A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to making permanent provisions relating to mandatory electronic filing of tax documents; and repealing certain provisions of the tax law and the administrative code of the city of New York relating thereto (Part A); to amend the economic development law, in relation to the employee training incentive program (Part B); to amend the tax law and the administrative code of the city of New York, in relation to including in the apportionment fraction receipts constituting net global intangible low-taxed income (Part C); to amend the tax law and the administrative code of the city of New York, in relation to the adjusted basis for property used to determine whether a manufacturer is a qualified New York manufacturer (Part D); to amend part MM of chapter 59 of the laws of 2014 amending the labor law and the tax law relating to the creation of the workers with disabilities tax credit program, in relation to extending the effectiveness thereof (Part E); to amend the tax law, in relation to the inclusion in a decedent's New York gross estate any qualified terminable interest property for which a prior deduction was allowed and certain pre-death gifts (Part F); to amend the tax law, in relation to requiring marketplace providers to collect sales tax (Part G); to amend the tax law, in relation to eliminating the reduced tax rates under the sales and use tax with respect to certain gas and electric service; and to repeal certain provisions of the tax law and the administrative code of the city of New York related thereto (Part H); to amend the real property tax law, in relation to the determination and use of state equalization rates (Part I); intentionally omitted (Subpart A); to amend the real property tax law, in relation to authorizing agreements for assessment review services (Subpart B); to amend the real property tax law, in relation to the training of assessors and county directors of real

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [ ] is old law to be omitted.
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property tax services (Subpart C); to amend the real property tax law, in relation to providing certain notifications electronically (Subpart D); to amend the real property tax law, in relation to the valuation and taxable status dates of special franchise property (Subpart E); and to amend the real property tax law, in relation to the reporting requirements of power plants (Subpart F) (Part J); to repeal section 3-d of the general municipal law, relating to certification of compliance with tax levy limit (Part K); to amend the tax law, in relation to creating an employer-provided child care credit (Part L); to amend the tax law, in relation to including gambling winnings in New York source income and requiring withholding thereon (Part M); to amend the tax law, in relation to the farm workforce retention credit (Part N); to amend the tax law, in relation to updating tax preparer penalties; to amend part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to eliminating the expiration thereof; and to repeal certain provisions of the tax law, relating to tax preparer penalties (Part O); to amend the tax law, in relation to extending the top personal income tax rate for five years (Part P); to amend the tax law and the administrative code of the city of New York, in relation to extending for five years the limitations on itemized deductions for individuals with incomes over one million dollars (Part Q); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part R); to amend part U of chapter 61 of the laws of 2011 amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness thereof (Part S); to amend the cooperative corporations law and the rural electric cooperative law, in relation to eliminating certain license fees (Part T); to amend the tax law, in relation to a credit for the rehabilitation of historic properties for state owned property leased to private entities (Part U); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property or services (Part V); to amend the mental hygiene law and the tax law, in relation to the creation and administration of a tax credit for employment of eligible individuals in recovery from a substance use disorder (Part W); intentionally omitted (Part X); to amend the tax law, in relation to establishing a conditional tax on carried interest (Part Y); to amend the tax law and chapter 369 of the laws of 2018 amending the tax law relating to unrelated business taxable income of a taxpayer, in relation to making technical corrections thereto (Part Z); intentionally omitted (Part AA); intentionally omitted (Part BB); intentionally omitted (Part CC); to amend the racing, pari-mutuel wagering and breeding law relating to the gaming inspector general; and to repeal title 9 of article 13 of the racing, pari-mutuel wagering and breeding law relating to the gaming inspector general (Subpart A); intentionally omitted (Subpart B); intentionally omitted (Subpart C); intentionally omitted (Subpart D) (Part DD); to amend the tax law, in relation to commissions paid to the operator of a video lottery facility; and providing for the repeal of certain provisions upon expiration thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to the deductibility of promotional credits (Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the operations of off-track betting corporations (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast
facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part HH); intentionally omitted (Part II); to amend part EE of chapter 59 of the laws of 2018, amending the racing, pari-mutuel wagering and breeding law relating to adjusting the franchise payment and establishing an advisory committee to review the structure, operations and funding of equine drug testing and research, in relation to the date of delivery for recommendations; and to amend the racing, pari-mutuel wagering and breeding law, in relation to equine lab testing provider restrictions removal (Part JJ); intentionally omitted (Part KK); intentionally omitted (Part LL); to amend the tax law, in relation to cooperative housing corporation information returns (Part MM); to amend the tax law, in relation to making a technical correction to the enhanced real property tax circuit breaker credit (Part NN); intentionally omitted (Part OO); intentionally omitted (Part PP); intentionally omitted (Part QQ); intentionally omitted (Part RR); to amend the real property tax law, in relation to clarifying certain notices on school tax bills (Part SS); to amend the real property tax law and the tax law, in relation to making the STAR program more accessible to taxpayers (Part TT); to amend the tax law, in relation to imposing a supplemental tax on vapor products; and to amend the state finance law, in relation to adding revenues from the supplemental tax on vapor products to the health care reform act resource fund (Part UU); intentionally omitted (Part VV); to amend the tax law, in relation to imposing a special tax on passenger car rentals outside of the metropolitan commuter transportation district (Part WW); intentionally omitted (Part XX); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part YY); to amend the tax law, in relation to the enforcement of delinquent tax liabilities by means of the suspension of licenses to operate a motor vehicle (Part ZZ); intentionally omitted (Part AAA); to amend the tax law, in relation to imposing an additional transfer tax on conveyances for consideration of five million dollars or more (Part BBB); to amend the real property tax law, in relation to imposing an additional tax on certain non-primary residence class one and class two properties in a city with a population of one million or more (Part CCC); to amend the tax law, in relation to authorizing the county of Westchester to impose an additional rate of sales and compensating use tax; and to amend chapter 272 of the laws of 1991, amending the tax law relating to the method of disposition of sales and compensating use tax revenue in Westchester county and enacting the Westchester county spending limitation act, in relation to extending the expiration thereof (Part DDD); and to amend the tax law, in relation to providing 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 EEE)
The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2019-2020 state fiscal year. Each component is wholly contained within a Part identified as Parts A through EEE. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Paragraph 10 of subsection (g) of section 658 of the tax law is REPEALED.

§ 2. Paragraph 10 of subdivision (g) of section 11-1758 of the administrative code of the city of New York is REPEALED.

§ 3. Paragraph 5 of subsection (u) of section 685 of the tax law is REPEALED.

§ 4. Paragraph 5 of subdivision (t) of section 11-1785 of the administrative code of the city of New York is REPEALED.

§ 5. Section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, as amended by section 5 of part G of chapter 60 of the laws of 2016, is amended to read as follows:

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

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law [and shall expire and be deemed repealed December 31, 2018], provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law;

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

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

(d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this act shall take effect January 1, 2020 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and

(e) sections twenty-one and twenty-one-a of this act shall expire and be deemed repealed December 31, 2019.

§ 6. This act shall take effect immediately.

PART B

Section 1. Subdivision 3 of section 441 of the economic development law, as amended by section 1 of part L of chapter 59 of the laws of 2017, is amended to read as follows:

3. "Eligible training" means (a) training provided by the business entity or an approved provider that is:
   (i) to upgrade, retrain or improve the productivity of employees;
   (ii) provided to employees in connection with a significant capital investment by a participating business entity;
   (iii) determined by the commissioner to satisfy a business need on the part of a participating business entity;
   (iv) not designed to train or upgrade skills as required by a federal or state entity;
   (v) not training the completion of which may result in the awarding of a license or certificate required by law in order to perform a job function; and
   (vi) not culturally focused training; or
   (b) an internship program in advanced technology, life sciences, software development or clean energy approved by the commissioner and provided by the business entity or an approved provider, on or after August first, two thousand fifteen, to provide employment and experience opportunities for current students, recent graduates, and recent members of the armed forces.

§ 2. Paragraph (b) of subdivision 1 of section 442 of the economic development law, as amended by section 2 of part L of chapter 59 of the laws of 2017, is amended to read as follows:

(b) The business entity must demonstrate that it is conducting eligible training or obtaining eligible training from an approved provider;

§ 3. Paragraph (a) of subdivision 2 of section 443 of the economic development law, as added by section 1 of part O of chapter 59 of the laws of 2015, is amended to read as follows:

(a) provide such documentation as the commissioner may require in order for the commissioner to determine that the business entity intends to conduct eligible training or procure eligible training for its employees from an approved provider;

§ 4. This act shall take effect immediately.

PART C

Section 1. Section 210-A of the tax law is amended by adding a new subdivision 5-a to read as follows:
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5-a. Net global intangible low-taxed income. Notwithstanding any other provision of this section, net global intangible low-taxed income shall be included in the apportionment fraction as provided in this subdivision. Receipts constituting net global intangible low-taxed income shall not be included in the numerator of the apportionment fraction. Receipts constituting net global intangible low-taxed income shall be included in the denominator of the apportionment fraction. For purposes of this subdivision, the term "net global intangible low-taxed income" means the amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code.

§ 2. Section 11-654.2 of the administrative code of the city of New York is amended by adding a new subdivision 5-a to read as follows:

5-a. Notwithstanding any other provision of this section, net global intangible low-taxed income shall be included in the receipts fraction as provided in this subdivision. Receipts constituting net global intangible low-taxed income shall not be included in the numerator of the receipts fraction. Receipts constituting net global intangible low-taxed income shall be included in the denominator of the receipts fraction. For purposes of this subdivision, the term "net global intangible low-taxed income" means the amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code.

§ 3. Subparagraph (2) of paragraph (a) of subdivision (3) of section 11-604 of the administrative code of the city of New York is amended by adding a new clause (E) to read as follows:

(E) notwithstanding any other provision of this paragraph, net global intangible low-taxed income shall be included in the receipts fraction as provided in this clause. Receipts constituting net global intangible low-taxed income shall not be included in the numerator of the receipts fraction. Receipts constituting net global intangible low-taxed income shall be included in the denominator of the receipts fraction. For purposes of this clause, the term "net global intangible low-taxed income" means the amount that would have been required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction that would have been allowed under clause (i) of section 250(a)(1)(B) of such code if the taxpayer had not made an election under subchapter S of chapter one of the internal revenue code.

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

PART D

Section 1. Subparagraph (vi) of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 11 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(vi) for taxable years beginning on or after January first, two thousand fourteen, the amount prescribed by this paragraph for a taxpayer [which] that is a qualified New York manufacturer, shall be computed at the rate of zero percent of the taxpayer's business income base. The term "manufacturer" shall mean a taxpayer [which] that during the taxable year is principally engaged in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming,
agriculture, horticulture, floriculture, viticulture or commercial fishing. However, the generation and distribution of electricity, the
distribution of natural gas, and the production of steam associated with
the generation of electricity shall not be qualifying activities for a
manufacturer under this subparagraph. Moreover, in the case of a
combined report, the combined group shall be considered a "manufacturer"
for purposes of this subparagraph only if the combined group during the
taxable year is principally engaged in the activities set forth in this
paragraph, or any combination thereof. A taxpayer or, in the case of a
combined report, a combined group shall be "principally engaged" in
activities described above if, during the taxable year, more than fifty
percent of the gross receipts of the taxpayer or combined group, respec-
tively, are derived from receipts from the sale of goods produced by
such activities. In computing a combined group's gross receipts, inter-
corporate receipts shall be eliminated. A "qualified New York manufac-
turer" is a manufacturer [which] has property in New York [which]
that is described in clause (A) of subparagraph (i) of paragraph (b) of
subdivision one of section two hundred ten-B of this article and either
(I) the adjusted basis of such property for [federal-income] New York
state tax purposes at the close of the taxable year is at least one
million dollars or (II) all of its real and personal property is located
in New York. A taxpayer or, in the case of a combined report, a combined
group, that does not satisfy the principally engaged test may be a qual-
ified New York manufacturer if the taxpayer or the combined group
employs during the taxable year at least two thousand five hundred
employees in manufacturing in New York and the taxpayer or the combined
group has property in the state used in manufacturing, the adjusted
basis of which for [federal-income] New York state tax purposes at the
close of the taxable year is at least one hundred million dollars.

