bred and intended to be so used but were not so used.

41 2. There is hereby established in the commission the advisory council
42 on retired race horses. The council shall be comprised of thirteen
43 members. Such council shall have two ex-officio co-chairpersons, one of
44 whom shall be the chair of the commission and the other of whom shall be
45 the commissioner of agriculture and markets, or their designees. Five
46 members shall be appointed by the governor, two members shall be
47 appointed by the temporary president of the senate, two members shall be
48 appointed by the speaker of the assembly, one member shall be appointed
49 by the minority leader of the senate, and one member shall be appointed
50 by the minority leader of the assembly. The members appointed to the
51 council shall serve terms of five years; provided, however, that of the
52 members initially appointed to the council: one member appointed by the
53 governor and the member appointed by the minority leader of the senate
54 shall serve terms of one year; one member appointed by the governor, one

1 member appointed by the temporary president of the senate and one member
2 appointed by the speaker of the assembly shall be appointed to terms of
3 two years; one member appointed by the governor and one member appointed
4 by the speaker of the assembly shall be appointed for terms of three
5 years; one member appointed by the governor and one member appointed by
6 the temporary president of the senate shall be appointed for terms of
7 four years; and one member appointed by the governor and the member
8 appointed by the minority leader of the assembly shall serve terms of
9 five years. All initially appointed members of the council shall be
10 appointed within one hundred twenty days of the effective date of this
11 section. The appointed members of such council shall be representative
12 of: (a) owners, breeders and trainers of standardbred and thoroughbred
13 horses, (b) persons with expertise in training horses for uses other
14 than racing, such as riding schools, steeplechase competitions, show
15 horse competitions and other recreational uses, (c) persons with experi-
16 ence in the potential farm applications or other rural, suburban or
17 urban economic business applications for horses, and (d) persons famil-
18 iar with the use of horses for recreational or therapeutic uses in
19 either private, public health, college, university or correctional
20 facility settings. Any vacancy on such council shall be filled by the
21 original appointing authority. Council members shall receive no compen-
22 sation for their services, but shall be reimbursed for actual and neces-
23 sary travel expenses incurred in the performance of their duties.

24 3. The mission of the council is to identify and make recommendations
25 to promote the productive use of retired race horses and to increase the
26 number of such horses made available for such uses and so used. The
27 council shall develop and identify new and innovative ideas and methods
28 that can utilize private and public funding sources or public/private
29 partnerships to place retired race horses in such productive and benefi-
30 cial uses, and to increase both the number of horses so used and the
31 scale and variety of such uses.

32 4. The council shall be responsible for:

33 (a) promoting the proper care and treatment of retired race horses in
34 a humane and productive manner;

35 (b) advising the commission, the department of agriculture and
36 markets, the New York state thoroughbred breeding and development fund
37 and the agriculture and New York state breeding development fund on ways
38 to promote the humane care and treatment of such horses after their
39 racing careers are over via public policies, funding allocations and
40 specific courses of action that can be taken to reduce the number of
41 race track fatalities and injuries during the conduct of race meets and
42 training;

43 (c) explore the possibility of developing a limited retired race horse
44 tracking system to obtain useful information on the uses and ultimate
45 placement of such horses after their racing careers have ended. Such
46 information may be shared with the commission, the department of agri-
47 culture and markets, the New York state thoroughbred breeding and devel-
48 opment fund, and the agriculture and New York state breeding development
49 fund so as to assist such entities in their duties to ensure the humane
50 care and treatment of retired race horses, and to develop strategies to
51 enhance the humane and productive use of such horses after their racing
52 careers have ended; and

53 (d) the development of strategies to minimize the abandonment and
54 unnecessary slaughter of such retired race horses.

55 5. The council shall investigate, study and make recommendations on
56 the feasibility of promoting the reuse of retired race horses in a

1 manner that expands the number of potential opportunities for the
2 productive future use of such animals and for activities such as, but
3 not limited to:

4 (a) promoting and facilitating a larger market for the purchase and
5 sale of retired race horses;

6 (b) promoting the expanded therapeutic use of such horses in the
7 medical, psychological, or rehabilitative care or treatment of patients;

8 (c) the expansion of the use of horses at federal, state, and local
9 correctional facilities and youth detention facilities to train the
10 inmates thereof for careers, after their release, in the racing indus-
11 try, in the care of horses for recreational purposes, or as large animal
12 veterinary assistants or technicians;

13 (d) supporting the work of the Performance Horse Registry of the
14 United States Equestrian Federation to help to market and sell a higher
15 volume of such horses by informing prospective purchasers of the pedi-
16 grees of the horses under consideration and the suitability of the hors-
17 es for the prospective purchasers' intended uses;

18 (e) supporting existing or establishing new standardbred and thorough-
19 bred adoption programs that may be supported by private donations or
20 racing industry funding sources;

21 (f) studying and ultimately promoting the alteration of current race
22 horse training regimens so that retired race horses can more readily be
23 retrained for other economically viable uses;

24 (g) developing and promoting college, university, secondary school,
25 BOCES, correctional or other educational internship programs to supply
26 students to staff programs that promote the maintenance of retired race
27 horses or that facilitate the marketability of retired race horses;

28 (h) facilitating the retraining and financing of the retraining of
29 retired race horses to be used for other purposes; and

30 (i) other potential uses for retired race horses.

31 6. Not later than two years after the effective date of this section
32 and every two years thereafter, the council shall report to the gover-
33 nor, the legislature, the commission, the department of agriculture and
34 markets, the New York state thoroughbred breeding and development fund,
35 and the agriculture and New York state breeding development fund on its
36 activities, findings, and recommendations.

37 § 2. This act shall take effect immediately.

38 PART XXX

39 Section 1. Section 1367 of the racing, pari-mutuel wagering and breed-
40 ing law, as added by chapter 174 of the laws of 2013, is amended to read
41 as follows:

42 § 1367. Sports wagering. 1. As used in this section:

43 (a) "Affiliate" means any off-track betting corporation, franchised
44 corporation, or race track licensed pursuant to this chapter, or an
45 operator of video lottery gaming at Aqueduct licensed pursuant to
46 section sixteen hundred seventeen-a of the tax law, which has a mobile
47 sports wagering agreement with a casino pursuant to section thirteen
48 hundred sixty-seven-a of this title;

49 (b) "Agent" means an entity that is party to a contract with a
50 licensed gaming facility authorized to operate a sports pool and is
51 approved by the commission to operate a sports pool on behalf of such
52 licensed gaming facility;

53 (c) "Authorized sports bettor" means an individual who is physically
54 present in this state when placing a sports wager, who is not a prohib-

1 ited sports bettor, that participates in sports wagering offered by a
2 casino. The intermediate routing of electronic data in connection with
3 mobile sports wagering shall not determine the location or locations in
4 which a wager is initiated, received or otherwise made;

5 (d) "Casino" means a licensed gaming facility at which gambling is
6 conducted pursuant to the provisions of this article or the agent of
7 such licensed gaming facility;

8 ~~(b)~~ (e) "Commission" means the commission established pursuant to
9 section one hundred two of this chapter;

10 ~~(e)~~ (f) "Collegiate sport or athletic event" means a sport or
11 athletic event offered or sponsored by or played in connection with a
12 public or private institution that offers educational services beyond
13 the secondary level;

14 (g) "Global risk management" means the direction, management, consul-
15 tation and/or instruction for purposes of managing risks associated with
16 sports wagering conducted pursuant to this section and includes the
17 setting and adjustment of betting lines, point spreads, or odds and
18 whether to place layoff bets as permitted by this section;

19 ~~(d)~~ (h) "High school sport or athletic event" means a sport or
20 athletic event offered or sponsored by or played in connection with a
21 public or private institution that offers education services at the
22 secondary level;

23 (i) "Horse racing event" means any sport or athletic event conducted
24 in New York state subject to the provisions of articles two, three,
25 four, five, six, nine, ten and eleven of this chapter, or any sport or
26 athletic event conducted outside of New York state, which if conducted
27 in New York state would be subject to the provisions of this chapter;

28 (j) "In-play sports wager" means a sports wager placed on a sports
29 event after the sports event has begun and before it ends;

30 (k) "Layoff bet" means a sports wager placed by a casino sports pool
31 with another casino sports pool;

32 (l) "Minor" means any person under the age of twenty-one years;

33 (m) "Mobile sports wagering platform" or "platform" means the combina-
34 tion of hardware, software, and data networks used to manage, adminis-
35 ter, or control sports wagering and any associated wagers accessible by
36 any electronic means including mobile applications and internet
37 websites;

38 (n) "Official league data" means statistics, results, outcomes, and
39 other data relating to a sporting event that have been obtained from the
40 relevant sports governing body or an entity expressly authorized by the
41 sports governing body to provide such information to casinos;

42 (o) "Operator" means a casino which has elected to operate a sports
43 pool;

44 ~~(e)~~ (p) "Professional sport or athletic event" means an event at
45 which two or more persons participate in sports or athletic events and
46 receive compensation in excess of actual expenses for their partic-
47 ipation in such event;

48 (q) "Prohibited sports bettor" means:

49 (i) any officer or employee of the commission;

50 (ii) any principal or key employee of a casino or affiliate, except as
51 may be permitted by the commission for good cause shown;

52 (iii) any casino gaming or non-gaming employee at the casino that
53 employs such person and at any affiliate that has an agreement with that
54 casino;

55 (iv) any contractor, subcontractor, or consultant, or officer or
56 employee of a contractor, subcontractor, or consultant, of a casino if

1 such person is directly involved in the operation or observation of
2 sports wagering, or the processing of sports wagering claims or
3 payments;

4 (v) Any person subject to a contract with the commission if such
5 contract contains a provision prohibiting such person from participating
6 in sports wagering;

7 (vi) Any spouse, child, brother, sister or parent residing as a member
8 of the same household in the principal place of abode of any of the
9 foregoing persons at the same casino where the foregoing person is
10 prohibited from participating in sports wagering;

11 (vii) any individual with access to non-public confidential informa-
12 tion about sports wagering;

13 (viii) any amateur or professional athlete if the sports wager is
14 based on any sport or athletic event overseen by the athlete's sports
15 governing body;

16 (ix) any sports agent, owner or employee of a team, player and umpire
17 union personnel, and employee referee, coach or official of a sports
18 governing body, if the sports wager is based on any sport or athletic
19 event overseen by the individual's sports governing body;

20 (x) any individual placing a wager as an agent or proxy for an other-
21 wise prohibited sports bettor; or

22 (xi) any minor;

23 ~~[(f)]~~ (r) "Prohibited sports event" means any [collegiate sport or
24 ~~athletic event that takes place in New York or a sport or athletic event~~
25 ~~in which any New York college team participates regardless of where the~~
26 ~~event takes place] high school sport or athletic event;~~

27 ~~[(g)]~~ (s) "Sports event" means any professional sport or athletic
28 event and any collegiate sport or athletic event, except a prohibited
29 sports event or a horse racing event;

30 ~~[(h)]~~ (t) "Sports governing body" means the organization that
31 prescribes final rules and enforces codes of conduct with respect to a
32 sporting event and participants therein;

33 (u) "Sports pool" means the business of accepting wagers on any sports
34 event by any system or method of wagering; [and

35 ~~(i)]~~ (v) "Sports wager" means cash or cash equivalent that is paid by
36 an authorized sports bettor to a casino to participate in sports wager-
37 ing offered by such casino;

38 (w) "Sports wagering" means wagering on sporting events or any portion
39 thereof, or on the individual performance statistics of athletes partic-
40 ipating in a sporting event, or combination of sporting events, by any
41 system or method of wagering, including, but not limited to, in-person
42 communication and electronic communication through internet websites and
43 mobile device applications. The term "sports wagering" shall include,
44 but is not limited to, single-game bets, teaser bets, parlays, over-un-
45 der bets, moneyline, pools, exchange wagering, in-game wagering, in-play
46 bets, proposition bets and straight bets;

47 (x) "Sports wagering gross revenue" means: (i) the amount equal to the
48 total of all sports wagers not attributable to prohibited sports events
49 that an operator collects from all players, less the total of all sums
50 not attributable to prohibited sports events paid out as winnings to all
51 sports bettors, however, that the total of all sums paid out as winnings
52 to sports bettors shall not include the cash equivalent value of any
53 merchandise or thing of value awarded as a prize, or (ii) in the case of
54 exchange wagering pursuant to this section, the commission on winning
55 sports wagers by authorized sports bettors retained by the operator. The
56 issuance to or wagering by authorized sports bettors at a casino of any

1 promotional gaming credit shall not be taxable for the purposes of
2 determining sports wagering gross revenue;

3 (y) "Sports wagering lounge" means an area wherein a sports pool is
4 operated;

5 (z) "Tier one sports wager" means a sports wager that is determined
6 solely by the final score or final outcome of the sports event and
7 placed before the sports event has begun;

8 (aa) "Tier two sports wager" means an in-play sports wager; and

9 (bb) "Tier three sports wager" means a sports wager that is neither a
10 tier one nor a tier two sports wager.

11 2. No gaming facility may conduct sports wagering until such time as
12 there has been a change in federal law authorizing such or upon a ruling
13 of a court of competent jurisdiction that such activity is lawful.

14 3. (a) In addition to authorized gaming activities, a licensed gaming
15 facility may when authorized by subdivision two of this section operate
16 a sports pool upon the approval of the commission and in accordance with
17 the provisions of this section and applicable regulations promulgated
18 pursuant to this article. The commission shall hear and decide promptly
19 and in reasonable order all applications for a license to operate a
20 sports pool, shall have the general responsibility for the implementa-
21 tion of this section and shall have all other duties specified in this
22 section with regard to the operation of a sports pool. The license to
23 operate a sports pool shall be in addition to any other license required
24 to be issued to operate a gaming facility. No license to operate a
25 sports pool shall be issued by the commission to any entity unless it
26 has established its financial stability, integrity and responsibility
27 and its good character, honesty and integrity.

28 No later than five years after the date of the issuance of a license
29 and every five years thereafter or within such lesser periods as the
30 commission may direct, a licensee shall submit to the commission such
31 documentation or information as the commission may by regulation
32 require, to demonstrate to the satisfaction of the executive director of
33 the commission that the licensee continues to meet the requirements of
34 the law and regulations.

35 (b) A sports pool shall be operated in a sports wagering lounge
36 located at a casino. The lounge shall conform to all requirements
37 concerning square footage, design, equipment, security measures and
38 related matters which the commission shall by regulation prescribe.

39 (c) The operator of a sports pool shall establish or display the odds
40 at which wagers may be placed on sports events.

41 (d) An operator shall accept wagers on sports events only from persons
42 physically present in the sports wagering lounge, or through mobile
43 sports wagering offered pursuant to section thirteen hundred sixty-sev-
44 en-a of this title. A person placing a wager shall be at least twenty-
45 one years of age.

46 (e) An operator may also accept layoff bets as long as the authorized
47 sports pool places such wagers with another authorized sports pool or
48 pools in accordance with regulations of the commission. A sports pool
49 that places a layoff bet shall inform the sports pool accepting the
50 wager that the wager is being placed by a sports pool and shall disclose
51 its identity.

52 (f) An operator may utilize global risk management pursuant to the
53 approval of the commission.

54 (g) An operator shall not admit into the sports wagering lounge, or
55 accept wagers from, any person whose name appears on the exclusion list.

1 [~~(f)~~] (h) The holder of a license to operate a sports pool may
 2 contract with [~~an entity~~] one or more agents to conduct any or all
 3 aspects of that operation, or the operation of mobile sports wagering
 4 offered pursuant to section thirteen hundred sixty-seven-a of this
 5 title, including but not limited to brand, marketing and customer
 6 service, in accordance with the regulations of the commission. [~~That~~
 7 ~~entity~~] Each agent shall obtain a license as a casino vendor enterprise
 8 prior to the execution of any such contract, and such license shall be
 9 issued pursuant to the provisions of section one thousand three hundred
 10 twenty-seven of this article and in accordance with the regulations
 11 promulgated by the commission.

12 [~~(g)~~] (i) If any provision of this article or its application to any
 13 person or circumstance is held invalid, the invalidity shall not affect
 14 other provisions or applications of this article which can be given
 15 effect without the invalid provision or application, and to this end the
 16 provisions of this article are severable.

17 4. (a) All persons employed directly in wagering-related activities
 18 conducted within a sports wagering lounge shall be licensed as a casino
 19 key employee or registered as a gaming employee, as determined by the
 20 commission. All other employees who are working in the sports wagering
 21 lounge may be required to be registered, if appropriate, in accordance
 22 with regulations of the commission.

23 (b) Each operator of a sports pool shall designate one or more casino
 24 key employees who shall be responsible for the operation of the sports
 25 pool. At least one such casino key employee shall be on the premises
 26 whenever sports wagering is conducted.

27 5. Except as otherwise provided by this article, the commission shall
 28 have the authority to regulate sports pools and the conduct of sports
 29 wagering under this article to the same extent that the commission regu-
 30 lates other gaming. No casino shall be authorized to operate a sports
 31 pool unless it has produced information, documentation, and assurances
 32 concerning its financial background and resources, including cash
 33 reserves, that are sufficient to demonstrate that it has the financial
 34 stability, integrity, and responsibility to operate a sports pool. In
 35 developing rules and regulations applicable to sports wagering, the
 36 commission shall examine the regulations implemented in other states
 37 where sports wagering is conducted and shall, as far as practicable,
 38 adopt a similar regulatory framework. The commission shall promulgate
 39 regulations necessary to carry out the provisions of this section,
 40 including, but not limited to, regulations governing the:

41 (a) amount of cash reserves to be maintained by operators to cover
 42 winning wagers;

43 (b) acceptance of wagers on a series of sports events;

44 (c) maximum wagers which may be accepted by an operator from any one
 45 patron on any one sports event;

46 (d) type of wagering tickets which may be used;

47 (e) method of issuing tickets;

48 (f) method of accounting to be used by operators;

49 (g) types of records which shall be kept;

50 (h) use of credit and checks by patrons;

51 (i) the process by which a casino may place a layoff bet;

52 (j) the use of global risk management;

53 (k) type of system for wagering; and

54 [~~(j)~~] (l) protections for a person placing a wager.