§ 2. Subparagraph 2 of paragraph (b) of subdivision 1 of section 210
of the tax law, as amended by section 18 of part T of chapter 59 of the
laws of 2015, is amended to read as follows:

(2) For purposes of subparagraph one of this paragraph, the term
"manufacturer" shall mean a taxpayer [which] during the taxable
year is principally engaged in the production of goods by manufactur-
ning, processing, assembling, refining, mining, extracting, farming, agricul-
ture, horticulture, floriculture, viticulture or commercial fishing.
Moreover, for purposes of computing the capital base in a combined
report, the combined group shall be considered a "manufacturer" for
purposes of this subparagraph only if the combined group during the
taxable year is principally engaged in the activities set forth in this
subparagraph, or any combination thereof. A taxpayer or, in the case of
a combined report, a combined group shall be "principally engaged" in
activities described above if, during the taxable year, more than fifty
percent of the gross receipts of the taxpayer or combined group, respec-
tively, are derived from receipts from the sale of goods produced by
such activities. In computing a combined group's gross receipts, inter-
corporate receipts shall be eliminated. A "qualified New York manufac-
turer" is a manufacturer that has property in New York that is described
in clause (A) of subparagraph (i) of paragraph (b) of subdivision one of
section two hundred ten-B of this article and either (i) the adjusted
basis of that property for [federal-income] New York state tax purposes at
the close of the taxable year is at least one million dollars or (ii)
all of its real and personal property is located in New York. In addi-
tion, a "qualified New York manufacturer" means a taxpayer that is
defined as a qualified emerging technology company under paragraph (c)
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1. of subdivision one of section thirty-one hundred two-e of the public
2. authorities law regardless of the ten million dollar limitation
3. expressed in subparagraph one of such paragraph. A taxpayer or, in the
4. case of a combined report, a combined group, that does not satisfy the
5. principally engaged test may be a qualified New York manufacturer if the
6. taxpayer or the combined group employs during the taxable year at least
7. two thousand five hundred employees in manufacturing in New York and the
8. taxpayer or the combined group has property in the state used in manu-
9. facturing, the adjusted basis of which for New York state tax purposes at the close of the taxable year is at least one hundred million dollars.

§ 3. Clause (ii) of subparagraph 4 of paragraph (k) of subdivision 1 of section 11-654 of the administrative code of the city of New York, as
added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(ii) A "qualified New York manufacturing corporation" is a manufactur-
ing corporation that has property in the state which is described in subparagraph five of this paragraph and either (A) the adjusted basis of such property for New York state tax purposes at the close of the taxable year is at least one million dollars or (B) more than fifty percent of its real and personal property is located in the state.

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

PART E

Section 1. Section 5 of part MM of chapter 59 of the laws of 2014
amending the labor law and the tax law relating to the creation of the
workers with disabilities tax credit program is amended to read as
follows:

§ 5. This act shall take effect January 1, 2015, and shall apply to taxable years beginning on and after that date; provided, however, that this act shall expire and be deemed repealed January 1, 2020.

§ 2. This act shall take effect immediately.

PART F

Section 1. Paragraph 3 of subsection (a) of section 954 of the tax law, as amended by section 2 of part BB of chapter 59 of the laws of 2015, is amended to read as follows:

(3) Increased by the amount of any taxable gift under section 2503 of the internal revenue code not otherwise included in the decedent's federal gross estate, made during the three year period ending on the decedent’s date of death, but not including any gift made: (A) when the decedent was not a resident of New York state; or (B) before April first, two thousand fourteen; or (C) between January first, two thousand nineteen and January fifteenth, two thousand nineteen; or (D) real or tangible personal property having an actual situs outside New York state at the time the gift was made. Provided, however that this paragraph shall not apply to the estate of a dying decedent on or after January first, two thousand nineteen.

§ 2. Subsection (a) of section 954 of the tax law is amended by adding a new paragraph 4 to read as follows:

(4) Increased by the value of any property not otherwise already included in the decedent’s federal gross estate in which the decedent
had a qualifying income interest for life if a deduction was allowed on
the return of the tax imposed by this article with respect to the trans-
fer of such property to the decedent by reason of the application of
paragraph (7) of subsection (b) of section 2056 of the internal revenue
code, as made applicable to the tax imposed by this article by section
nine hundred ninety-nine-a of this article, whether or not a federal
estate tax return was required to be filed by the estate of the trans-
ferring spouse.

§ 3. Subsection (c) of section 955 of the tax law, as added by section
4 of part X of chapter 59 of the laws of 2014, is amended to read as
follows:

(c) Qualified terminable interest property election.-- Except as
otherwise provided in this subsection, the election referred to in para-
graph (7) of subsection (b) of section 2056 of the internal revenue code
shall not be allowed under this article unless such election was made
with respect to the federal estate tax return required to be filed under
the provisions of the internal revenue code. If such election was made
for the purposes of the federal estate tax, then such election must also
be made by the executor on the return of the tax imposed by this arti-
cle. Where no federal estate tax return is required to be filed, the
executor [may] must make the election referred to in such paragraph (7)
with respect to the tax imposed by this article on the return of the tax
imposed by this article. Any election made under this subsection shall
be irrevocable.

§ 4. This act shall take effect immediately; provided however that
section one of this act shall apply to estates of decedents dying on or
after January 16, 2019 and sections two and three of this act shall
apply to estates of decedents dying on or after April 1, 2019.

PART G

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

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

(1) Marketplace provider. A person who, pursuant to an agreement with
a marketplace seller, facilitates sales of tangible personal property by
such marketplace seller or sellers. A person "facilitates a sale of
tangible personal property" for purposes of this paragraph when the
person meets both of the following conditions: (A) such person provides
the forum in which, or by means of which, the sale takes place or the
offer of sale is accepted, including a shop, store, or booth, an inter-
net website, catalog, or similar forum; and (B) such person or an affil-
iate of such person collects the receipts paid by a customer to a
marketplace seller for a sale of tangible personal property, or
contracts with a third party to collect such receipts. For purposes of
this paragraph, a "sale of tangible personal property" shall not include
the rental of a passenger car as described in section eleven hundred
sixty of this chapter but shall include a lease described in subdivision
(i) of section eleven hundred eleven of this article. For purposes of
this paragraph, persons are affiliated if one person has an ownership
interest of more than five percent, whether direct or indirect, in
another, or where an ownership interest of more than five percent,
whether direct or indirect, is held in each of such persons by another
person or by a group of other persons that are affiliated persons with respect to each other.

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

§ 2. Subdivision 1 of section 1131 of the tax law, as amended by section 1 of part X of chapter 59 of the laws of 2018, is amended to read as follows:

(1) "Persons required to collect tax" or "person required to collect any tax imposed by this article" shall include: every vendor of tangible personal property or services; every recipient of amusement charges; every operator of a hotel; and every marketplace provider with respect to sales of tangible personal property it facilitates as described in paragraph one of subdivision (e) of section eleven hundred one of this article. Said terms shall also include any officer, director or employee of a corporation or of a dissolved corporation, any employee of a partnership, any employee or manager of a limited liability company, or any employee of an individual proprietorship who as such officer, director, employee or manager is under a duty to act for such corporation, partnership, limited liability company or individual proprietorship in complying with any requirement of this article, or has so acted; and any member of a partnership or limited liability company. Provided, however, that any person who is a vendor solely by reason of clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision (b) of section eleven hundred one of this article shall not be a "person required to collect any tax imposed by this article" until twenty days after the date by which such person is required to file a certificate of registration pursuant to section eleven hundred thirty-four of this part.

§ 3. Section 1132 of the tax law is amended by adding a new subdivision (l) to read as follows:

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

(2) A marketplace seller who is a vendor is relieved from the duty to collect tax in regard to a particular sale of tangible personal property subject to tax under subdivision (a) of section eleven hundred five of this article and shall not include the receipts from such sale in its taxable receipts for purposes of section eleven hundred thirty-six of this part if, in regard to such sale: (A) the marketplace seller can show that such sale was facilitated by a marketplace provider from whom such seller has received in good faith a properly completed certificate
of collection in a form prescribed by the commissioner, certifying that
the marketplace provider is registered to collect sales tax and will
collect sales tax on all taxable sales of tangible personal property by
the marketplace seller facilitated by the marketplace provider, and with
such other information as the commissioner may prescribe; and (B) any
failure of the marketplace provider to collect the proper amount of tax
in regard to such sale was not the result of such marketplace seller
providing the marketplace provider with incorrect information. This
 provision shall be administered in a manner consistent with subparagraph
(i) of paragraph one of subdivision (c) of this section as if a certif-
ice of collection were a resale or exemption certificate for purposes
of such subparagraph, including with regard to the completeness of such
certificate of collection and the timing of its acceptance by the
marketplace seller. Provided that, with regard to any sales of tangible
personal property by a marketplace seller that are facilitated by a
marketplace provider who is affiliated with such marketplace seller
within the meaning of paragraph one of subdivision (e) of section eleven
hundred one of this article, the marketplace seller shall be deemed
liable as a person under a duty to act for such marketplace provider for
purposes of subdivision one of section eleven hundred thirty-one of this
part.

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

(4) Subject to the approval of the commissioner, a marketplace seller
may enter into an agreement regarding the fulfillment of the require-
ments of this article including an agreement that allows the marketplace
seller to collect and remit tax for the sale of tangible personal prop-
erty made on the platform of a marketplace provider.

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

(f) A marketplace provider is relieved of liability under this section
for failure to collect the correct amount of tax to the extent that the
marketplace provider can show that the error was due to incorrect or
insufficient information given to the marketplace provider by the
marketplace seller. Provided, however, this subdivision shall not apply
if the marketplace seller and marketplace provider are affiliated within
the meaning of paragraph one of subdivision (e) of section eleven
hundred one of this article.

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

(4) The return of a vendor of tangible personal property or services
shall show such vendor's receipts from sales and the number of gallons
of any motor fuel or diesel motor fuel sold and also the aggregate value
of tangible personal property and services and number of gallons of such
fuels sold by the vendor, the use of which is subject to tax under this
article, and the amount of tax payable thereon pursuant to the provisions of section eleven hundred thirty-seven of this part. The return of a recipient of amusement charges shall show all such charges and the amount of tax thereon, and the return of an operator required to collect tax on rents shall show all rents received or charged and the amount of tax thereon. The return of a marketplace seller shall exclude the receipts from a sale of tangible personal property facilitated by a marketplace provider if, in regard to such sale: (A) the marketplace provider has timely received in good faith a properly completed certificate of collection from the marketplace provider or the marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between the marketplace provider and the marketplace seller as described in subdivision one of section eleven hundred thirty-two of this part, and (B) the information provided by the marketplace seller to the marketplace provider about such tangible personal property is accurate.

§ 6. Section 1142 of the tax law is amended by adding a new subdivision 15 to read as follows:

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

§ 7. This act shall take effect immediately and shall apply to sales made on or after June 1, 2019.

PART H

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

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

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

§ 3. Subparagraph (xi) of paragraph 4 of subdivision (a) of section 1210 of the tax law is REPEALED.

§ 4. Paragraph 8 of subdivision (b) of section 11-2001 of the administrative code of the city of New York is REPEALED.

§ 5. This act shall take effect June 1, 2019, and shall apply to sales made and services rendered on and after that date, whether or not under a prior contract.

PART I

Section 1. Subdivision 3 of section 1204 of the real property tax law, as added by chapter 115 of the laws of 2018, is amended to read as follows:

3. Where the tentative equalization rate is not within plus or minus five [percentage points] percent of the locally stated level of assessment, the assessor shall provide notice in writing to the local govern-
of the difference between the locally stated level of assessment and the tentative equalization rate. Such notice shall be made within ten days of the receipt of the tentative equalization rate, or within ten days of the filing of the tentative assessment roll, whichever is later, and shall provide the difference in the indicated total full value estimates of the locally stated level of assessment and the tentative equalization rate for the taxable property within each affected town, city, village, county and school district, where applicable.

§ 2. The real property tax law is amended by adding a new section 1211 to read as follows:

§ 1211. Confirmation by commissioner of the locally stated level of assessment. Notwithstanding the foregoing provisions of this title, before the commissioner determines a tentative equalization rate for a city, town or village, he or she shall examine the accuracy of the locally stated level of assessment appearing on the tentative assessment roll. If the commissioner confirms the locally stated level of assessment, then as soon thereafter as is practicable, he or she shall establish and certify such locally stated level of assessment as the final equalization rate for such city, town or village in the manner provided by sections twelve hundred ten and twelve hundred twelve of this title. The provisions of sections twelve hundred four, twelve hundred six and twelve hundred eight of this title shall not apply in such cases, unless the commissioner finds that the final assessment roll differs from the tentative assessment roll to an extent that renders the locally stated level of assessment inaccurate, and rescinds the final equalization rate on that basis.

§ 3. Paragraph (d) of subdivision 1 of section 1314 of the real property tax law, as amended by chapter 158 of the laws of 2002, is amended to read as follows:

(d) (i) Such district superintendent shall also determine what proportion of any tax to be levied in such school district for school purposes during the current school year shall be levied upon each part of a city or town included in such school district by dividing the sum of the full valuation of real property in such part of a city or town by the total of all such full valuations of real property in such school district. Provided, however, that prior to the levy of taxes, the governing body of the school district may adopt a resolution directing such proportions to be based upon the average full valuation of real property in each such city or town over either a three-year period, consisting of the current school year and the two prior school years, or over a five-year period, consisting of the current school year and the four prior school years. Once such a resolution has been adopted, the proportions for ensuing school years shall continue to be based upon the average full valuation of real property in each such city or town over the selected period, unless the resolution provides otherwise or is repealed.

(ii) Such proportions shall be expressed in the nearest exact ten thousandths and the school authorities of such school district shall levy such a proportion of any tax to be raised in the school district during the current school year upon each part of a city or town included in such school district as shall have been determined by the district superintendent. A new proportion shall be determined for each school year thereafter by the district superintendent in accordance with the provisions of this section by the use of the latest state equalization rates. In any such school district that is not within the jurisdiction of a district superintendent of schools, the duties which would other-
wise be performed by the district superintendent under the provisions of this section, shall be performed by the school authorities of such district.

§ 4. This act shall take effect immediately.

PART J

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

SUBPART A

Intentionally Omitted

SUBPART B

Section 1. Paragraph (b) of subdivision 1 of section 523 of the real property tax law, as amended by chapter 223 of the laws of 1987, is amended to read as follows:

(b) The board of assessment review shall consist of not less than three nor more than five members appointed by the legislative body of the local government or village or as provided by subdivision five of section fifteen hundred thirty-seven of this chapter, if applicable. Members shall have a knowledge of property values in the local government or village. Neither the assessor nor any member of his or her staff may be appointed to the board of assessment review. A majority of such board shall consist of members who are not officers or employees of the local government or village.

§ 2. Subdivision 1 of section 1537 of the real property tax law, as added by chapter 512 of the laws of 1993, is amended and a new subdivision 5 is added to read as follows:

1. (a) An assessing unit and a county shall have the power to enter into, amend, cancel and terminate an agreement for appraisal services, exemption services, or assessment review services, in the manner provided by this section. Such an agreement shall be considered an agreement for the provision of a "joint service" for purposes of article five-G of the general municipal law, notwithstanding the fact that the county would not have the power to perform such services in the absence of such an agreement.

(b) Any such agreement shall be approved by both the assessing unit and the county, by a majority vote of the voting strength of each governing body.

(c) In the case of an assessing unit, no such agreement shall be submitted to the governing body for approval unless at least forty-five days prior to such submission, the governing body shall have adopted a
resolution, subject to a permissive referendum, authorizing the assessing unit to negotiate such an agreement with the county; provided, however, that such prior authorization shall not be required for an agreement to amend, cancel or terminate an existing agreement pursuant to this section.

5. An agreement between an assessing unit and a county for assessment review services shall provide for the members of the board of assessment review of the assessing unit to be appointed by the legislative body of the county upon the recommendation of the county director of the real property tax services. Each member so appointed shall be a resident of the county but need not be a resident of the assessing unit. The board of assessment review as so constituted shall have the authority to receive, review and resolve petitions for assessment review filed in such assessing unit, and for the corrections of errors therein, to the full extent set forth in article five of this chapter.

§ 3. Subdivision 1 of section 1408 of the real property tax law, as amended by chapter 473 of the laws of 1984, is amended to read as follows:

1. At the time and place and during the hours specified in the notice given pursuant to section fourteen hundred sixty of this chapter, the board of review shall meet to hear complaints relating to assessments brought before it. The board of trustees and assessors, or a committee of such board constituting at least a majority thereof and the assessors or a board of assessment review constituted pursuant to section five hundred twenty-three of this chapter, or as provided by subdivision five of section fifteen hundred thirty-seven of this chapter, shall constitute the board of review.

§ 4. This act shall take effect immediately.

SUBPART C

Section 1. Subdivision 4 of section 318 of the real property tax law, as amended by chapter 527 of the laws of 1997 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

4. Notwithstanding the provisions of this subdivision or any other law, the travel and other actual and necessary expenses incurred by an appointed or elected assessor, or by a person appointed assessor for a forthcoming term, or by an assessor-elect prior to the commencement of his or her term, in satisfactorily completing courses of training as required by this title or as approved by the commissioner, including continuing education courses prescribed by the commissioner which are satisfactorily completed by any elected assessor, shall be a state charge upon audit by the comptroller. Travel and other actual and necessary expenses incurred by an acting assessor who has been exercising the powers and duties of the assessor for a period of at least six months, in attending training courses no earlier than twelve months prior to the date when courses of training and education are required, shall also be a state charge upon audit by the comptroller. Candidates for certification as eligible for the position of assessor, other than assessors or assessors-elect, shall be charged for the cost of training materials and shall be responsible for all other costs incurred by them in connection with such training. Notwithstanding the foregoing provisions of this subdivision, if the provider of a training course has asked the commissioner to approve the course for credit only, so that attendees who successfully complete the course would be entitled to receive credit
without having their expenses reimbursed by the state, and the commis-
sioner has agreed to do so, the travel and other actual and necessary
expenses incurred by such attendees shall not be a state charge.
§ 2. Paragraph f of subdivision 3 of section 1530 of the real property
tax law, as amended by chapter 361 of the laws of 1986 and as further
amended by subdivision (b) of section 1 of part W of chapter 56 of the
laws of 2010, is amended to read as follows:
f. Expenses in attending training courses. Notwithstanding the
provisions of any other law, the travel and other actual and necessary
expenses incurred by a director or a person appointed director for a
forthcoming term in attending courses of training as required by this
subdivision or as approved by the commissioner shall be a state charge
upon audit by the comptroller. Notwithstanding the foregoing provisions
of this paragraph, if the provider of a training course has asked the
commissioner to approve the course for credit only, so that attendees
who successfully complete the course would be entitled to receive credit
without having their expenses reimbursed by the state, and the commis-
sioner has agreed to do so, the travel and other actual and necessary
expenses incurred by such attendees shall not be a state charge.
§ 3. This act shall take effect immediately.

SUBPART D

Section 1. Section 104 of the real property tax law, as added by
section 1 of part U of chapter 61 of the laws of 2011, is amended to
read as follows:
§ 104. Electronic real property tax administration. 1. Notwithstanding
any provision of law to the contrary, the commissioner is hereby author-
ized to establish standards for electronic real property tax adminis-
tration (E-RPT). Such standards shall set forth the terms and conditions
under which the various tasks associated with real property tax adminis-
tration may be executed electronically, dispensing with the need for
paper documents. Such tasks shall include any or all of the following:
(a) The filing of exemption applications;
(b) The filing of petitions for administrative review of assessments;
(c) The filing of petitions for judicial review of assessments;
(d) The filing of applications for administrative corrections of
errors;
(e) The issuance of statements of taxes;
(f) The payment of taxes, subject to the provisions of sections five
and five-b of the general municipal law;
(g) The provision of receipts for the payment of taxes;
(h) The issuance of taxpayer notices required by law, including
sections five hundred eight, five hundred ten, five hundred ten-a, five
hundred eleven, five hundred twenty-five and five hundred fifty-one-a
through five hundred fifty-six-b of this chapter; and
(i) The furnishing of notices and certificates under this chapter
relating to state equalization rates, residential assessment ratios,
special franchise assessments, railroad ceilings, taxable state lands,
advisey appraisals, and the certification of assessors and county
directors or real property tax services, subject to the provisions of
subdivision five of this section.
2. Such standards shall be developed after consultation with local
government officials, the office of court administration in the case of
standards relating to petitions for judicial review of assessments, and
the office of the state comptroller **in the case of standards relating to payments or taxes and the issuance of receipts therefor.**

3. (a) Taxpayers shall not be required to accept notices, statements of taxes, receipts for the payment of taxes, or other documents electronically unless they have so elected. Taxpayers who have not so elected shall be sent such communications in the manner otherwise provided by law.

(b) Assessors and other municipal officials shall not be required to accept and respond to communications from the commissioner electronically.

(c) The governing board of any municipal corporation may, by local law, ordinance or resolution, determine that it is in the public interest for such municipal corporation to provide electronic real property tax administration. Upon adoption of such local law, ordinance or resolution, such municipal corporation shall comply with standards set forth by the commissioner.

The standards prescribed by the commissioner pursuant to this section relating to communications with taxpayers shall provide for the collection of electronic contact information, such as e-mail addresses and/or social network usernames, from taxpayers who have elected to receive electronic communications in accordance with the provisions of this section. Such information shall be exempt from public disclosure in accordance with section eighty-nine of the public officers law.

4. When a document has been transmitted electronically in accordance with the provisions of this section and the standards adopted by the commissioner hereunder, it shall be deemed to satisfy the applicable legal requirements to the same extent as if it had been mailed via the United States postal service.

5. (a) On and after January first, two thousand twenty, whenever the commissioner is obliged by law to mail a notice of the determination of a tentative state equalization rate, tentative special franchise assessment, tentative assessment ceiling or other tentative determination of the commissioner that is subject to administrative review, the commissioner shall be authorized to furnish the required notice by e-mail, or by causing it to be posted on the department's website, or both, at his or her discretion. When providing notice of a tentative determination by causing it to be posted on the department's website, the commissioner also shall e-mail the parties required by law to receive such notice, to inform them that the notice of tentative determination has been posted on the website. Such notice of tentative determination shall not be deemed complete unless such emails have been sent. Notwithstanding any provision of law to the contrary, the commissioner shall not be required to furnish such notices by postal mail, except as provided by paragraphs (d) and (e) of this subdivision.

(b) When providing notice of a tentative determination by e-mail or posting pursuant to this subdivision, the commissioner shall specify an e-mail address to which complaints regarding such tentative determination may be sent. A complaint that is sent to the commissioner by e-mail to the specified e-mail address by the date prescribed by law for the mailing of such complaints shall be deemed valid to the same extent as if it had been sent by postal mail.

(c) When a final determination is made in such a matter, notice of the final determination and any certificate relating thereto shall be furnished by e-mail or by a website posting, or both at the commissioner's discretion, and need not be provided by postal mail, except as
provided by paragraphs (d) and (e) of this subdivision. When providing
notice of a final determination by website posting, the commissioner
also shall e-mail the parties required by law to receive such notice, to
inform them that the notice of final determination has been posted on
the website. Such notice of final determination shall not be deemed
complete unless such emails have been sent.

(d) If an assessor has advised the commissioner in writing that he or
she prefers to receive the notices described in this subdivision by
postal mail, the commissioner shall thereafter send such notices to that
assessor by postal mail, and need not send such notices to that assessor
by e-mail. The commissioner shall prescribe a form that assessors may
use to advise the commissioner of their preference for postal mail.

(e) If the commissioner learns that an e-mail address to which a
notice has been sent pursuant to this subdivision is not valid, and the
commissioner cannot find a valid e-mail address for that party, the
commissioner shall resend the notice to the party by postal mail. If the
commissioner does not have a valid e-mail address for the party at the
time the notice is initially required to be sent, the commissioner shall
send the notice to that party by postal mail.

(f) On or before November thirtieth, two thousand nineteen, the
commissioner shall send a notice by postal mail to assessors, to chief
executive officers of assessing units, and to owners of special fran-
chise property and railroad property, informing them of the provisions
of this section. The notice to be sent to assessors shall include a
copy of the form prescribed pursuant to paragraph (d) of this subdivi-
sion.

(g) As used in this subdivision, the term "postal mail" shall mean
mail that is physically delivered to the addressee by the United States
postal service.

§ 2. This act shall take effect immediately.

SUBPART E

Section 1. Subdivision 4 of section 302 of the real property tax law,
as amended by chapter 348 of the laws of 2007, is amended to read as
follows:

4. The taxable status of a special franchise shall be determined on
the basis of its value and its ownership as of the first day of [July]
January of the year preceding the year in which the assessment roll on
which such property is to be assessed is completed and filed in the
office of the city or town clerk, except that taxable status of such
properties shall be determined on the basis of ownership as of the first
day of [July] January of the second year preceding the date required by
law for the filing of the final assessment roll for purposes of all
village assessment rolls.

§ 2. Subdivision 2 of section 606 of the real property tax law, as
amended by chapter 743 of the laws of 2005 and as further amended by
subdivision (b) of section 1 of part W of chapter 56 of the laws of
2010, is amended to read as follows:

2. In any assessing unit which has completed a revaluation since nine-
teen hundred fifty-three or which does not contain property that was
assessed in nineteen hundred fifty-three, the commissioner shall deter-
mine the full value of such special franchise as of the [valuation-date
of-the-assessing-unit] taxable status date specified by subdivision four
of section three hundred two of this chapter. Such full value shall be
determined by the commissioner for purposes of sections six hundred
eight, six hundred fourteen and six hundred sixteen of this article.
These full values shall be entered on the assessment roll at the level
of assessment, which shall be the uniform percentage of value, as
required by section five hundred two of this chapter, appearing on the
tentative assessment roll upon which the assessment is entered. Whenever
a final state equalization rate, or, in the case of a special assessing
unit, a class equalization rate, is established that is different from a
level of assessment applied pursuant to this paragraph, any public official
having custody of that assessment roll is hereby authorized and
directed to recompute these assessments to reflect that equalization
rate, provided such final rate is established by the commissioner at
least ten days prior to the date for levy of taxes against those assess-
ments.
§ 3. This act shall take effect January 1, 2020.