55 6. Each operator shall adopt comprehensive house rules governing
 56 sports wagering transactions with its [~~patrons~~] authorized sports

1 bettors. The rules shall specify the amounts to be paid on winning
2 wagers and the effect of schedule changes. The house rules, together
3 with any other information the commission deems appropriate, shall be
4 conspicuously displayed in the sports wagering lounge and included in
5 the terms and conditions of the account wagering system, and copies
6 shall be made readily available to patrons.

7 7. (a) Each casino that offers sports wagering shall annually submit a
8 report to the commission no later than the twenty-eighth of February of
9 each year, which shall include the following information:

10 (i) the total amount of sports wagers received from authorized sports
11 bettors;

12 (ii) the total amount of prizes awarded to authorized sports bettors;

13 (iii) the total amount of sports wagering gross revenue received by
14 the casino;

15 (iv) the total amount contributed to the sport betting integrity fund
16 pursuant to subdivision eight of this section;

17 (v) the total amount of wagers received on each sports governing
18 body's sporting events;

19 (vi) the total number of authorized sports bettors that requested to
20 exclude themselves from sports wagering; and

21 (vii) any additional information that the commission deems necessary
22 to carry out the provisions of this article.

23 (b) Upon the submission of such annual report, to such extent that the
24 commission deems it to be in the public interest, the commission shall
25 be authorized to conduct a financial audit of any casino, at any time,
26 to ensure compliance with this article.

27 (c) The commission shall annually publish a report based on the aggre-
28 gate information provided by all casinos pursuant to paragraph (a) of
29 this subdivision, which shall be published on the commission's website
30 no later than one hundred eighty days after the deadline for the
31 submission of individual reports as specified in such paragraph (a).

32 8. (a) Within thirty days of the end of each calendar quarter, a casi-
33 no offering sports wagering shall remit to the commission a sports
34 wagering integrity fee of up to one-quarter of one percent of the amount
35 wagered on sports events, however, in no case shall the integrity fee be
36 greater than two percent of the casino's sports wagering gross revenue.
37 The fee shall be remitted on a form as the commission may require, on
38 which the casino shall identify the percentage of wagering during the
39 reporting period attributable to each sport governing body's sports
40 events.

41 (b) No later than the thirtieth of April of each year, a sports
42 governing body may submit a claim for disbursement of the integrity
43 funds remitted by casinos in the previous calendar year in pro rata
44 proportion of the total amount wagered on their respective sports events
45 to reimburse the sports governing body for expenses incurred for integ-
46 egrity operations. Eligible expenses shall include, but not be limited
47 to, integrity monitoring expenses, expenses incurred related to integri-
48 ty investigations, public relations expenses associated with integrity
49 issues, and any other eligible expenses approved by the commission.

50 (c) Each sports governing body which receives in excess of fifty-thou-
51 sand dollars annually from the integrity fee shall annually submit a
52 report to the commission no later than the twenty-eighth of February of
53 each year, which shall include the following information:

54 (i) the total amount of integrity fund reimbursement received from New
55 York;

1 (ii) a detailed summary of the final dispositions of integrity inves-
2 tigations where it was determined that misconduct took place;

3 (iii) any additional information that the commission deems necessary
4 to carry out the provisions of this article.

5 (d) Upon the submission of such annual report, to such extent that the
6 commission deems it to be in the public interest, the commission shall
7 be authorized to conduct a financial audit of any sports governing body,
8 at any time, to ensure compliance with this article.

9 (e) The commission shall annually publish a report based on the aggre-
10 gate information provided by all sports governing bodies pursuant to
11 paragraph (c) of this subdivision, which shall be published on the
12 commission's website no later than one hundred eighty days after the
13 deadline for the submission of individual reports as specified in para-
14 graph (c) of this subdivision.

15 (f) At the end of the year, any unclaimed integrity fee revenue shall
16 be distributed to the sports governing bodies which were approved to
17 receive funding, on a pro rata basis.

18 9. For the privilege of conducting sports wagering in the state, casi-
19 nos shall pay a tax equivalent to eight and one-half percent of their
20 sports wagering gross revenue.

21 10. The commission shall pay into the commercial gaming revenue fund
22 established pursuant to section ninety-seven-nnnn of the state finance
23 law eighty-five percent of the state tax imposed by this section; any
24 interest and penalties imposed by the commission relating to those
25 taxes; all penalties levied and collected by the commission; and the
26 appropriate funds, cash or prizes forfeited from sports wagering. The
27 commission shall pay into the commercial gaming fund five percent of the
28 state tax imposed by this section to be distributed for problem gambling
29 education and treatment purposes pursuant to paragraph a of subdivision
30 five of section ninety-seven-nnnn of the state finance law. The commis-
31 sion shall pay into the commercial gaming fund five percent of the state
32 tax imposed by this section to be distributed for the cost of regulation
33 pursuant to paragraph c of subdivision five of section ninety-seven-nnnn
34 of the state finance law. The commission shall pay into the commercial
35 gaming fund five percent of the state tax imposed by this section to be
36 distributed in the same formula as market origin credits pursuant to
37 section one hundred fifteen-b of this chapter. The commission shall
38 require at least monthly deposits by the casino of any payments pursuant
39 to subdivision nine of this section, at such times, under such condi-
40 tions, and in such depositories as shall be prescribed by the state
41 comptroller. The deposits shall be deposited to the credit of the state
42 commercial gaming revenue fund. The commission shall require a monthly
43 report and reconciliation statement to be filed with it on or before the
44 tenth day of each month, with respect to gross revenues and deposits
45 received and made, respectively, during the preceding month.

46 11. The commission may perform audits of the books and records of a
47 casino, at such times and intervals as it deems appropriate, for the
48 purpose of determining the sufficiency of tax payments. If a return
49 required with regard to obligations imposed is not filed, or if a return
50 when filed or is determined by the commission to be incorrect or insuf-
51 ficient with or without an audit, the amount of tax due shall be deter-
52 mined by the commission. Notice of such determination shall be given to
53 the casino liable for the payment of the tax. Such determination shall
54 finally and irrevocably fix the tax unless the casino against whom it is
55 assessed, within thirty days after receiving notice of such determi-

1 nation, shall apply to the commission for a hearing in accordance with
2 the regulations of the commission.

3 12. Nothing in this section shall apply to interactive fantasy sports
4 offered pursuant to article fourteen of this chapter. Nothing in this
5 section authorizes any entity that conducts interactive fantasy sports
6 offered pursuant to article fourteen of this chapter to conduct sports
7 wagering unless it separately qualifies for, and obtains, authorization
8 pursuant to this section.

9 13. A casino that is also licensed under article three of this chap-
10 ter, and must maintain racing pursuant to paragraph (b) of subdivision
11 one of section thirteen hundred fifty-five of this chapter, shall be
12 allowed to offer pari-mutuel wagering on horse racing events in accord-
13 ance with their license under article three of this chapter. Notwith-
14 standing subparagraph (ii) of paragraph c of subdivision two of section
15 one thousand eight of this chapter, a casino located in the city of
16 Schenectady shall be allowed to offer pari-mutuel wagering on horse
17 racing events, provided such wagering is conducted by the regional off-
18 track betting corporation in such region as the casino is located. Any
19 other casino shall be allowed to offer pari-mutuel wagering on horse
20 racing events, provided such wagering is conducted by the regional off-
21 track betting corporation in such region as the casino is located. Any
22 physical location where pari-mutuel wagering on horse racing events is
23 offered by a casino and conducted by a regional off-track betting corpo-
24 ration in accordance with this subdivision shall be deemed to be a
25 branch location of the regional off-track betting corporation in accord-
26 ance with section one thousand eight of this chapter. In the event that
27 the commission approves the location of self-service mobile sports
28 betting kiosks on the premises of affiliates in accordance with para-
29 graph (d) of subdivision five of section thirteen hundred sixty-seven-a
30 of this chapter, such kiosks shall not be allowed to offer pari-mutuel
31 wagering on horse racing events.

32 14. A sports governing body may notify the commission that it desires
33 to restrict, limit, or exclude wagering on its sporting events by
34 providing notice in the form and manner as the commission may require.
35 Upon receiving such notice, the commission shall review the request in
36 good faith, seek input from the casinos on such a request, and if the
37 commission deems it appropriate, promulgate regulations to restrict such
38 sports wagering. If the commission denies a request, the sports govern-
39 ing body shall be afforded notice and the right to be heard and offer
40 proof in opposition to such determination in accordance with the regu-
41 lations of the commission. Offering or taking wagers contrary to
42 restrictions promulgated by the commission is a violation of this
43 section. In the event that the request is in relation to an emergency
44 situation, the executive director of the commission may temporarily
45 prohibit the specific wager in question until the commission has the
46 opportunity to issue temporary regulations addressing the issue.

47 15. (a) The commission shall designate the division of the state
48 police to have primary responsibility for conducting, or assisting the
49 commission in conducting, investigations into abnormal betting activity,
50 match fixing, and other conduct that corrupts a betting outcome of a
51 sporting event or events for purposes of financial gain.