SUBPART F

Section 1. The real property tax law is amended by adding a new
section 575-a to read as follows:
§ 575-a. Electric generating facility annual reports. 1. Every corpo-
ration, company, association, joint stock association, partnership and
person, their lessees, trustees or receivers appointed by any court
whatsoever, owning, operating or managing any electric generating facil-
ity in the state shall annually file with the commissioner, by April
thirtieth, a report showing the inventory, revenue, and expenses associ-
ated therewith for the most recent fiscal year. Such report shall be in
the form and manner prescribed by the commissioner.
2. When used in this section, "electric generating facility" shall
mean any facility that generates electricity for sale, directly or indi-
rectly, to the public, including the land upon which the facility is
located, any equipment used in such generation, and equipment leading
from the facility to the interconnection with the electric transmission
system, but shall not include:
(a) any equipment in the electric transmission system; and
(b) any electric generating equipment owned or operated by a residen-
tial customer of an electric generating facility, including the land
upon which the equipment is located, when located and used at his or her
residence.
3. Every electric generating facility owner, operator, or manager
failing to make the report required by this section, or failing to make
any report required by the commissioner pursuant to this section within
the time specified by it, shall forfeit to the people of the state the
sum of up to ten thousand dollars for every such failure and the addi-
tional sum of up to one thousand dollars for each day that such failure
continues.
§ 2. This act shall take effect January 1, 2020.
§ 2. Severability clause. If any clause, sentence, paragraph, subdivi-
sion, section or subpart of this act shall be adjudged by any court of
competent jurisdiction to be invalid, such judgment shall not affect,
impair, or invalidate the remainder thereof, but shall be confined in
its operation to the clause, sentence, paragraph, subdivision, section
or subpart thereof directly involved in the controversy in which such
judgment shall have been rendered. It is hereby declared to be the
intent of the legislature that this act would have been enacted even if
such invalid provisions had not been included herein.
§ 3. This act shall take effect immediately provided, however, that the applicable effective date of Subparts A through F of this Part shall be as specifically set forth in the last section of such Subparts.

PART K

Section 1. Section 3-d of the general municipal law, as added by section 2 of part E of chapter 59 of the laws of 2018, is REPEALED.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 12, 2018.

PART L

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

§ 44. Employer-provided child care credit. (a) General. A taxpayer subject to tax under article nine-A, twenty-two, or thirty-three of this chapter shall be allowed a credit against such tax in an amount equal to the portion of the credit that is allowed to the taxpayer under section 45F of the internal revenue code that is attributable to (i) qualified child care expenditures paid or incurred with respect to a qualified child care facility with a situs in the state, and to (ii) qualified child care resource and referral expenditures paid or incurred with respect to the taxpayer's employees working in the state. The credit allowable under this subdivision for any taxable year shall not exceed one hundred fifty thousand dollars. If the entity operating the qualified child care facility is a partnership or a New York S corporation, then such cap shall be applied at the entity level, so the aggregate credit allowed to all the partners or shareholders of such entity in a taxable year does not exceed one hundred fifty thousand dollars.

(b) Credit recapture. If there is a cessation of operation or change in ownership, as defined by section 45F of the internal revenue code relating to a qualified child care facility with a situs in the state, the taxpayer shall add back the applicable recapture percentage of the credit allowed under this section in accordance with the recapture provisions of section 45F of the internal revenue code, but the recapture amount shall be limited to the credit allowed under this section.

(c) Reporting requirements. A taxpayer that has claimed a credit under this section shall notify the commissioner of any cessation of operation or change in ownership, as defined by section 45F of the internal revenue code relating to a qualified child care facility with a situs in the state, or agreement to assume recapture liability as such terms are defined by section 45F of the internal revenue code, in the form and manner prescribed by the commissioner.

(d) Definitions. The terms "qualified child care expenditures", "qualified child care facility", "qualified child care resource and referral expenditure", "cessation of operation", "change of ownership", and "applicable recapture percentage" shall have the same meanings as in section 45F of the internal revenue code.

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

(1) article 9-A: section 210-B, subdivision 53;
(2) article 22: section 606(i), subsections (i) and (jjj);
(3) article 33: section 1511, subdivision (dd).

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

53. Employer-provided child care credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in
section forty-four of this chapter, against the tax imposed by this article.
(b) Application of credit. The credit allowed under this subdivision for any taxable year may 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 will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.
(c) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.
§ 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xliv) to read as follows:
(xliv) Employer-provided child care credit (jjj) Amount of credit under subdivision fifty-three of section two hundred ten-B
§ 4. Section 606 of the tax law is amended by adding a new subsection (jjj) to read as follows:
(jjj) Employer-provided child care credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-four of this chapter, against the tax imposed by this article.
(2) Application of credit. If the amount of the credit allowed under this subsection for any taxable year exceeds the taxpayer's tax for such year, the excess will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest will be paid thereon.
(3) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.
§ 5. Section 1511 of the tax law is amended by adding a new subdivision (dd) to read as follows:
(dd) Employer-provided child care credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-four of this chapter, against the tax imposed by this article.
(2) Application of credit. The credit allowed under this subdivision shall not reduce the tax due for such year to be less than the minimum fixed by paragraph four of subdivision (a) of section fifteen hundred two or section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the taxpayer's tax to such amount, any amount of credit thus not deductible will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.
(3) Credit recapture. For provisions requiring recapture of credit, see section forty-four of this chapter.
§ 6. This act shall take effect immediately and apply to years beginning on or after January 1, 2020.

PART M

Section 1. Paragraph 1 of subsection (b) of section 631 of the tax law is amended by adding a new subparagraph (D-1) to read as follows:

(D-1) gambling winnings in excess of five thousand dollars from wagering transactions within the state; or

§ 2. Paragraph 2 of subsection (b) of section 671 of the tax law is amended by adding a new subparagraph (E) to read as follows:

(E) Any gambling winnings from a wagering transaction within this state, if the proceeds from the wager are subject to withholding under section three thousand four hundred two of the internal revenue code.

§ 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2019; provided, however that the amendments to subsection (b) of section 671 of the tax law made by section two of this act shall not affect the expiration of such subsection and shall be deemed to expire therewith.

PART N

Section 1. Subdivision (c) of section 42 of the tax law, as added by section 1 of part RR of chapter 60 of the laws of 2016, is amended to read as follows:

(c) For purposes of this subdivision, the term "eligible farmer" means a taxpayer whose federal gross income from farming as defined in subsection (n) of section six hundred six of this chapter for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year in excess of thirty thousand dollars. For the purposes of this subdivision, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers.

§ 2. Section 42 of the tax law is amended by adding a new subdivision (d-1) to read as follows:

(d-1) Special rules. If more than fifty percent of such eligible farmer's federal gross income from farming is from the sale of wine from a licensed farm winery as provided for in article six of the alcoholic beverage control law, or from the sale of cider from a licensed farm cidery as provided for in section fifty-eight-c of the alcoholic beverage control law, then an eligible farm employee of such eligible farmer shall be included for purposes of calculating the amount of credit allowed under this section only if such eligible farm employee is employed by such eligible farmer on qualified agricultural property as defined in paragraph four of subsection (n) of section six hundred six of this chapter.

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

PART O

Section 1. Section 12 of part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, as amended
by section 1 of part M of chapter 60 of the laws of 2016, is amended to read as follows:

§ 12. This act shall take effect immediately; provided, however, that
(i) section one of this act shall apply to all disclosure statements
described in paragraph 1 of subdivision (a) of section 25 of the tax
law, as added by section one of this act, that were required to be filed
with the internal revenue service at any time with respect to "listed
transactions" as described in such paragraph 1, and shall apply to all
disclosure statements described in paragraph 1 of subdivision (a) of
section 25 of the tax law, as added by section one of this act, that
were required to be filed with the internal revenue service with respect
to "reportable transactions" as described in such paragraph 1, other
than "listed transactions", in which a taxpayer participated during any
taxable year for which the statute of limitations for assessment has not
expired as of the date this act shall take effect, and shall apply to
returns or statements described in such paragraph 1 required to be filed
by taxpayers (or persons as described in such paragraph) with the
commissioner of taxation and finance on or after the sixtieth day after
this act shall have become a law; and
(ii) sections two through four and seven through nine of this act
shall apply to any tax liability for which the statute of limitations on
assessment has not expired as of the date this act shall take effect[;

and
(iii) provided, further, that the provisions of this act, except
section five of this act, shall expire and be deemed repealed July 1,
2019; provided, that, such expiration and repeal shall not affect any
requirement imposed pursuant to this act].

§ 2. Subsection (aa) of section 685 of the tax law is REPEALED and a
new subsection (aa) is added to read as follows:

(aa) Tax preparer penalty.-- (1) If a tax return preparer takes a
position on any income tax return or credit claim form that either
understates the tax liability or increases the claim for a refund, and
the preparer knew, or reasonably should have known, that said position
was not proper, and such position was not adequately disclosed on the
return or in a statement attached to the return, such income tax prepar-
er shall pay a penalty of between one hundred and one thousand dollars.

(2) If a tax return preparer takes a position on any income tax return
or credit claim form that either understates the tax liability or
increases the claim for a refund and the understatement of the tax
liability or the increased claim for refund is due to the preparer's
reckless or intentional disregard of the law, rules or regulations, such
preparer shall pay a penalty of between five hundred and five thousand
dollars. The amount of the penalty payable by any person by reason of
this paragraph shall be reduced by the amount of the penalty paid by
such person by reason of paragraph one of this subsection.

(3) For purposes of this subsection, the term "understatement of tax
liability" means any understatement of the net amount payable with
respect to any tax imposed under this article or any overstatement of
the net amount creditable or refundable with respect to any such tax.

(4) For purposes of this subsection, the term "tax return prepared"
shall have the same meaning as defined in paragraph five of subsection
(g) of section six hundred fifty-eight of this article.

(5) This subsection shall not apply if the penalty under subsection
(r) of this section is imposed on the tax return preparer with respect
to such understatement.
§ 3. Subsection (u) of section 685 of the tax law is amended by adding three new paragraphs (1), (2), and (6) to read as follows:

(1) Failure to sign return or claim for refund. If a tax return preparer who is required pursuant to paragraph one of subsection (g) of section six hundred fifty-eight of this article to sign a return or claim for refund fails to comply with such requirement with respect to such return or claim for refund, the tax return preparer shall be subject to a penalty of two hundred fifty dollars for each such failure to sign, unless it is shown that such failure is due to reasonable cause and not due to willful neglect. The maximum penalty imposed under this paragraph on any tax return preparer with respect to returns filed during any calendar year by the tax return preparer must not exceed ten thousand dollars. Provided, however, that if a tax return preparer has been penalized under this paragraph for a preceding calendar year and again fails to sign his or her name on any return that requires the tax return preparer’s signature during a subsequent calendar year, then the penalty under this paragraph for each failure will be five hundred dollars, and no annual cap will apply. This paragraph shall not apply if the penalty under paragraph three of subsection (g) of section thirty-two of this chapter is imposed on the tax return preparer with respect to such return or claim for refund.

(2) Failure to furnish identifying number. If a tax return preparer fails to include any identifying number required to be included on any return or claim for refund pursuant to paragraph two of subsection (g) of section six hundred fifty-eight of this article, the tax return preparer shall be subject to a penalty of one hundred dollars for each such failure, unless it is shown that such failure is due to reasonable cause and not willful neglect. The maximum penalty imposed under this paragraph on any tax return preparer with respect to returns filed during any calendar year must not exceed two thousand five hundred dollars; provided, however, that if a tax return preparer has been penalized under this paragraph for a preceding calendar year and again fails to include the identifying number on one or more returns during a subsequent calendar year, then the penalty under this paragraph for each failure will be two hundred fifty dollars, and no annual cap will apply. This paragraph shall not apply if the penalty under paragraph four of subsection (g) of section thirty-two of this chapter is imposed on the tax return preparer with respect to such return or claim for refund.

(6) For purposes of this subsection, the term "tax return preparer" shall have the same meaning as defined in paragraph five of subsection (g) of section six hundred fifty-eight of this article.

§ 4. This act shall take effect immediately; provided, however, that the amendments to subsection (u) of section 685 of the tax law made by section three of this act shall apply to tax documents filed or required to be filed for taxable years beginning on or after January 1, 2019.
If the New York taxable income is: The tax is:

1. Not over $17,150 4% of the New York taxable income
2. Over $17,150 but not over $23,600 $686 plus 4.5% of excess over $17,150
3. Over $23,600 but not over $27,900 $976 plus 5.25% of excess over $23,600
4. Over $27,900 but not over $43,000 $1,202 plus 5.9% of excess over $27,900
5. Over $43,000 but not over $161,550 $2,093 plus 6.09% of excess over $43,000
6. Over $161,550 but not over $323,200 $9,313 plus 6.41% of excess over $161,550
7. Over $323,200 but not over $2,155,350 $19,674 plus 6.85% of excess over $323,200
8. Over $2,155,350 but not over $5,000,000 $145,177 plus 8.82% of excess over $2,155,350
9. Over $5,000,000 but not over $10,000,000 $396,075 plus 9.32% of excess over $5,000,000
10. Over $10,000,000 but not over $100,000,000 $862,075 plus 9.82% of excess over $10,000,000
11. Over $100,000,000 $9,700,075 plus 10.32% of excess over $100,000,000

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

If the New York taxable income is: The tax is:

1. Not over $17,150 4% of the New York taxable income
2. Over $17,150 but not over $23,600 $686 plus 4.5% of excess over $17,150
3. Over $23,600 but not over $27,900 $976 plus 5.25% of excess over $23,600
4. Over $27,900 but not over $43,000 $1,202 plus 5.9% of excess over $27,900
5. Over $43,000 but not over $161,550 $2,093 plus 6.09% of excess over $43,000
6. Over $161,550 but not over $323,200 $9,313 plus 6.41% of excess over $161,550
7. Over $323,200 but not over $2,155,350 $19,674 plus 6.85% of excess over $323,200
8. Over $2,155,350 but not over $5,000,000 $144,905 plus 8.82% of excess over $2,155,350
9. Over $5,000,000 but not over $10,000,000 $395,803 plus 9.32% of excess over $5,000,000
10. Over $10,000,000 but not over $100,000,000 $861,803 plus 9.82% of excess over $10,000,000
11. Over $100,000,000 $9,699,803 plus 10.32% of excess over $100,000,000

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

If the New York taxable income is: The tax is:

1. Not over $17,150 4% of the New York taxable income
2. Over $17,150 but not over $23,600 $686 plus 4.5% of excess over $17,150
3. Over $23,600 but not over $27,900 $976 plus 5.25% of excess over $23,600
4. Over $27,900 but not over $161,550 $1,202 plus 5.85% of excess over $27,900

<table>
<thead>
<tr>
<th>New York Taxable Income Range</th>
<th>Tax Rate and Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,150 but not over $23,600</td>
<td>4% of New York taxable income $686 plus 4.5% of excess over $17,150</td>
</tr>
<tr>
<td>$23,600 but not over $27,900</td>
<td>$976 plus 5.25% of excess over $23,600</td>
</tr>
<tr>
<td>$27,900 but not over $161,550</td>
<td>$1,202 plus 5.73% of excess over $27,900</td>
</tr>
<tr>
<td>Over $161,550 but not over $323,200</td>
<td>$8,860 plus 6.17% of excess over $161,550</td>
</tr>
<tr>
<td>$323,200 but not over $5,000,000</td>
<td>$18,834 plus 6.85% of excess over $323,200</td>
</tr>
<tr>
<td>$5,000,000 but not over $10,000,000</td>
<td>$144,336 plus 8.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>$10,000,000 but not over $2,155,350</td>
<td>$394,234 plus 9.32% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $2,155,350 but not over $144,626 plus 8.82% of excess over $2,155,350</td>
<td></td>
</tr>
<tr>
<td>$2,155,350 but not over $5,000,000</td>
<td>$861,234 plus 9.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $2,155,350</td>
<td>$9,699,234 plus 10.32% of excess over $2,155,350</td>
</tr>
</tbody>
</table>

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

<table>
<thead>
<tr>
<th>New York Taxable Income Range</th>
<th>Tax Rate and Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,150 but not over $23,600</td>
<td>4% of New York taxable income $686 plus 4.5% of excess over $17,150</td>
</tr>
<tr>
<td>$23,600 but not over $27,900</td>
<td>$976 plus 5.25% of excess over $23,600</td>
</tr>
<tr>
<td>$27,900 but not over $161,550</td>
<td>$1,202 plus 5.73% of excess over $27,900</td>
</tr>
<tr>
<td>Over $161,550 but not over $323,200</td>
<td>$8,860 plus 6.17% of excess over $161,550</td>
</tr>
<tr>
<td>$323,200 but not over $5,000,000</td>
<td>$18,834 plus 6.85% of excess over $323,200</td>
</tr>
<tr>
<td>$5,000,000 but not over $10,000,000</td>
<td>$144,336 plus 8.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>$10,000,000 but not over $2,155,350</td>
<td>$394,234 plus 9.32% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $2,155,350 but not over $144,626 plus 8.82% of excess over $2,155,350</td>
<td></td>
</tr>
<tr>
<td>$2,155,350 but not over $5,000,000</td>
<td>$861,234 plus 9.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $2,155,350</td>
<td>$9,699,234 plus 10.32% of excess over $2,155,350</td>
</tr>
</tbody>
</table>

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

<table>
<thead>
<tr>
<th>New York Taxable Income Range</th>
<th>Tax Rate and Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,150 but not over $23,600</td>
<td>4% of New York taxable income $686 plus 4.5% of excess over $17,150</td>
</tr>
<tr>
<td>$23,600 but not over $27,900</td>
<td>$976 plus 5.25% of excess over $23,600</td>
</tr>
<tr>
<td>$27,900 but not over $161,550</td>
<td>$1,202 plus 5.61% of excess over $27,900</td>
</tr>
<tr>
<td>Over $161,550 but not over $323,200</td>
<td>$8,700 plus 6.09% of excess over $161,550</td>
</tr>
<tr>
<td>$323,200 but not over $5,000,000</td>
<td>$18,544 plus 6.85% of excess over $323,200</td>
</tr>
<tr>
<td>$5,000,000 but not over $10,000,000</td>
<td>$144,047 plus 8.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>$10,000,000 but not over $2,155,350</td>
<td>$394,945 plus 9.32% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $2,155,350 but not over $144,945 plus 9.32% of excess over $2,155,350</td>
<td></td>
</tr>
<tr>
<td>$2,155,350 but not over $5,000,000</td>
<td>$860,945 plus 9.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $2,155,350</td>
<td>$9,698,945 plus 10.32% of excess over $2,155,350</td>
</tr>
</tbody>
</table>
(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

<table>
<thead>
<tr>
<th>New York taxable income</th>
<th>Tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $17,150</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $17,150 but not over $23,600</td>
<td>$686 plus 4.5% of excess over $17,150</td>
</tr>
<tr>
<td>Over $23,600 but not over $27,900</td>
<td>$976 plus 5.25% of excess over $23,600</td>
</tr>
<tr>
<td>Over $27,900 but not over $161,550</td>
<td>$1,202 plus 5.5% of excess over $27,900</td>
</tr>
<tr>
<td>Over $161,550 but not over $323,200</td>
<td>$8,553 plus 6.00% of excess over $161,550</td>
</tr>
<tr>
<td>Over $323,200 but not over $2,155,350</td>
<td>$18,252 plus 6.85% of excess over $323,200</td>
</tr>
<tr>
<td>Over $2,155,350 but not over $5,000,000</td>
<td>$143,754 plus 8.82% of excess over $2,155,350</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$394,652 plus 9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $100,000,000</td>
<td>$860,652 plus 9.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,698,652 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

§ 2. Clauses (iii), (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, as added by section 2 of part R of chapter 59 of the laws of 2017, are amended to read as follows:

(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

<table>
<thead>
<tr>
<th>New York taxable income</th>
<th>Tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $12,800</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $12,800 but not over $17,650</td>
<td>$512 plus 4.5% of excess over $12,800</td>
</tr>
<tr>
<td>Over $17,650 but not over $20,900</td>
<td>$730 plus 5.25% of excess over $17,650</td>
</tr>
<tr>
<td>Over $20,900 but not over $32,200</td>
<td>$901 plus 5.9% of excess over $20,900</td>
</tr>
<tr>
<td>Over $32,200 but not over $107,650</td>
<td>$1,568 plus 6.09% of excess over $32,200</td>
</tr>
<tr>
<td>Over $107,650 but not over $269,300</td>
<td>$6,162 plus 6.41% of excess over $107,650</td>
</tr>
<tr>
<td>Over $269,300 but not over $1,616,450</td>
<td>$16,524 plus 6.85% of excess over $269,300</td>
</tr>
<tr>
<td>Over $1,616,450 but not over $5,000,000</td>
<td>$108,804 plus 8.82% of excess over $1,616,450</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$407,233 plus 9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $100,000,000</td>
<td>$873,233 plus 9.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,711,233 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

<table>
<thead>
<tr>
<th>New York taxable income</th>
<th>Tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $12,800</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $12,800 but not over $17,650</td>
<td>$512 plus 4.5% of excess over $12,800</td>
</tr>
<tr>
<td>Income Range</td>
<td>Tax Rate</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>$17,650 - $20,900</td>
<td>5.25% of excess over $17,650</td>
</tr>
<tr>
<td>$20,900 - $32,200</td>
<td>5.9% of excess over $20,900</td>
</tr>
<tr>
<td>$32,200 - $107,650</td>
<td>5.97% of excess over $32,200</td>
</tr>
<tr>
<td>$107,650 - $269,300</td>
<td>6.33% of excess over $107,650</td>
</tr>
<tr>
<td>$269,300 - $1,616,450</td>
<td>6.85% of excess over $269,300</td>
</tr>
<tr>
<td>$1,616,450 - $108,584</td>
<td>8.82% of excess over $1,616,450</td>
</tr>
<tr>
<td>$108,584 - $5,000,000</td>
<td>8.82% of excess over $108,584</td>
</tr>
<tr>
<td>$5,000,000 - $407,013</td>
<td>9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>$407,013 - $10,000,000</td>
<td>9.32% of excess over $407,013</td>
</tr>
<tr>
<td>$10,000,000 - $873,013</td>
<td>9.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>$873,013 - $100,000,000</td>
<td>10.32% of excess over $873,013</td>
</tr>
<tr>
<td>$100,000,000 - $9,711,013</td>
<td>10.32% of excess over $100,000,000</td>
</tr>
<tr>
<td>$9,711,013 - $16,304</td>
<td>10.32% of excess over $9,711,013</td>
</tr>
<tr>
<td>$16,304 - $1,616,450</td>
<td>10.32% of excess over $16,304</td>
</tr>
</tbody>
</table>

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $12,800</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>$12,800 - $17,650</td>
<td>$512 plus 4.5% of excess over $12,800</td>
</tr>
<tr>
<td>$17,650 - $20,900</td>
<td>$730 plus 5.25% of excess over $17,650</td>
</tr>
<tr>
<td>$20,900 - $107,650</td>
<td>$901 plus 5.9% of excess over $20,900</td>
</tr>
<tr>
<td>$107,650 - $269,300</td>
<td>$1,568 plus 5.97% of excess over $107,650</td>
</tr>
<tr>
<td>$269,300 - $1,616,450</td>
<td>$6,072 plus 6.33% of excess over $269,300</td>
</tr>
<tr>
<td>$1,616,450 - $1,616,450</td>
<td>$16,304 plus 6.85% of excess over $1,616,450</td>
</tr>
</tbody>
</table>

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $12,800</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>$12,800 - $17,650</td>
<td>$512 plus 4.5% of excess over $12,800</td>
</tr>
<tr>
<td>$17,650 - $20,900</td>
<td>$730 plus 5.25% of excess over $17,650</td>
</tr>
<tr>
<td>$20,900 - $107,650</td>
<td>$901 plus 5.85% of excess over $20,900</td>
</tr>
<tr>
<td>$107,650 - $269,300</td>
<td>$5,872 plus 6.17% of excess over $107,650</td>
</tr>
<tr>
<td>$269,300 - $1,616,450</td>
<td>$15,845 plus 6.85% of excess over $269,300</td>
</tr>
</tbody>
</table>
A. 2009--B

Over $1,616,450 but not over $108,125 plus 8.82% of excess over $1,616,450

Over $5,000,000 but not over $406,554 plus 9.32% of excess over $5,000,000

Over $10,000,000 but not over $872,554 plus 9.82% of excess over $10,000,000

Over $100,000,000

Over $100,000,000

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

If the New York taxable income is: The tax is:
Not over $12,800 4% of the New York taxable income
Over $12,800 but not over $17,650 $512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900 $730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650 $901 plus 5.61% of excess over $20,900
Over $107,650 but not over $269,300 $5,768 plus 6.09% of excess over $107,650
Over $269,300 but not over $1,616,450 $15,612 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $107,651 plus 8.82% of excess over $1,616,450

Over $5,000,000

Over $10,000,000

Over $100,000,000

(viii) For taxable years beginning after two thousand twenty-four the following rates shall apply:

If the New York taxable income is: The tax is:
Not over $12,800 4% of the New York taxable income
Over $12,800 but not over $17,650 $512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900 $730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650 $901 plus 5.5% of excess over $20,900
Over $107,650 but not over $269,300 $5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450 $15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $107,651 plus 8.82% of excess over $1,616,450

Over $5,000,000

Over $10,000,000

Over $100,000,000

§ 3. Clauses (iii), (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, as added by section 3 of part R of chapter 59 of the laws of 2017, is amended to read as follows:
(iii) For taxable years beginning in two thousand twenty the following rates shall apply:

<table>
<thead>
<tr>
<th>New York Taxable Income</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $8,500</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Over $13,900 but not over $21,400</td>
<td>$600 plus 5.9% of excess over $13,900</td>
</tr>
<tr>
<td>Over $21,400 but not over $80,650</td>
<td>$1,042 plus 6.09% of excess over $21,400</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$4,650 plus 6.41% of excess over $80,650</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$13,288 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$72,345 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$418,305 plus 9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $100,000,000</td>
<td>$884,305 plus 9.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,722,305 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

(iv) For taxable years beginning in two thousand twenty-one the following rates shall apply:

<table>
<thead>
<tr>
<th>New York Taxable Income</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $8,500</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Over $13,900 but not over $21,400</td>
<td>$600 plus 5.9% of excess over $13,900</td>
</tr>
<tr>
<td>Over $21,400 but not over $80,650</td>
<td>$1,042 plus 6.09% of excess over $21,400</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$4,650 plus 6.41% of excess over $80,650</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$13,288 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$72,345 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$418,305 plus 9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $100,000,000</td>
<td>$884,305 plus 9.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,722,305 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

(v) For taxable years beginning in two thousand twenty-two the following rates shall apply:

<table>
<thead>
<tr>
<th>New York Taxable Income</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $8,500</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Income Range</td>
<td>Tax Calculation</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Over $13,900 but not over $80,650</td>
<td>$11,700</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$600 plus 5.85% of excess over $13,900</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$12,926 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$71,984 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$12,738 plus 6.85% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000</td>
<td>$1,077,550</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$12,738 plus 6.85% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$71,984 plus 8.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000</td>
<td>$1,077,550</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,721,944 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