52 (b) The commission and casinos shall cooperate with investigations
53 conducted by sports governing bodies or law enforcement agencies,
54 including but not limited to providing or facilitating the provision of
55 account-level betting information and audio or video files relating to
56 persons placing wagers; provided, however, that the casino be required

1 to share any personally identifiable information of an authorized sports
2 bettor with a sports governing body only pursuant to an order to do so
3 by the commission or a law enforcement agency or court of competent
4 jurisdiction.

5 (c) Casinos shall immediately report to the commission any information
6 relating to:

7 (i) criminal or disciplinary proceedings commenced against the casino
8 in connection with its operations;

9 (ii) abnormal betting activity or patterns that may indicate a concern
10 with the integrity of a sporting event or events;

11 (iii) any potential breach of the relevant sports governing body's
12 internal rules and codes of conduct pertaining to sports wagering, as
13 they have been provided by the sports governing body to the casino;

14 (iv) any other conduct that corrupts a betting outcome of a sporting
15 event or events for purposes of financial gain, including match fixing;
16 and

17 (v) suspicious or illegal wagering activities, including use of funds
18 derived from illegal activity, wagers to conceal or launder funds
19 derived from illegal activity, using agents to place wagers, using
20 confidential non-public information, and using false identification.

21 The commission shall also immediately report information relating to
22 conduct described in subparagraphs (ii), (iii) and (iv) of this para-
23 graph to the relevant sports governing body.

24 (d) Casinos shall maintain the confidentiality of information provided
25 by a sports governing body to the casino, unless disclosure is required
26 by this section, the commission, other law, or court order.

27 16. Casinos shall use whatever data source they deem appropriate for
28 determining the result of sports wagering involving tier one sports
29 wagers. Casinos shall only use official league data in all sports wager-
30 ing involving tier two sports wagers, if the relevant sports governing
31 body possesses a feed of official league data, and makes such feed
32 available for purchase by the casinos. A sports governing body may noti-
33 fy the commission that it desires to require casinos to use official
34 league data in sports wagering involving specific tier three sports
35 wagers by providing notice in the form and manner as the commission may
36 require. Upon receiving such notice, the commission shall review the
37 request, seek input from the casinos on such a request, and if the
38 commission deems it appropriate, promulgate regulations to require casi-
39 nos to use official league data on sports wagering involving such tier
40 three sports wagers if the relevant sports governing body possesses a
41 feed of official league data, and makes such feed available for purchase
42 by the casinos. No casino shall enter into an agreement with a sports
43 governing body to be the exclusive recipient of their official league
44 data.

45 17. (a) Casinos shall maintain records of all bets and wagers placed,
46 including personally identifiable information of the mobile sports
47 wagering bettor, amount and type of bet, time the bet was placed,
48 location of the bet, including IP address if applicable, the outcome of
49 the bet, records of abnormal betting activity, and video camera
50 recordings in the case of in-person wagers for at least three years
51 after the sporting event occurs and make such data available for
52 inspection upon request of the commission or as required by court order.

53 (b) If a sports governing body has notified the commission that real-
54 time information sharing for wagers placed on sporting events is neces-
55 sary and desirable, casinos shall share in real time, at the account-
56 level, and in pseudonymous form, the information required to be retained

1 pursuant to paragraph (a) of this subdivision (other than video files)
2 with the commission, and the commission shall share in real time the
3 information with the sports governing body or its designee with respect
4 to wagers on its sporting events.

5 (c) The commission shall cooperate with a sports governing body and
6 casinos to ensure the timely, efficient, and accurate sharing of infor-
7 mation.

8 18. A casino shall not permit sports wagering by anyone they know, or
9 should have known, to be a prohibited sports bettor.

10 19. Sports wagering conducted pursuant to the provisions of this
11 section is hereby authorized.

12 20. The conduct of sports wagering in violation of this section is
13 prohibited.

14 21. Any person, firm, corporation, association, agent, or employee who
15 knowingly violates any procedure implemented under this section, or
16 section thirteen hundred sixty-seven-a of this title, shall be liable
17 for a civil penalty of not more than five thousand dollars for each
18 violation, not to exceed fifty thousand dollars for violations arising
19 out of the same transaction or occurrence, which shall accrue to the
20 state and may be recovered in a civil action brought by the commission.

21 § 2. The racing, pari-mutuel wagering and breeding law is amended by
22 adding a new section 1367-a to read as follows:

23 § 1367-a. Mobile sports wagering. 1. As used in this section, the
24 following terms shall have the following meanings:

25 (a) "Affiliate" means any off-track betting corporation, franchised
26 corporation, or race track licensed pursuant to the racing, pari-mutuel
27 wagering and breeding law, or an operator of video lottery gaming at
28 Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the
29 tax law, which has a mobile sports wagering agreement with a casino
30 pursuant to this section;

31 (b) "Agent" means an entity that is party to a contract with a
32 licensed gaming facility authorized to operate a sports pool and is
33 approved by the commission to operate a sports pool on behalf of such
34 licensed gaming facility;

35 (c) "Authorized sports bettor" means an individual who is physically
36 present in this state when placing a sports wager, who is not a prohib-
37 ited sports bettor, that participates in sports wagering offered by a
38 casino. The intermediate routing of electronic data in connection with
39 mobile sports wagering shall not determine the location or locations in
40 which a wager is initiated, received or otherwise made;

41 (d) "Casino" means a licensed gaming facility at which gambling is
42 conducted pursuant to the provisions of this article or the agent of
43 such licensed gaming facility;

44 (e) "Collegiate sport or athletic event" means a sport or athletic
45 event offered or sponsored by or played in connection with a public or
46 private institution that offers education services beyond the secondary
47 level;

48 (f) "Commission" means the commission established pursuant to section
49 one hundred two of this chapter;

50 (g) "High school sport or athletic event" means a sport or athletic
51 event offered or sponsored by or played in connection with a public or
52 private institution that offers education services at the secondary
53 level;

54 (h) "Horse racing event" means any sport or athletic event conducted
55 in New York state subject to the provisions of articles two, three,
56 four, five, six, nine, ten and eleven of this chapter, or any sport or

1 athletic event conducted outside of New York state, which if conducted
2 in New York state would be subject to the provisions of this chapter;

3 (i) "Minor" means any person under the age of twenty-one years;

4 (j) "Mobile sports wagering platform" or "platform" means the combina-
5 tion of hardware, software, and data networks used to manage, adminis-
6 ter, or control sports wagering and any associated wagers accessible by
7 any electronic means including mobile applications and internet
8 websites;

9 (k) "Operator" means an entity offering a mobile sports wagering plat-
10 form including an agent;

11 (l) "Professional sport or athletic event" means an event at which two
12 or more persons participate in sports or athletic events and receive
13 compensation in excess of actual expenses for their participation in
14 such event;

15 (m) "Prohibited sports bettor" means:

16 (i) any officer or employee of the commission;

17 (ii) any principal or key employee of a casino or affiliate, except as
18 may be permitted by the commission for good cause shown;

19 (iii) any casino gaming or non-gaming employee at the casino that
20 employs such person and at any affiliate that has an agreement with that
21 casino;

22 (iv) any contractor, subcontractor, or consultant, or officer or
23 employee of a contractor, subcontractor, or consultant, of a casino if
24 such person is directly involved in the operation or observation of
25 sports wagering, or the processing of sports wagering claims or
26 payments;

27 (v) any person subject to a contract with the commission if such
28 contract contains a provision prohibiting such person from participating
29 in sports wagering;

30 (vi) any spouse, child, brother, sister or parent residing as a member
31 of the same household in the principal place of abode of any of the
32 foregoing persons at the same casino where the foregoing person is
33 prohibited from participating in sports wagering;

34 (vii) any individual with access to non-public confidential informa-
35 tion about sports wagering;

36 (viii) any amateur or professional athlete if the sports wager is
37 based on any sport or athletic event overseen by the athlete's sports
38 governing body;

39 (ix) any sports agent, owner or employee of a team, player and umpire
40 union personnel, and employee referee, coach or official of a sports
41 governing body, if the sports wager is based on any sport or athletic
42 event overseen by the individual's sports governing body;

43 (x) any individual placing a wager as an agent or proxy for an other-
44 wise prohibited sports bettor; or

45 (xi) any minor;

46 (n) "Prohibited sports event" means any high school sport or athletic
47 event;

48 (o) "Sports event" means any professional sport or athletic event and
49 any collegiate sport or athletic event, except a prohibited sports
50 event;

51 (p) "Sports governing body" means the organization that prescribes
52 final rules and enforces codes of conduct with respect to a sporting
53 event and participants therein;

54 (q) "Sports pool" means the business of accepting wagers on any sports
55 event by any system or method of wagering;

1 (r) "Sports wager" means cash or cash equivalent that is paid by an
2 authorized sports bettor to a casino to participate in sports wagering
3 offered by such casino;

4 (s) "Sports wagering" means wagering on sporting events or any portion
5 thereof, or on the individual performance statistics of athletes partic-
6 ipating in a sporting event, or combination of sporting events, by any
7 system or method of wagering, including, but not limited to, in-person
8 communication and electronic communication through internet websites and
9 mobile device applications. The term "sports wagering" shall include,
10 but is not limited to, single-game bets, teaser bets, parlays, over-un-
11 der bets, moneyline, pools, exchange wagering, in-game wagering, in-play
12 bets, proposition bets and straight bets; and

13 (t) "Sports wagering gross revenue" means: (i) the amount equal to the
14 total of all sports wagers not attributable to prohibited sports events
15 that an operator collects from all players, less the total of all sums
16 not attributable to prohibited sports events paid out as winnings to all
17 sports bettors, however, that the total of all sums paid out as winnings
18 to sports bettors shall not include the cash equivalent value of any
19 merchandise or thing of value awarded as a prize; or (ii) in the case of
20 exchange wagering pursuant to this section, the commission on winning
21 sports wagers by authorized sports bettors retained by the operator. The
22 issuance to or wagering by authorized sports bettors at a casino of any
23 promotional gaming credits shall not be taxable for the purposes of
24 determining sports wagering gross revenue.