(vi) For taxable years beginning in two thousand twenty-three the following rates shall apply:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $8,500</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Over $13,900 but not over $80,650</td>
<td>$600 plus 5.73% of excess over $13,900</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$4,424 plus 6.17% of excess over $80,650</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$12,738 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$71,984 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$12,738 plus 6.85% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000</td>
<td>$71,984 plus 8.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,721,944 plus 10.32% of excess over $100,000,000</td>
</tr>
</tbody>
</table>

(vii) For taxable years beginning in two thousand twenty-four the following rates shall apply:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Tax Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $8,500</td>
<td>4% of the New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Over $13,900 but not over $80,650</td>
<td>$600 plus 5.73% of excess over $13,900</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$4,344 plus 6.09% of excess over $80,650</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$12,550 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$71,608 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $10,000,000</td>
<td>$71,608 plus 8.82% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $10,000,000</td>
<td>$71,608 plus 8.82% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$9,721,756 plus 10.32% of excess over $100,000,000</td>
</tr>
<tr>
<td>New York Taxable Income</td>
<td>Tax Calculation</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Not over $8,500</td>
<td>4% of New York taxable income</td>
</tr>
<tr>
<td>Over $8,500 but not over $11,700</td>
<td>$340 plus 4.5% of excess over $8,500</td>
</tr>
<tr>
<td>Over $11,700 but not over $13,900</td>
<td>$484 plus 5.25% of excess over $11,700</td>
</tr>
<tr>
<td>Over $13,900 but not over $80,650</td>
<td>$600 plus 5.50% of excess over $13,900</td>
</tr>
<tr>
<td>Over $80,650 but not over $215,400</td>
<td>$4,271 plus 6.00% of excess over $80,650</td>
</tr>
<tr>
<td>Over $215,400 but not over $1,077,550</td>
<td>$12,356 plus 6.85% of excess over $215,400</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $5,000,000</td>
<td>$71,413 plus 8.82% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $5,000,000 but not over $883,373</td>
<td>$417,373 plus 9.32% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $883,373 but not over $10,000,000</td>
<td>$883,373 plus 9.82% of excess over $883,373</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $1,077,550</td>
<td>$1,077,550</td>
</tr>
<tr>
<td>Over $1,077,550 but not over $1,000,000</td>
<td>$4,271,373 plus 10.32% of excess over $1,077,550</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $100,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$10,000,000</td>
</tr>
</tbody>
</table>

§ 4. Subparagraph (D) of paragraph 1 of subsection (d-1) of section 601 of the tax law, as amended by section 4 of part R of chapter 59 of the laws of 2017, is amended to read as follows:

(D) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax table benefits in subparagraphs (A), (B) and (C) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over two million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and [before January first, two thousand twenty] thereof.

§ 5. Subparagraph (C) of paragraph 2 of subsection (d-1) of section 601 of the tax law, as amended by section 5 of part R of chapter 59 of the laws of 2017, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million five hundred thousand dollars and the denominator is fifty thou-
sand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and [before January first, two thousand twenty] thereafter.

§ 6. Subparagraph (C) of paragraph 3 of subsection (d-1) of section 601 of the tax law, as amended by section 6 of part R of chapter 59 of the laws of 2017, is amended to read as follows:

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 8.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (c) of this section less the sum of the tax table benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twelve and [before January first, two thousand twenty] thereafter.

§ 7. Section 601 of the tax law is amended by adding a new subsection (d-2) to read as follows:

(d-2) Alternative tax table benefit recapture. For taxable years beginning after two thousand nineteen for a taxpayer whose New York taxable income is over $5,000,000, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b), (c) and (d-1) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d) of this section shall be read as a reference to this subsection.

(1) For resident married individuals filing joint returns and resident surviving spouses, the supplemental tax shall be an amount equal to the sum of the tax table benefits described in subparagraphs (A), (B) and (C) of this paragraph multiplied by their respective fractions in such subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 9.32 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax table benefits in subparagraphs (A), (B) and (C) of paragraph one of subsection (d-1) of this section. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over five million dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 9.32 percent tax rate.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 9.82 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax table benefits in subparagraphs (A), (B) and (C) of paragraph one of subsection (d-1) of this section and such tax table
benefits in subparagraph (A) of this paragraph. The fraction for this
subparagraph is computed as follows: the numerator is the lesser of
fifty thousand dollars or the excess of New York adjusted gross income
for the taxable year over ten million dollars and the denominator is
fifty thousand dollars. Provided, however, this subparagraph shall not
apply to taxpayers who are not subject to the 9.82 percent tax rate.

(C) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(a) of this section not subject to the 10.32 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (a) of this section
less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
of paragraph one of subsection (d-1) of this section and such tax table
benefits in subparagraphs (A) and (B) of this paragraph. The fraction
for this subparagraph is computed as follows: the numerator is the less-
er of fifty thousand dollars or the excess of New York adjusted gross
income for the taxable year over one hundred million dollars and the
denominator is fifty thousand dollars.

(D) Provided, however, the total tax prior to the application of any
tax credits shall not exceed the highest rate of tax set forth in the
tax tables in subsection (a) of this section multiplied by the taxpay-
er's taxable income.

(2) For resident heads of households, the supplemental tax shall be an
amount equal to the sum of the tax table benefits described in subpara-
graphs (A), (B) and (C) of this paragraph multiplied by their respective
fractions in such subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(b) of this section not subject to the 9.32 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (b) of this section
less the sum of the tax table benefits in subparagraphs (A) and (B) of
paragraph two of subsection (d-1) of this section. The fraction for
this subparagraph is computed as follows: the numerator is the lesser of
fifty thousand dollars or the excess of New York adjusted gross income
for the taxable year over five million dollars and the denominator is
fifty thousand dollars. Provided, however, this subparagraph shall not
apply to taxpayers who are not subject to the 9.32 percent tax rate.

(B) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(b) of this section not subject to the 9.82 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (b) of this section
less the sum of the tax table benefits in subparagraphs (A) and (B) of
paragraph two of subsection (d-1) of this section and such tax table
benefits in subparagraph (A) of this paragraph. The fraction for this
subparagraph is computed as follows: the numerator is the lesser of
fifty thousand dollars or the excess of New York adjusted gross income
for the taxable year over ten million dollars and the denominator is
fifty thousand dollars.

(C) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(b) of this section not subject to the 10.32 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (b) of this section
less the sum of the tax table benefits in subparagraphs (A) and (B) of
paragraph two of subsection (d-1) of this section and such tax table
benefits in subparagraphs (A) and (B) of this paragraph. The fraction
for this subparagraph is computed as follows: the numerator is the less-
er of fifty thousand dollars or the excess of New York adjusted gross
income for the taxable year over one hundred million dollars and the
denominator is fifty thousand dollars.

(D) Provided, however, the total tax prior to the application of any
tax credits shall not exceed the highest rate of tax set forth in the
tax tables in subsection (b) of this section multiplied by the taxpay-
er's taxable income.

(3) For resident unmarried individuals, resident married individuals
filing separate returns and resident estates and trusts, the supple-
mental tax shall be an amount equal to the sum of the tax table benefits
described in subparagraphs (A), (B) and (C) of this paragraph multiplied
by their respective fractions in such subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(c) of this section not subject to the 9.32 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (c) of this section
less the sum of the tax table benefits in subparagraphs (A) and (B) of
paragraph three of subsection (d-1) of this section and such tax table
benefits in subparagraphs (A) and (B) of this paragraph. The fraction
for this subparagraph is computed as follows: the numerator is the less-
er of fifty thousand dollars or the excess of New York adjusted gross
income for the taxable year over five million dollars and the denominator is
fifty thousand dollars. Provided, however, this subparagraph shall not
apply to taxpayers who are not subject to the 9.32 percent tax rate.

(B) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(c) of this section not subject to the 9.82 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (c) of this section
less the sum of the tax table benefits in subparagraph (A) of paragraph
three of subsection (d-1) of this section and such tax table benefits in
paragraph (A) of this paragraph. The fraction for this subparagraph
is computed as follows: the numerator is the lesser of fifty thousand
dollars or the excess of New York adjusted gross income for the taxable
year over ten million dollars and the denominator is fifty thousand
dollars.

(C) The tax table benefit is the difference between (i) the amount of
taxable income set forth in the tax table in paragraph one of subsection
(c) of this section not subject to the 10.32 percent rate of tax for the
taxable year multiplied by such rate and (ii) the dollar denominated tax
for such amount of taxable income set forth in the tax table applicable
to the taxable year in paragraph one of subsection (c) of this section
less the sum of the tax table benefits in subparagraphs (A) and (B) of
paragraph three of subsection (d-1) of this section and such tax table
benefits in subparagraphs (A) and (B) of this paragraph. The fraction
for this subparagraph is computed as follows: the numerator is the less-
er of fifty thousand dollars or the excess of New York adjusted gross
income for the taxable year over one hundred million dollars and the
denominator is fifty thousand dollars.
(D) Provided, however, the total tax prior to the application of any
tax credits shall not exceed the highest rate of tax set forth in the
tables in subsection (c) of this section multiplied by the taxpay-
er's taxable income.
§ 8. Subsection (f) of section 614 of the tax law, as amended by
section 11 of part FF of chapter 59 of the laws of 2013, is amended to
read as follows:
(f) Adjusted standard deduction. For taxable years beginning after two
thousand seventeen, the standard deductions set forth in this section
shall be the amounts set forth in this section adjusted by the cost of
living adjustment prescribed in section six hundred one-a of this part
article for tax years two thousand thirteen and thereafter.
§ 9. This act shall take effect immediately and shall apply to taxable
years beginning on or after January 1, 2020.

PART Q
Section 1. Subsection (g) of section 615 of the tax law, as amended by
section 1 of part S of chapter 59 of the laws of 2017, is amended to
read as follows:
(g) Notwithstanding subsection (a) of this section, the New York item-
ized deduction for charitable contributions shall be the amount allowed
under section one hundred seventy of the internal revenue code, as modi-
fied by paragraph nine of subsection (c) of this section and as limited
by this subsection. (1) With respect to an individual whose New York
adjusted gross income is over one million dollars and no more than ten
million dollars, the New York itemized deduction shall be an amount
equal to fifty percent of any charitable contribution deduction allowed
under section one hundred seventy of the internal revenue code for taxa-
ble years beginning after two thousand nine and before two thousand
[twenty] twenty-five. With respect to an individual whose New York
adjusted gross income is over one million dollars, the New York itemized
deduction shall be an amount equal to fifty percent of any charitable
contribution deduction allowed under section one hundred seventy of the
internal revenue code for taxable years beginning in two thousand nine
or after two thousand [nineteen] twenty-four.
(2) With respect to an individual whose New York adjusted gross income
is over ten million dollars, the New York itemized deduction shall be an
amount equal to twenty-five percent of any charitable contribution
deduction allowed under section one hundred seventy of the internal
revenue code for taxable years beginning after two thousand nine and
ending before two thousand [twenty] twenty-five.
§ 2. Subdivision (g) of section 11-1715 of the administrative code of
the city of New York, as amended by section 2 of part S of chapter 59 of
the laws of 2017, is amended to read as follows:
(g) Notwithstanding subdivision (a) of this section, the city itemized
deduction for charitable contributions shall be the amount allowed under
section one hundred seventy of the internal revenue code, as limited by
this subdivision. (1) With respect to an individual whose New York
adjusted gross income is over one million dollars but no more than ten
million dollars, the New York itemized deduction shall be an amount
equal to fifty percent of any charitable contribution deduction allowed
under section one hundred seventy of the internal revenue code for taxa-
ble years beginning after two thousand nine and before two thousand twenty-five. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning in two thousand nine or after two thousand nineteen twenty-four.

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and ending before two thousand twenty-five.

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

PART R

Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax law, as amended by chapter 315 of the laws of 2017, is amended to read as follows:

(a) General. A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheating fuel, used for space heating or hot water production for residential purposes within this state purchased before January first, two thousand twenty-three. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheating fuel, not to exceed twenty cents per gallon, purchased by such taxpayer. Provided, however, that on or after January first, two thousand seventeen, this credit shall not apply to bioheating fuel that is less than six percent biodiesel per gallon of bioheating fuel.

§ 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as amended by chapter 315 of the laws of 2017, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheating fuel, used for space heating or hot water production for residential purposes within this state and purchased on or after July first, two thousand six and before July first, two thousand seven and on or after January first, two thousand eight and before January first, two thousand twenty-three. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheating fuel, not to exceed twenty cents per gallon, purchased by such taxpayer. Provided, however, that on or after January first, two thousand seventeen, this credit shall not apply to bioheating fuel that is less than six percent biodiesel per gallon of bioheating fuel.

§ 3. This act shall take effect immediately.

PART S

Section 1. Paragraph (e) of section 23 of part U of chapter 61 of the laws of 2011 amending the real property tax law and other laws relating to establishing standards for electronic tax administration, as amended by section 5 of part G of chapter 60 of the laws of 2016, is amended to read as follows:
(e) sections twenty-one and twenty-one-a of this act shall expire and 
be deemed repealed December 31, [2019] 2024.