25 2. (a) No casino shall administer, manage, or otherwise make available
26 a mobile sports wagering platform to persons located in New York state
27 unless registered with the commission pursuant to this section. A casino
28 may use multiple mobile sports wagering platforms provided that each
29 platform has been reviewed and approved by the commission. A casino may
30 contract with one or more independent operators to provide its mobile
31 sports wagering platforms.

32 (b) Registrations issued by the commission shall remain in effect for
33 five years. The commission shall establish a process for renewal.

34 (c) The commission shall publish a list of all casinos registered to
35 offer mobile sports wagering in New York state pursuant to this section
36 on the commission's website for public use.

37 (d) The commission shall promulgate regulations to implement the
38 provisions of this section, including the development of the initial
39 form of the application for registration. Such regulations shall provide
40 for the registration and operation of mobile sports wagering in New York
41 state and shall include, but not be limited to, responsible protections
42 with regard to compulsive play and safeguards for fair play.

43 3. In the event that a casino contracts with one or more independent
44 operators to provide its mobile sports wagering platforms, each inde-
45 pendent entity shall obtain a license as a casino vendor enterprise
46 prior to the execution of any such contract, and such license shall be
47 issued pursuant to the provisions of section one thousand three hundred
48 twenty-seven of this article and in accordance with the regulations
49 promulgated by the commission.

50 4. (a) As a condition of registration in New York state, each operator
51 shall implement the following measures:

52 (i) limit each authorized sports bettor to one active and continuously
53 used account, and prevent anyone they know, or should have known to be a
54 prohibited sports bettor from maintaining accounts or participating in
55 any sports wagering offered by such operator;

1 (ii) adopt appropriate safeguards to ensure, to a reasonable degree of
2 certainty, that authorized sports bettors are physically located within
3 the state when engaging in mobile sports betting;

4 (iii) prohibit minors from participating in any sports wagering, which
5 includes:

6 (1) if an operator becomes or is made aware that a minor has created
7 an account, or accessed the account of another, such operator shall
8 promptly, within no more than two business days, refund any deposit
9 received from the minor, whether or not the minor has engaged in or
10 attempted to engage in sports wagering; provided, however, that any
11 refund may be offset by any prizes already awarded;

12 (2) each operator shall provide parental control procedures to allow
13 parents or guardians to exclude minors from access to any sports wager-
14 ing or platform. Such procedures shall include a toll-free number to
15 call for help in establishing such parental controls; and

16 (3) each operator shall take appropriate steps to confirm that an
17 individual opening an account is not a minor;

18 (iv) when referencing the chances or likelihood of winning in adver-
19 tisements or upon placement of a sports wager, make clear and conspicu-
20 ous statements that are not inaccurate or misleading concerning the
21 chances of winning and the number of winners;

22 (v) enable authorized sports bettors to exclude themselves from sports
23 wagering and take reasonable steps to prevent such bettors from engaging
24 in sports wagering from which they have excluded themselves;

25 (vi) permit any authorized sports bettor to permanently close an
26 account registered to such bettor, on any and all platforms supported by
27 such operator, at any time and for any reason;

28 (vii) offer introductory procedures for authorized sports bettors,
29 that shall be prominently displayed on the main page of such operator
30 platform, that explain sports wagering;

31 (viii) implement measures to protect the privacy and online security
32 of authorized sports bettors and their accounts;

33 (ix) offer all authorized sports bettors access to his or her account
34 history and account details;

35 (x) ensure authorized sports bettors' funds are protected upon deposit
36 and segregated from the operating funds of such operator and otherwise
37 protected from corporate insolvency, financial risk, or criminal or
38 civil actions against such operator;

39 (xi) list on each website, in a prominent place, information concern-
40 ing assistance for compulsive play in New York state, including a toll-
41 free number directing callers to reputable resources containing further
42 information, which shall be free of charge; and

43 (xii) ensure no sports wagering shall be based on a prohibited sports
44 event.

45 (b) Operators shall not directly or indirectly operate, promote, or
46 advertise any platform or sports wagering to persons located in New York
47 state unless registered pursuant to this article.

48 (c) Operators shall not offer any sports wagering based on any prohib-
49 ited sports event.

50 (d) Operators shall not permit sports wagering by anyone they know, or
51 should have known, to be a prohibited sports bettor.

52 (e) Advertisements for contests and prizes offered by an operator
53 shall not target prohibited sports bettors, minors, or self-excluded
54 persons.

55 (f) Operators shall prohibit the use of third-party scripts or script-
56 ing programs for any contest and ensure that measures are in place to

1 deter, detect and, to the extent reasonably possible, prevent cheating,
 2 including collusion, and the use of cheating devices, including use of
 3 software programs that submit sports wagers unless otherwise approved by
 4 the commission.

5 (g) Operators shall develop and prominently display procedures on the
 6 main page of such operator's platform for the filing of a complaint by
 7 an authorized sports bettor against such operator. An initial response
 8 shall be given by such operator to such bettor filing the complaint
 9 within forty-eight hours. A complete response shall be given by such
 10 operator to such bettor filing the complaint within ten business days.
 11 An authorized sports bettor may file a complaint alleging a violation of
 12 the provisions of this article with the commission.

13 (h) Operators shall maintain records of all accounts belonging to
 14 authorized sports bettors and retain such records of all transactions in
 15 such accounts for the preceding five years.

16 5. (a) Subject to regulations promulgated by the commission, casinos
 17 may enter into agreements with affiliates to allow for authorized
 18 bettors to sign up to create and fund accounts on their mobile sports
 19 wagering platform or platforms.

20 (b) Authorized sports bettors must sign up to create their account on
 21 a mobile sports wagering platform in person at a casino or an affiliate
 22 of a casino.

23 (c) Authorized sports bettors may deposit funds in their account on a
 24 mobile sports wagering platform in person at a casino or an affiliate of
 25 a casino, electronically recognized payment methods, or any other means
 26 approved by the commission.

27 (d) Subject to approval of the commission, and in accordance with
 28 regulations promulgated by the commission, casinos may enter into agree-
 29 ments with affiliates to locate self-service mobile sports betting
 30 kiosks, which are owned, operated and maintained by the casino, and
 31 connected via the internet to the casino, upon the premises of the
 32 affiliate.

33 § 3. Section 104 of the racing, pari-mutuel wagering and breeding law
 34 is amended by adding a new subdivision 24 to read as follows:

35 24. To regulate sports wagering in New York state.

36 § 4. Subdivision 15 of section 1401 of the racing, pari-mutuel wager-
 37 ing and breeding law, as added by chapter 237 of the laws of 2016, is
 38 amended to read as follows:

39 15. "Prohibited sports event" shall mean any [~~collegiate sport or~~
 40 ~~athletic event, any~~] high school sport or athletic event or any horse
 41 racing event.

42 § 5. Severability clause. If any provision of this act or application
 43 thereof shall for any reason be adjudged by any court of competent
 44 jurisdiction to be invalid, such judgment shall not affect, impair, or
 45 invalidate the remainder of the act, but shall be confined in its opera-
 46 tion to the provision thereof directly involved in the controversy in
 47 which the judgment shall have been rendered.

48 § 6. This act shall take effect on the same date and in the same
 49 manner as section 1367 of the racing, pari-mutuel wagering and breeding
 50 law pursuant to subdivision (c) of section 52 of chapter 174 of the laws
 51 of 2013, takes effect.

52 PART YYY

53 Section 1. The opening paragraph of subdivision 7 of section 221 of
 54 the racing, pari-mutuel wagering and breeding law, as amended by section

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

3 In order to pay the costs of the insurance required by this section
4 and by the workers' compensation law and to carry out its other powers
5 and duties and to pay for any of its liabilities under section four-
6 teen-a of the workers' compensation law, the New York Jockey Injury
7 Compensation Fund, Inc. shall ascertain the total funding necessary and
8 establish the sums that are to be paid by all owners and trainers
9 licensed or required to be licensed under section two hundred twenty of
10 this article, to obtain the total funding amount required annually. In
11 order to provide that any sum required to be paid by an owner or trainer
12 is equitable, the fund shall establish payment schedules which reflect
13 such factors as are appropriate, including where applicable, the
14 geographic location of the racing corporation at which the owner or
15 trainer participates, the duration of such participation, the amount of
16 any purse earnings, the number of horses involved, or such other factors
17 as the fund shall determine to be fair, equitable and in the best inter-
18 ests of racing. In no event shall the amount deducted from an owner's
19 share of purses exceed two per centum; provided, however, for two thou-
20 sand [~~seventeen~~] eighteen the New York Jockey Injury Compensation Fund,
21 Inc. may use up to two million dollars from the account established
22 pursuant to subdivision nine of section two hundred eight of this arti-
23 cle to pay the annual costs required by this section and the funds from
24 such account shall not count against the two per centum of purses
25 deducted from an owner's share of purses. The amount deducted from an
26 owner's share of purses shall not exceed one per centum after April
27 first, two thousand twenty. In the cases of multiple ownerships and
28 limited racing appearances, the fund shall equitably adjust the sum
29 required.