§ 2. This act shall take effect immediately.

PART T

Section 1. Subdivision 3 of section 77 of the cooperative corporations 
law, as amended by chapter 429 of the laws of 1992, is amended to read 
as follows:

3. Such annual fee shall be paid for each calendar year on the 
fifteenth day of March next succeeding the close of such calendar year 
but shall not be payable after January first, two thousand twenty; 
provided, however, that cooperative corporations described in subdivi-
sions one or two of this section shall continue to not be subject to the 
franchise, license, and corporation taxes referenced in such subdivi-
sions or, in the case of cooperative cooperations described in subdivi-
sion two of this section, the tax imposed under section one-hundred 
eighty-six-a of the tax law.

§ 2. Section 66 of the rural electric cooperative law, as amended by 
chapter 888 of the laws of 1983, is amended to read as follows:

§ 66. License fee in lieu of all franchise, excise, income, corpo-
rations and sales and compensating use taxes. Each cooperative and 
foreign corporation doing business in this state pursuant to this chap-
ter shall pay annually, on or before the first day of July, to the state 
tax commission, a fee of ten dollars, but shall be exempt from all other 
franchise, excise, income, corporation and sales and compensating use 
taxes whatsoever. The exemption from the sales and compensating use 
taxes provided by this section shall not apply to the taxes imposed 
pursuant to section eleven hundred seven or eleven hundred eight of the 
tax law. Nothing contained in this section shall be deemed to exempt 
such corporations from collecting and paying over sales and compensating 
taxes on retail sales of tangible personal property and services 
made by such corporations to purchasers required to pay such taxes 
imposed pursuant to article twenty-eight or authorized pursuant to the 
authority of article twenty-nine of the tax law. Such annual fee shall 
not be payable after January first, two thousand twenty.

§ 3. This act shall take effect immediately.

PART U

Section 1. Paragraph (e) of subdivision 26 of section 210-B of the tax 

law, as amended by section 2 of part RR of chapter 59 of the laws of 
2018, is amended to read as follows:

(e) [To] Except in the case of a qualified rehabilitation project 
undertaken within a state park, state historic site, or other land owned 
by the state, that is under the jurisdiction of the office of parks, 
recreation and historic preservation, 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 April first of each year using the most recent five 
year estimate from the American community survey published by the United 
States Census bureau. If there is a change in the most recent five year 
estimate, a census tract that qualified for eligibility under this 
program before information about the change was released will remain
eligible for a credit under this subdivision for an additional two
calendar years.

§ 2. Paragraph 5 of subsection (oo) of section 606 of the tax law, as
amended by section 1 of part RR of chapter 59 of the laws of 2018, is
amended to read as follows:
(5) Except in the case of a qualified rehabilitation project
undertaken within a state park, state historic site, or other land owned
by the state, that is under the jurisdiction of the office of parks,
recreation and historic preservation, to be eligible for the credit
allowable under this subsection 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 April first of each year using the most recent five
year estimate from the American community survey published by the United
States Census bureau. If there is a change in the most recent five year
estimate, a census tract that qualified for eligibility under this
program before information about the change was released will remain
eligible for a credit under this subsection for an additional two calen-
dar years.

§ 3. Paragraph 5 of subdivision (y) of section 1511 of the tax law, as
amended by section 3 of part RR of chapter 59 of the laws of 2018, is
amended to read as follows:
(5) Except in the case of a qualified rehabilitation project
undertaken within a state park, state historic site, or other land owned
by the state, that is under the jurisdiction of the office of parks,
recreation and historic preservation, 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 April first of each year using the most recent five
year estimate from the American community survey published by the United
States Census bureau. If there is a change in the most recent five year
estimate, a census tract that qualified for eligibility under this
program before information about the change was released will remain
eligible for a credit under this subdivision for an additional two
calendar years.

§ 4. Subparagraph (A) of paragraph 1 of subsection (oo) of section 606
of the tax law, as amended by section 1 of part RR of chapter 59 of the
laws of 2018, is amended and two new paragraphs 6 and 7 are added to
read as follows:
(A) For taxable years beginning on or after January first, two thou-
sand ten and before January first, two thousand 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, and one hundred fifty percent of the amount of cred-
it allowed the taxpayer with respect to a certified historic structure
that is a small project, under internal revenue code section 47(c)(3),
determined without regard to ratably allocating the credit over a five
year period as required by subsection (a) of such section 47, 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-
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 internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state; provided, however, the credit shall not exceed one hundred thousand dollars.

(6)(a) A taxpayer allowed a credit pursuant to this subsection may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, with respect to a certified historic structure located within the state; provided, however, the credit shall not exceed one hundred thousand dollars.

(b) A taxpayer allowed a credit pursuant to this article must enter into a transfer contract with the transferee. The transfer contract must specify (i) the building identification numbers for rehabilitated historic building in the project; (ii) the date such rehabilitated historic building was placed into service; (iii) the five year compliance period for the project; (iv) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed; (v) the amount of consideration received by the taxpayer for the transfer credit; and (vi) the amount of credit being transferred.

(c) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subsection and seeking to transfer the credit files a transfer statement with the commissioner of parks, recreation and historic preservation prior to the transfer and he or she approves such transfer. The transfer statement shall provide the name and federal identification numbers of the filing transferor and the taxpayer to whom the filing transferor transferred the credit, and the amount of credit transferred to each such person or entity. A copy of the transfer contract shall be attached to the transfer statement. The statement shall also contain such other information as the commissioner of parks, recreation and historic preservation may require. After reviewing the transfer contract and the transfer statement, the commissioner of parks, recreation and historic preservation shall approve or deny the transfer as provided in this subsection. If the commissioner of parks, recreation and historic preservation approves the transfer, he or she shall issue an approval statement that provides the name of the transferor and transferee, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the statement approved by the commissioner of parks, recreation and historic preservation must be attached to the transferee’s tax return. If the commissioner of parks, recreation and historic preservation denies the transfer, he or she shall provide the taxpayer a written determination for such denial. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of the rehabilitation tax credit.

(d) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer statements and attachments thereto and approval statements to the department within thirty days after the
transfer is approved by the commissioner of parks, recreation and
historic preservation.

(e) The taxpayer that originally received the credit shall remain
solely liable for all obligations and liabilities imposed on the taxpay-
er with respect to the credit, none of which shall apply to a party to
whom the credit has been subsequently transferred.

(7) For purposes of this subsection the term "small project" means
qualified rehabilitation expenditures totaling five million dollars or
less.

§ 5. Subparagraph (A) of paragraph 5 of subsection (pp) of section 606
of the tax law, as added by chapter 547 of the laws of 2006, clause (iv)
as amended by chapter 239 of the laws of 2009, is amended to read as
follows:

(A) The term "qualified historic home" means, for purposes of this
subsection, a certified historic structure located within New York
state:

(i) which has been substantially rehabilitated,
(ii) which, or any portion of which, is owned, in whole or part, by
the taxpayer,
(iii) in which the taxpayer resides during the taxable year in which
the taxpayer is allowed a credit under this subsection, and
(iv) (1) which is in whole or in part a targeted area residence within
the meaning of section 143(j) of the internal revenue code; or (2) is
located within a census tract which is identified as being at or below
one hundred percent of the state median family income in the most recent
federal census; or (3) which is located in a city with a population of
less than one million with a poverty rate greater than fifteen percent,
rounded to the nearest whole number, in the two thousand seventeen Amer-
ican community survey.

§ 6. Subparagraph (i) of paragraph (a) of subdivision 26 of section
210-B of the tax law, as amended by section 2 of part RR of chapter 59
of the laws of 2018, is amended and two new paragraphs (f) and (g) are
added to read as follows:

(i) For taxable years beginning on or after January first, two thou-
sand ten, and before January first, two thousand 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 for the same taxable year with
respect to a certified historic structure, and one hundred fifty percent
of the amount of credit allowed the taxpayer with respect to a certified
historic structure that is a small project, under internal revenue code
section 47(c)(3), determined without regard to ratably allocating the
credit over a five year period as required by subsection (a) of such
section 47, with respect to a certified historic structure located with-
in the state. Provided, however, the credit shall not exceed five
million dollars.

(f)(1) A taxpayer allowed a credit pursuant to this subdivision may
transfer the credit, in whole or in part, to another person or entity,
who shall be referred to as the transferee, with respect to the rehabil-
itated historic building may be allocated and notwithstanding that such
other person or entity owns no interest in the rehabilitated historic
building or in an entity with an ownership interest in the rehabilitated
historic building. Transferees shall be entitled to apply transferred
credit to a tax imposed under article nine-A, twenty-two or thirty-three
of this chapter, provided all requirements for claiming the credit are
met. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

(2) A taxpayer allowed a credit pursuant to this article must enter into a transfer contract with the transferee. The transfer contract must specify (i) the building identification numbers for rehabilitated historic building in the project; (ii) the date such rehabilitated historic building was placed into service; (iii) the five year compliance period for the project; (iv) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed; (v) the amount of consideration received by the taxpayer for the transfer credit; and (vi) the amount of credit being transferred.

(3) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer statement with the commissioner of parks, recreation and historic preservation prior to the transfer and he or she approves such transfer. The transfer statement shall provide the name and federal identification numbers of the filing transferor and the taxpayer to whom the filing transferor transferred the credit, and the amount of credit transferred to each such person or entity. A copy of the transfer contract shall be attached to the transfer statement. The statement shall also contain such other information as the commissioner of parks, recreation and historic preservation may require. After reviewing the transfer contract and the transfer statement, the commissioner of parks, recreation and historic preservation shall approve or deny the transfer as provided in this subdivision. If the commissioner of parks, recreation and historic preservation approves the transfer, he or she shall issue an approval statement that provides the name of the transferor and transferee, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation deems necessary. A copy of the statement approved by the commissioner of parks, recreation and historic preservation must be attached to the transferee’s tax return. If the commissioner of parks, recreation and historic preservation denies the transfer, he or she shall provide the taxpayer a written determination for such denial. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of the rehabilitation tax credit.

(4) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer statements and attachments thereto and approval statements to the department within thirty days after the transfer is approved by the commissioner of parks, recreation and historic preservation.

(5) The taxpayer that originally received the credit shall remain solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit, none of which shall apply to a party to whom the credit has been subsequently transferred.

(g) For purposes of this subdivision "small project" means qualified rehabilitation expenditures totaling five million dollars or less.

§ 7. Subparagraph (A) of paragraph 1 of subdivision (y) of section 1511 of the tax law, as amended by section 3 of part RR of chapter 59 of the laws of 2018, is amended and two new paragraphs 6 and 7 are added to read as follows:

(A) For taxable years beginning on or after January first, two thousand ten and before January first, two thousand 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, and one hundred fifty percent of the amount of cred-
it allowed the taxpayer with respect to a certified historic structure
that is a small project, under internal revenue code section 47(c)(3),
determined without regard to ratably allocating the credit over a five
year period as required by subsection (a) of such section 47, 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-
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 internal revenue code section
47(c)(3), determined without regard to ratably allocating the credit
over a five year period as required by subsection (a) of such section 47
with respect to a certified historic structure located within the state.
Provided, however, the credit shall not exceed one hundred thousand
dollars.

(6)(a) A taxpayer allowed a credit pursuant to this subdivision may
transfer the credit, in whole or in part, to another person or entity,
who shall be referred to as the transferee, with respect to the rehabil-
itated historic building may be allocated and notwithstanding that such
other person or entity owns no interest in the rehabilitated historic
building or in an entity with an ownership interest in the rehabilitated
historic building. Transferees shall be entitled to apply transferred
credit to a tax imposed under article nine-A, twenty-two or thirty-three
of this chapter, provided all requirements for claiming the credit are
met. A transferee may not transfer any credit, or portion thereof,
acquired by transfer.

(b) A taxpayer allowed a credit pursuant to this article must enter
into a transfer contract with the transferee. The transfer contract must
specify (i) the building identification numbers for rehabilitated
historic building in the project; (ii) the date such rehabilitated
historic building was placed into service; (iii) the five year compli-
ance period for the project; (iv) the schedule of years for which the
transfer credit may be claimed and the amount of credit previously
claimed; (v) the amount of consideration received by the taxpayer for
the transfer credit; and (vi) the amount of credit being transferred.

(c) No transfer shall be effective unless the taxpayer allowed a cred-
it pursuant to this subdivision and seeking to transfer the credit files
a transfer statement with the commissioner of parks, recreation and
historic preservation prior to the transfer and he or she approves such
transfer. The transfer statement shall provide the name and federal
identification numbers of the filing transferor and the taxpayer to whom
the filing transferor transferred the credit, and the amount of credit
transferred to each such person or entity. A copy of the transfer
contract shall be attached to the transfer statement. The statement
shall also contain such other information as the commissioner of parks,
recreation and historic preservation may require. After reviewing the
transfer contract and the transfer statement, the commissioner of parks,
recreation and historic preservation shall approve or deny the transfer
as provided in this subdivision. If the commissioner of parks, recrea-
tion and historic preservation approves the transfer, he or she shall
issue an approval statement that provides the name of the transferor and
transferee, the amount of credit being transferred and such other infor-
mation as the commissioner of parks, recreation and historic preserva-

tion and the commissioner deem necessary. A copy of the statement

approved by the commissioner of parks, recreation and historic preserva-

tion must be attached to the transferee's tax return. If the commission-
er of parks, recreation and historic preservation denies the transfer,

he or she shall provide the taxpayer a written determination for such
denial. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other proce-
dures and standards deemed necessary for the transferability of the
rehabilitation tax credit.