30 § 2. Paragraph (a) of subdivision 9 of section 208 of the racing,
31 pari-mutuel wagering and breeding law, as amended by section 2 of part
32 PP of chapter 60 of the laws of 2016, is amended to read as follows:

33 (a) The franchised corporation shall maintain a separate account for
34 all funds held on deposit in trust by the corporation for individual
35 horsemen's accounts. Purse funds shall be paid by the corporation as
36 required to meet its purse payment obligations. Funds held in horsemen's
37 accounts shall only be released or applied as requested and directed by
38 the individual horseman. For two thousand [~~sixteen~~] eighteen the New
39 York Jockey Injury Compensation Fund, Inc. may use up to two million
40 dollars from the account established pursuant to this subdivision to pay
41 the annual costs required by section two hundred twenty-one of this
42 article.

43 § 3. Paragraph (c) of subdivision 9 of section 208 of the racing,
44 pari-mutuel wagering and breeding law is relettered paragraph (e) and
45 two new paragraphs (c) and (d) are added to read as follows:

46 (c) The franchised corporation shall establish and maintain a separate
47 account for funds to be held on deposit in trust by the franchised
48 corporation for the horsemen's organization recognized pursuant to
49 section two hundred twenty-eight of this article. Starting in two thou-
50 sand eighteen and annually thereafter, funds from the account estab-
51 lished pursuant to this subdivision shall be deposited in the separate
52 account established under this paragraph in an amount to be agreed upon
53 by the franchised corporation and the horsemen's organization recognized
54 pursuant to section two hundred twenty-eight of this article. Funds
55 held in this account shall be used by the appropriately recognized
56 horsemen's organization solely as collateral to secure workers' compen-

1 sation insurance coverage, including loss sensitive programs, including
 2 through the New York Jockey Injury Compensation Fund, Inc.

3 (d) In the event the horsemen's organization recognized pursuant to
 4 section two hundred twenty-eight of this article determines that the
 5 funds are no longer needed as collateral to secure workers' compensation
 6 insurance coverage, then, upon agreement by the franchised corporation
 7 and the appropriately recognized horsemen's organization, funds in the
 8 separate account established under paragraph (c) of this subdivision
 9 shall be returned to the account established pursuant to this subdivi-
 10 sion.

11 § 4. This act shall take effect immediately.

12 PART ZZZ

13 Section 1. Paragraph 3 of subdivision (t) of section 1115 of the tax
 14 law is renumbered paragraph 4 and a new paragraph 3 is added to read as
 15 follows:

16 (3) Receipts from every sale, except for resale, of the service of
 17 inflating of tires and other inflatable tangible personal property and
 18 consideration given or contracted to be given for such service, where
 19 the purchaser or user of the service inflates the tires or other such
 20 tangible personal property at the facility where the air stand or tire
 21 inflation equipment is located, by means exclusively of coin-operated
 22 equipment and neither the vendor operating the facility nor any employee
 23 of the vendor assists the purchaser in inflating the tires or other
 24 property, shall be exempt from tax under this article, to the extent of
 25 the amount of money or value, in money, of tokens deposited in such
 26 coin-operated equipment by the purchaser of the service.

27 § 2. This act shall take effect April 1, 2019.

28 PART AAAA

29 Section 1. Subdivision 1 of section 483 of the real property tax law,
 30 as amended by chapter 544 of the laws of 2008, is amended to read as
 31 follows:

32 1. Structures and buildings essential to the operation of lands
 33 actively devoted to agricultural or horticultural use and actually used
 34 and occupied to carry out such operation which are constructed or recon-
 35 structed subsequent to January first, nineteen hundred sixty-nine and
 36 prior to January first, two thousand [~~nineteen~~ twenty-nine] shall be
 37 exempt from taxation to the extent of any increase in value thereof by
 38 reason of such construction or reconstruction for a period of ten years.

39 § 2. This act shall take effect immediately.

40 PART BBBB

41 Section 1. The article heading of article 14-A of the education law,
 42 as added by chapter 546 of the laws of 1997, is amended to read as
 43 follows:

44 NEW YORK STATE

45 [~~COLLEGE~~ EDUCATION] CHOICE TUITION SAVINGS PROGRAM

46 § 2. Section 695 of the education law, as added by chapter 546 of the
 47 laws of 1997, is amended to read as follows:

1 § 695. Program established. There is hereby established the [~~college~~
2 education choice tuition savings program and such program shall be known
3 and may be cited as the "New York state [~~college~~ education choice
4 tuition savings program".

5 § 3. Subdivision 5 of section 695-b of the education law, as amended
6 by chapter 535 of the laws of 2000, is amended to read as follows:

7 5. "Eligible educational institution" shall mean any institution of
8 higher education defined as an eligible educational institution in
9 section 529(e)(5) of the Internal Revenue Code of 1986, as amended, and
10 any nonpublic elementary or secondary school for which tuition expenses
11 are charged or any public elementary or secondary school.

12 § 4. Subdivision 10 of section 695-e of the education law, as amended
13 by chapter 593 of the laws of 2003, is amended to read as follows:

14 10. The comptroller shall promulgate rules or regulations to prevent
15 contributions on behalf of a designated beneficiary in excess of an
16 amount that would cause the aggregate account balance for all accounts
17 for a designated beneficiary to exceed a maximum account balance, as
18 established from time to time by the comptroller and the corporation on
19 the basis of nonpublic elementary and secondary tuition costs, public
20 elementary or secondary school costs, or the higher education costs in
21 the state, with adequate safeguards to prevent more contributions than
22 necessary to provide for the qualified higher education costs of the
23 beneficiary, as required to maintain the program as a "qualified tuition
24 program" under section 529 of the Internal Revenue Code of 1986, as
25 amended.

26 § 5. Paragraphs 32 and 33 of subsection (c) of section 612 of the tax
27 law, paragraph 32 as amended by chapter 81 of the laws of 2008, para-
28 graph 33 as added by chapter 546 of the laws of 1997, are amended to
29 read as follows:

30 (32) Contributions made during the taxable year by an account owner to
31 one or more family tuition accounts established under the New York state
32 [~~college~~ education choice tuition savings program provided for under
33 article fourteen-A of the education law, to the extent not deductible or
34 eligible for credit for federal income tax purposes, provided, however,
35 the exclusion provided for in this paragraph shall not exceed five thou-
36 sand dollars for an individual or head of household, and for married
37 couples who file joint tax returns, shall not exceed ten thousand
38 dollars; provided, further, that such exclusion shall be available only
39 to the account owner and not to any other person.

40 (33) Distributions from a family tuition account established under the
41 New York state [~~college~~ education choice tuition savings program
42 provided for under article fourteen-A of the education law, to the
43 extent includible in gross income for federal income tax purposes.

44 § 6. This act shall take effect immediately and shall apply to
45 contributions and distributions made on and after January 1, 2018.

46

PART CCCC

47 Section 1. Section 452 of the tax law, as amended by chapter 32 of the
48 laws of 2016, is amended to read as follows:

49 § 452. Imposition of tax. [~~1.~~] On and after October first, nineteen
50 hundred ninety-nine, a tax is hereby imposed and shall be paid upon the
51 gross receipts of every person holding any professional or amateur
52 boxing, sparring, combative sport or wrestling match or exhibition in
53 this state. Such tax shall be imposed on such gross receipts, exclusive
54 of any federal taxes, as follows:

1 (a) three percent of gross receipts from ticket sales, except that in
 2 no event shall the tax imposed by this [~~paragraph~~] subdivision exceed
 3 fifty thousand dollars for any match or exhibition;

4 (b) three percent of the sum of (i) gross receipts from broadcasting
 5 rights, and (ii) gross receipts from digital streaming over the Inter-
 6 net, except that in no event shall the tax imposed by this [~~paragraph~~]
 7 subdivision exceed fifty thousand dollars for any match or exhibition.

8 [~~2. On and after the effective date of this subdivision, a tax is~~
 9 ~~hereby imposed and shall be paid upon the gross receipts of every person~~
 10 ~~holding any authorized combative sport in this state, other than any~~
 11 ~~professional or amateur boxing, sparring or wrestling exhibition or~~
 12 ~~match, exclusive of any federal taxes as follows:~~

13 ~~(a) eight and one-half percent of gross receipts from ticket sales,~~
 14 ~~and~~

15 ~~(b) three percent of the sum of (i) gross receipts from broadcasting~~
 16 ~~rights, and (ii) gross receipts from digital streaming over the inter-~~
 17 ~~net, except that in no event shall such tax imposed pursuant to this~~
 18 ~~paragraph exceed fifty thousand dollars for any match or exhibition.]~~

19 § 2. This act shall take effect immediately, and shall apply to all
 20 taxable years beginning on or after January 1, 2019.

21 PART DDDD

22 Section 1. Legislative intent. This legislation would allow a taxpayer
 23 who does not feel that the taxes in the State of New York are high
 24 enough to contribute an additional amount to the state general fund.

25 § 2. The tax law is amended by adding a new section 630-f to read as
 26 follows:

27 § 630-f. Gift for New York state general fund. An individual in any
 28 taxable year may elect to contribute to the state's general fund. The
 29 contribution shall be in any whole dollar amount and shall not reduce
 30 the amount of state tax owed by such individual. The commissioner shall
 31 include space on the personal income tax return to enable a taxpayer to
 32 make such contribution. Notwithstanding any other provision of law all
 33 revenues collected pursuant to this section shall be credited to the
 34 state's general fund and used only for those purposes enumerated in
 35 section seventy-two of the state finance law.

36 § 3. This act shall take effect immediately.

37 PART EEEE

38 Section 1. Section 43 of the tax law, as added by section 2 of part Q
 39 of chapter 59 of the laws of 2017, is renumbered section 44 and a new
 40 section 45 is added to read as follows:

41 § 45. Empire state digital gaming media production credit. (a) Allow-
 42 ance of credit. (1) A taxpayer which is a digital gaming media
 43 production entity engaged in qualified digital gaming media production,
 44 or who is a sole proprietor of or a member of a partnership, which is a
 45 digital gaming media production entity engaged in qualified digital
 46 gaming media production, and is subject to tax under article nine-A or
 47 twenty-two of this chapter, shall be allowed a credit against such tax
 48 to be computed as provided herein.

49 (2) The amount of the credit shall be the product (or pro rata share
 50 of the product, in the case of a member of a partnership or limited
 51 liability company) of twenty-five percent and the eligible production
 52 costs of one or more qualified digital gaming media productions.

1 (3) Eligible digital gaming media production costs for a qualified
2 digital gaming media production incurred and paid in this state but
3 outside such metropolitan commuter transportation district shall be
4 eligible for a credit of ten percent of such eligible production costs
5 in addition to the credit specified in paragraph two of this subdivi-
6 sion.

7 (4) Eligible production costs shall not include those costs used by
8 the taxpayer or another taxpayer as the basis calculation of any other
9 tax credit allowed under this chapter or allowed in any other state.

10 (b) Allocation of credit. The aggregate amount of tax credits allowed
11 under this section, subdivision fifty-four of section two hundred ten-B
12 and subsection (jjj) of section six hundred six of this chapter in any
13 taxable year shall be fifty million dollars. The aggregate amount of
14 credits for any taxable year must be distributed on a regional basis as
15 follows: fifty percent of the aggregate amount of credits shall be
16 available for qualified digital gaming media productions that incur at
17 least sixty percent of eligible production costs for a qualified digital
18 gaming media production in region one; twenty percent of the aggregate
19 amount of credits shall be available for qualified digital gaming media
20 productions that incur at least sixty percent of eligible production
21 costs for a qualified digital gaming media production in region two; and
22 thirty percent of the aggregate amount of credits shall be available for
23 qualified digital gaming media productions that incur at least sixty
24 percent of eligible production costs for a qualified digital gaming
25 media production in region three. If such regional distribution is not
26 fully allocated in any taxable year, the remainder of such credits shall
27 be available for allocation to any region in the subsequent tax year.
28 For the purposes of this section region one shall contain the city of
29 New York; region two shall contain the counties of Westchester, Rock-
30 land, Nassau and Suffolk; and region three shall contain any county not
31 contained in regions one and two. Such credit shall be allocated by the
32 empire state development corporation among taxpayers in order of priori-
33 ty based upon the date of filing an application for allocation of
34 digital gaming media production credit with such office. If the total
35 amount of allocated credits applied for in any particular year exceeds
36 the aggregate amount of tax credits allowed for such year under this
37 section, such excess shall be treated as having been applied for on the
38 first day of the subsequent taxable year.

39 (c) Definitions. As used in this section:

40 (1) "Qualified digital gaming media production" means: (i) a website,
41 the digital media production costs of which are paid or incurred predo-
42 minately in connection with (A) video simulation, animation, text,
43 audio, graphics or similar gaming related property embodied in digital
44 format, and (B) interactive features of digital gaming (e.g., links,
45 message boards, communities or content manipulation); (ii) video or
46 interactive games produced primarily for distribution over the internet,
47 wireless network or successors thereto; (iii) animation, simulation or
48 embedded graphics digital gaming related software intended for commer-
49 cial distribution regardless of medium; and (iv) a digital gaming media
50 production in which qualified digital gaming media production costs
51 equal to or are in excess of seven thousand five hundred dollars if
52 incurred and paid in this state in twelve months preceding the date on
53 which the credit is claimed. Provided, however, if such a production
54 costs are incurred and paid outside the metropolitan commuter transpor-
55 tation district in this state, such production costs shall be equal to
56 or in excess of three thousand seven hundred fifty dollars to be a qual-

1 ified digital gaming media production for purposes of this paragraph. A
2 qualified digital gaming media production does not include a website,
3 video, interactive game or software that is used predominately for:
4 electronic commerce (retail or wholesale purposes other than the sale of
5 video or interactive games), gambling (including activities regulated by
6 a New York gaming agency), exclusive local consumption for entities not
7 accessible by the general public including industrial or other private
8 purposes, and political advocacy purposes.

9 (2) "Digital gaming media production costs" means any costs for prop-
10 erty used and wages or salaries paid to individuals directly employed
11 for services performed by those individuals directly and predominately
12 in the creation of a digital gaming media production or productions.
13 Digital gaming media production costs include but shall not be limited
14 to to payments for property used and services performed directly and
15 predominately in the development (including concept creation), design,
16 production (including concept creation), design, production (including
17 testing), editing (including encoding) and compositing (including the
18 integration of digital files for interaction by end users) of digital
19 gaming media. Digital gaming media production costs shall not include
20 expenses incurred for the distribution, marketing, promotion, or adver-
21 tising content generated by end-users or other costs not directly and
22 predominately related to the creation, production or modification of
23 digital gaming media. In addition, salaries or other income distribution
24 related to the creation of digital gaming media for any person who
25 serves in the role of chief executive officer, chief financial officer,
26 president, treasurer or similar position shall not be included as
27 digital gaming media production costs. Furthermore, any income or other
28 distribution to any individual who holds an ownership interest in a
29 digital gaming media production entity shall not be included as digital
30 gaming media production costs.

31 (3) "Qualified digital gaming media production costs" means digital
32 gaming media production costs only to the extent such costs are attrib-
33 utable to the use of property or the performance of services by any
34 persons within the state directly and predominantly in the creation,
35 production or modification of digital gaming related media. Such total
36 production costs incurred and paid in this state shall be equal to or
37 exceed seventy-five percent of total cost of an eligible production
38 incurred and paid within and without this state.

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

41 (1) Article nine-A: section two hundred ten-B, subdivision fifty-four.

42 (2) Article twenty-two: section six hundred six, subsection (i), para-
43 graph one, subparagraph (B), clause (xliv).

44 (3) Article twenty-two: section six hundred six, subsection (jjj).

45 § 2. Subdivision 52 of section 210-B of the tax law, as added by
46 section 4 of part DDD of chapter 59 of the laws of 2017, is renumbered
47 subdivision 53 and a new subdivision 54 is added to read as follows:

48 54. Empire state digital gaming media production credit. (a) Allowance
49 of credit. A taxpayer who is eligible pursuant to section forty-five of
50 this chapter shall be allowed a credit to be computed as provided in
51 such section forty-five against the tax imposed by this article.

52 (b) Application of credit. The credit allowed under this subdivision
53 for any taxable year shall not reduce the tax due for such year to less
54 than the amount prescribed in paragraph (d) of subdivision one of
55 section two hundred ten of this article. Provided, however, that if the
56 amount of the credit allowable under this subdivision for any taxable

1 year reduces the tax to such amount, the excess shall be treated as an
 2 overpayment of tax to be credited or refunded in accordance with the
 3 provisions of section one thousand eighty-six of this chapter, provided,
 4 however, no interest shall be paid thereon.

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

8	<u>(xliv) Empire state digital</u>	<u>Amount of credit</u>
9	<u>gaming media production</u>	<u>under subdivision</u>
10	<u>credit under subsection (jjj)</u>	<u>fifty-four of section</u>
11		<u>two hundred ten-B</u>

12 § 4. Section 606 of the tax law is amended by adding a new subsection
 13 (jjj) to read as follows:

14 (jjj) Empire state digital gaming media production credit. (1) Allow-
 15 ance of credit. A taxpayer who is eligible pursuant to section forty-
 16 five of this chapter shall be allowed a credit to be computed as
 17 provided in such section forty-five against the tax imposed by this
 18 article.

19 (2) Application of credit. If the amount of the credit allowable under
 20 this subsection for any taxable year exceeds the taxpayer's tax for such
 21 year, the excess shall be treated as an overpayment of tax to be credit-
 22 ed or refunded as provided in section six hundred eighty-six of this
 23 article, provided, however, that no interest shall be paid thereon.

24 § 5. The state commissioner of economic development, after consulting
 25 with the state commissioner of taxation and finance, shall promulgate
 26 regulations by December 31, 2018 to establish procedures for the allo-
 27 cation of tax credits as required by subdivision (a) of section 44 of
 28 the tax law. Such rules and regulations shall include provisions
 29 describing the application process, the due dates for such applications,
 30 the standards which shall be used to evaluate the applications, the
 31 documentation that will be provided to taxpayers substantiate to the New
 32 York state department of taxation and finance the amount of tax credits
 33 allocated to such taxpayers, under what conditions all or a portion of
 34 this tax credit may be revoked, and such other provisions as deemed
 35 necessary and appropriate. Notwithstanding any other provisions to the
 36 contrary in the state administrative procedure act, such rules and regu-
 37 lations may be adopted on an emergency basis if necessary to meet such
 38 December 31, 2018 deadline.

39 § 6. Subdivision 23 of section 352 of the economic development law, as
 40 amended by section 1 of part K of chapter 59 of the laws of 2017, is
 41 amended to read as follows:

42 23. "Software development" means the creation of coded computer
 43 instructions [~~or production or post-production of video games, as~~
 44 ~~defined in subdivision one-a of section six hundred eleven of the gener-~~
 45 ~~al business law, other than those embedded and used exclusively in~~
 46 ~~advertising, promotional websites or microsites,~~] and [also] includes
 47 new media as defined by the commissioner in regulations.

48 § 7. The economic development law is amended by adding a new section
 49 243 to read as follows:

50 § 243. Reports on the digital gaming industry in New York. 1. The
 51 empire state development corporation shall file a report on a biannual
 52 basis with the director of the division of the budget and the chair-
 53 persons of the assembly ways and means committee and senate finance
 54 committee. The report shall be filed no later than thirty days before
 55 the mid-point and the end of the state fiscal year. The first report

1 shall cover the calendar half year that begins on January first, two
2 thousand nineteen. Each report must contain the following information
3 for the covered calendar half year:

4 (a) the total dollar amount of credits allocated pursuant to section
5 forty-five of the tax law during the half year, broken down by month;

6 (b) the number of digital gaming projects, which have been allocated
7 tax credits of less than one million dollars per project, and the total
8 dollar amount of credits allocated to those projects distributed by
9 region pursuant to subdivision (b) of section forty-five of the tax law;

10 (c) the number of digital gaming projects, which have been allocated
11 tax credits of more than one million dollars, and the total dollar
12 amount of credits allocated to those projects distributed by region
13 pursuant to subdivision (b) of section forty-five of the tax law;

14 (d) a list of each eligible digital gaming project, which has been
15 allocated a tax credit enumerated by region pursuant to subdivision (b)
16 of section forty-five of the tax law, and for each of those projects,
17 (i) the estimated number of employees associated with the project, (ii)
18 the estimated qualifying costs for the projects, (iii) the estimated
19 total costs of the project, (iv) the credit eligible employee hours for
20 each project, and (v) total wages for such credit eligible employee
21 hours for each project; and

22 (e) (i) the name of each taxpayer allocated a tax credit for each
23 project and the county of residence or incorporation of such taxpayer
24 or, if the taxpayer does not reside or is not incorporated in New York,
25 the state of residence or incorporation; however, if the taxpayer claims
26 a tax credit because the taxpayer is a member of a limited liability
27 company, a partner in a partnership or a shareholder in a subchapter S
28 corporation, the name of each limited liability company, partnership or
29 subchapter S corporation earning any of those tax credits must be
30 included in the report instead of information about the taxpayer claim-
31 ing the tax credit, (ii) the amount of tax credit allocated to each
32 taxpayer; provided however, if the taxpayer claims a tax credit because
33 the taxpayer is a member of a limited liability company, a partner in a
34 partnership or a shareholder in a subchapter S corporation, the amount
35 of tax credit earned by each entity must be included in the report
36 instead of information about the taxpayer claiming the tax credit, and
37 (iii) information identifying the project associated with each taxpayer
38 for which a tax credit was claimed under section forty-five of the tax
39 law.

40 2. The empire state development corporation shall file a report on a
41 triennial basis with the director of the division of the budget and the
42 chairpersons of the assembly ways and means committee and senate finance
43 committee. The first report shall be filed no later than March first,
44 two thousand twenty-one. The report must be prepared by an independent
45 third party auditor and include: (a) information regarding the empire
46 state digital gaming production credit program including the efficiency
47 of operations, reliability of financial reporting, compliance with laws
48 and regulations and distribution of assets and funds; (b) and economic
49 impact study prepared by an independent third party of the program with
50 special emphasis on the regional impact by region and the total dollar
51 amount of credits allocated to those projects distributed by region
52 pursuant to subdivision (b) of section forty-five of the tax law; and
53 (c) any other information or statistical information that the commis-
54 sioner of economic development deems to be useful in analyzing the
55 effects of the programs.

1 § 8. This act shall take effect immediately and shall apply to taxable
2 years beginning on January 1, 2019 and before January 1, 2024; provided
3 that this act shall expire and be deemed repealed December 31, 2023.

4 PART FFFF

5 Section 1. This act shall be known and may be cited as the "local
6 government jobs and revenue protection act of 2018."

7 § 2. Legislative intent. New York state, New York city and county
8 governments throughout the state are the recipients of hundred of
9 millions of dollars each year under the master settlement agreement. The
10 total of all master settlement payments to these governments over the
11 years has so far exceeded fourteen billion dollars. These funds are
12 vitally important and any disruption in these payments would put the
13 recipients at financial risk. The legislature hereby finds that it is in
14 the public interest to enact the "local government jobs and revenue
15 protection act of 2018" in order to continue the flow of these funds to
16 the state and local governments which depend on this revenue during the
17 appeal of a judgement against master settlement agreement signatories,
18 affiliates, successors and non-participating manufacturers.

19 § 3. The civil practice law and rules is amended by adding a new
20 section 5519-a to read as follows:

21 § 5519-a. Stay of enforcement for tobacco product master settlement
22 agreement participating or non-participating manufacturers or their
23 successors or affiliates. (a) In civil litigation under any legal theory
24 involving a participating manufacturer or a non-participating manufac-
25 turer, as those terms are defined in the master settlement agreement, or
26 any of their successors or affiliates, the undertaking required during
27 the pendency of all appeals or discretionary reviews by any appellate
28 courts in order to stay the execution of any judgment or order granting
29 legal, equitable or other relief during the entire course of appellate
30 review, including review by the United States supreme court, shall be
31 set pursuant to the applicable provisions of law or court rules;
32 provided, however that the total undertaking required of all appellants
33 collectively shall not exceed two hundred fifty million dollars, regard-
34 less of the value of the judgment appealed.

35 (b) Notwithstanding the provisions of subdivision (a) of this section,
36 upon proof by a preponderance of the evidence, by an appellee, that an
37 appellant is dissipating assets outside the course of ordinary business
38 to avoid payment of a judgment, a court may require the appellant to
39 post a bond in an amount up to the total amount of the judgement.

40 § 4. This act shall take effect on the thirtieth day after it shall
41 have become a law, and shall apply to any cause of action pending on or
42 filed on or after such effective date.

43 PART GGGG

44 Section 1. Section 1261 of the tax law is amended by adding a new
45 subdivision (h) to read as follows:

46 (h) Notwithstanding any provision of state or local law, ordinance or
47 resolution to the contrary, from the moneys collected pursuant to
48 section twelve hundred ten of this article for the rent of every occu-
49 pancy of a room or rooms, as described in subdivision (e) of section
50 eleven hundred five of this chapter, in a city having a population of
51 one million or more, four percent of such moneys or the first three
52 hundred thousand dollars of such moneys collected during each calendar

1 year, whichever shall be less, in each borough of such city shall be
2 deposited into a separate account by the commissioner with the moneys in
3 each such account being expended solely for the purpose of promoting
4 tourism in the borough to which each account relates. The moneys in each
5 account shall be made available for tourism promotion purposes, exclu-
6 sive of administrative expenses, to an entity designated by the borough
7 president and approved by the department of economic development as
8 responsible for tourism promotion in the borough.

9 § 2. This act shall take effect on the first of January next succeed-
10 ing the date on which it shall have become a law.

11 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
12 sion, section or part of this act shall be adjudged by any court of
13 competent jurisdiction to be invalid, such judgment shall not affect,
14 impair, or invalidate the remainder thereof, but shall be confined in
15 its operation to the clause, sentence, paragraph, subdivision, section
16 or part thereof directly involved in the controversy in which such judg-
17 ment shall have been rendered. It is hereby declared to be the intent of
18 the legislature that this act would have been enacted even if such
19 invalid provisions had not been included herein.

20 § 3. This act shall take effect immediately provided, however, that
21 the applicable effective date of Parts A through GGGG of this act shall
22 be as specifically set forth in the last section of such Parts.