(d) The commissioner of parks, recreation and historic preservation

shall forward copies of all transfer statements and attachments thereto

and approval statements to the department within thirty days after the

transfer is approved by the commissioner of parks, recreation and

historic preservation.

(e) The taxpayer that originally received the credit shall remain

solely liable for all obligations and liabilities imposed on the taxpay-
er with respect to the credit, none of which shall apply to a party to

whom the credit has been subsequently transferred.

(7) For purposes of this subdivision "small project" means qualified

rehabilitation expenditures totaling five million dollars or less.

§ 8. This act shall take effect immediately, and shall apply to taxa-

ble years beginning on or after January 1, 2020.

PART V

Section 1. Subdivision (jj) of section 1115 of the tax law, as added

by section 1 of part UU of chapter 59 of the laws of 2015, is amended to

read as follows:

(jj) Tangible personal property or services otherwise taxable under

this article sold to a related person shall not be subject to the taxes

imposed by section eleven hundred five of this article or the compensat-
ing use tax imposed under section eleven hundred ten of this article

where the purchaser can show that the following conditions have been met

to the extent they are applicable: (1)(i) the vendor and the purchaser

are referenced as either a "covered company" as described in section

243.2(f) or a "material entity" as described in section 243.2(l) of the

Code of Federal Regulations in a resolution plan that has been submitted

to an agency of the United States for the purpose of satisfying subpara-

graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-

Frank Wall Street Reform and Consumer Protection Act (the "Act") or any

successor law, or (ii) the vendor and the purchaser are separate legal

entities pursuant to a divestiture directed pursuant to subparagraph 5

of paragraph (d) of section one hundred sixty-five of such act or any

successor law; (2) the sale would not have occurred between such related

entities were it not for such resolution plan or divestiture; and (3) in

acquiring such property or services, the vendor did not claim an

exemption from the tax imposed by this state or another state based on

the vendor's intent to resell such services or property. A person is

related to another person for purposes of this subdivision if the person

bears a relationship to such person described in section two hundred

sixty-seven of the internal revenue code. The exemption provided by this

subdivision shall not apply to sales made, services rendered, or uses

occurring after June thirtieth, two thousand [nineteen] twenty-one,

except with respect to sales made, services rendered, or uses occurring

pursuant to binding contracts entered into on or before such date; but
in no case shall such exemption apply after June thirtieth, two thousand twenty-four.

§ 2. This act shall take effect immediately.

PART W

Section 1. The mental hygiene law is amended by adding a new section 32.38 to read as follows:

§ 32.38 The recovery tax credit program.

(a) Authorization. The commissioner is authorized to and shall establish and administer the recovery tax credit program to provide tax incentives to certified employers for employing eligible individuals in recovery from a substance use disorder in part-time and full-time positions in the state. The commissioner is authorized to allocate up to two million dollars of tax credits annually for the recovery tax credit program beginning in the year two thousand twenty.

(b) Definitions. 1. The term "certified employer" means an employer that has received a certificate of tax credit from the commissioner after the commissioner has determined that the employer:

(i) provides a recovery supportive environment for their employees evidenced by a formal working relationship with a local recovery or treatment provider certified by the office to provide support for employers including any necessary assistance in the hiring process of eligible individuals in recovery from a substance use disorder and training for employers or supervisors; and

(ii) fulfills the eligibility criteria set forth in this section and by the commissioner to participate in the recovery tax credit program established in this section.

2. The term "eligible individual" means an individual with a substance use disorder as that term is defined in section 1.03 of this chapter who is in a state of wellness where there is an abatement of signs and symptoms that characterize active addiction and has demonstrated to the qualified employer's satisfaction, pursuant to guidelines established by the office, that he or she has completed a course of treatment or is currently in receipt of treatment for such substance use disorder. A relapse in an individual's state of wellness shall not make the individual ineligible, so long as such individual shows a continued commitment to recovery that aligns with an individual's relapse prevention plan, discharge plan, and/or recovery plan.

(c) Application and approval process. 1. To participate in the program established by this section, an employer must, in a form prescribed by the commissioner, apply annually to the office by January fifteenth to claim credit based on eligible individuals employed during the preceding calendar year. As part of such application, an employer must:

(i) Agree to allow the department of taxation and finance to share its tax information with the office of alcoholism and substance abuse services. However, any information shared because of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(ii) Allow the office of alcoholism and substance abuse services and its agents access to limited and specific information necessary to monitor compliance with program eligibility requirements. Such information shall be confidential and only used for the stated purpose of this section.

(iii) Demonstrate that the employer has satisfied program eligibility requirements and provided all the information necessary, including the
number of hours worked by any eligible individual, for the commissioner to compute an actual amount of credit allowed.

2. (i) After reviewing the application and finding it sufficient, the commissioner shall issue a certificate of tax credit by March thirty-first. Such certificate shall include, but not be limited to, the name and employer identification number of the certified employer, the amount of credit that the certified employer may claim, and any other information the commissioner of taxation and finance determines is necessary.

(ii) In determining the amount of credit that any employer may claim, the commissioner shall review all claims submitted for credit by employers and, to the extent that the total amount claimed by employers exceeds the amount allocated for the program in that calendar year, shall issue credits on a pro-rata basis corresponding to each claimant's share of the total claimed amount.

(d) Eligibility. A certified employer shall be entitled to a tax credit equal to the product of one dollar and the number of hours worked by each eligible individual during such eligible individual's period of employment. The credit shall not be allowed unless the eligible individual has worked in state for a minimum of five hundred hours for the certified employer, and the credit cannot exceed two thousand dollars per eligible individual employed by the certified employer in the state. The certified employer may claim a credit for each eligible employee starting on the day the employee is hired and ends on December thirty-first of the immediately succeeding calendar year or the last day of the employee's period of employment by the certified employer, whichever comes first. If an employee has worked in excess of five hundred hours between the date of hiring and December thirty-first of that year, an employer can elect to compute and claim a credit for such employee in that year based on the hours worked by December thirty-first. Alternatively, the employer may elect to include such individual in the computation of the credit in the year immediately succeeding the year in which the employee was hired. In such case, the credit shall be computed on the basis of all hours worked by such eligible individual from the date of hire to the earlier of the last day of employment or December thirty-first of the succeeding year. However, in no event may an employee generate credit for hours worked in excess of two thousand hours. An employer may claim credit only once with respect to any eligible individual and may not aggregate hours of two or more employees to reach the minimum number of hours.

(e) Duties of the commissioner. The commissioner shall annually provide to the commissioner of the department of taxation and finance information about the program including, but not limited to, the number of certified employers then participating in the program, unique identifying information for each certified employer, the number of eligible individuals employed by each certified employer, unique identifying information for each eligible individual employed by the certified employers, the number of hours worked by such eligible individuals, the total dollar amount of claims for credit, and the dollar amount of credit granted to each certified employer.

(f) Certified employer's taxable year. If the certified employer's taxable year is a calendar year, the employer shall be entitled to claim the credit as shown on the certificate of tax credit on the calendar year return for which the certificate of tax credit was issued. If the certified employer's taxable year is a fiscal year, the employer shall be entitled to claim the credit as shown on the certificate of tax cred-
it on the return for the fiscal year that includes the last day of the
calendar year covered by the certificate of tax credit.

(g) Cross references. For application of the credit provided for in
this section, see the following provisions of the tax law:
1. Article 9-A: Section 210-B, subdivision 53.
2. Article 22: Section 606, subsection (jjj).
3. Article 33: Section 1511, subdivision (dd).
§ 2. Section 210-B of the tax law is amended by adding a new subdivi-
sion 53 to read as follows:

53. Recovery tax credit. (a) Allowance of credit. A taxpayer that is a
certified employer pursuant to section 32.38 of the mental hygiene law
that has received a certificate of tax credit from the commissioner of
the office of alcoholism and substance abuse services shall be allowed a
credit against the tax imposed by this article equal to the amount shown
on such certificate of tax credit. A taxpayer that is a partner in a
partnership, or member of a limited liability company that has been
certified by the commissioner of the office of alcoholism and substance
abuse services as a qualified employer pursuant to section 32.38 of the
mental hygiene law shall be allowed its pro rata share of the credit
earned by the partnership or limited liability company.

(b) Application of credit. The credit allowed under this subdivision
for any taxable year may not reduce the tax due for that 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 that amount or if the taxpayer otherwise pays tax based on the
fixed dollar minimum amount, any amount of credit not deductible in that
taxable year will be treated as an overpayment of tax to be credited or
refunded in accordance with the provisions of section one thousand
eighty-six of this chapter. Provided, however, no interest will be paid
thereon.

(c) Tax return requirement. The taxpayer shall be required to attach
to its tax return, in the form prescribed by the commissioner, proof of
receipt of its certificate of tax credit issued by the commissioner of
the office of alcoholism and substance abuse services pursuant to
section 32.38 of the mental hygiene law.
§ 3. Subparagraph (B) of paragraph 1 of subdivision (i) of section 606
of the tax law is amended by adding a new clause (xliv) to read as
follows:

(xliv) Recovery tax credit under subsection (jjj) of

Amount of credit under subdivision fifty-three of
section two hundred ten-B

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

(jjj) Recovery tax credit. (1) Allowance of credit. A taxpayer that is
a qualified employer pursuant to section 32.38 of the mental hygiene law
that has received a certificate of tax credit from the commissioner of
the office of alcoholism and substance abuse services shall be allowed a
credit against the tax imposed by this article equal to the amount shown
on such certificate of tax credit. A taxpayer that is a partner in a
partnership, member of a limited liability company or shareholder in an
S corporation that has been certified by the commissioner of the office
of alcoholism and substance abuse services as a qualified employer
pursuant to section 32.38 of the mental hygiene law shall be allowed its
(2) Overpayment. If the amount of the credit allowed under this subsection for any taxable year exceeds the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, no interest will be paid thereon.

(3) Tax return requirement. The taxpayer shall be required to attach to its tax return, in the form prescribed by the commissioner, proof of receipt of its certificate of tax credit issued by the commissioner of the office of alcoholism and substance abuse services pursuant to section 32.38 of the mental hygiene law.

§ 5. Section 1511 of the tax law is amended by adding a new subdivision (dd) to read as follows:

(dd) Recovery tax credit. (1) Allowance of credit. A taxpayer that is a qualified employer pursuant to section 32.38 of the mental hygiene law that has received a certificate of tax credit from the commissioner of the office of alcoholism and substance abuse services shall be allowed a credit against the tax imposed by this article equal to the amount shown on such certificate of tax credit. A taxpayer that is a partner in a partnership or member of a limited liability company that has been certified by the commissioner of the office of alcoholism and substance abuse services as a qualified employer pursuant to section 32.38 of the mental hygiene law shall be allowed its pro rata share of the credit earned by the partnership or limited liability company.

(2) Application of credit. The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the minimum tax fixed by paragraph four of subdivision (a) of section fifteen hundred two of this article or by section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount, then any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

(3) Tax return requirement. The taxpayer shall be required to attach to its tax return in the form prescribed by the commissioner, proof of receipt of its certificate of tax credit issued by the commissioner of the office of alcoholism and substance abuse services pursuant to section 32.38 of the mental hygiene law.

§ 6. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2020 and shall apply to those eligible individuals hired after this act shall take effect.
§ 44. Investment management services. (a) For purposes of this section, the term "investment management services" to a partnership, S corporation or entity includes (1) rendering investment advice regarding the purchase or sale of securities as defined in paragraph two of subsection (c) of section four hundred seventy-five of the internal revenue code without regard to the last sentence thereof, real estate held for rental or investment, interests in partnerships, commodities as defined in paragraph two of subsection (e) of section four hundred seventy-five of the internal revenue code, or options or derivative contracts with respect to any of the foregoing; (2) managing, acquiring, or disposing of any such asset; (3) arranging financing with respect to the acquisition of any such asset; and (4) related activities in support of any service described in paragraphs one, two, or three of this subdivision.

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

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

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

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

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

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

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

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

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

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

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

§ 5. The opening paragraph of subsection (b) of section 632 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:
Except as otherwise provided in section forty-four of this chapter, in determining the sources of a nonresident partner's income, no effect shall be given to a provision in the partnership agreement which--

§ 6. For taxable years beginning on or after January 1, 2019 and before January 1, 2020, (i) no addition to tax under subsection (c) of section 685 or subsection (c) of section 1085 of the tax law shall be imposed with respect to any underpayment attributable to the amendments made by this act of any estimated taxes that are required to be paid prior to the effective date of this act, provided that the taxpayer timely made those payments; and (ii) the required installment of estimated tax described in clause (ii) of subparagraph (B) of paragraph 3 of subsection (c) of section 685 of the tax law, and the exception to addition for underpayment of estimated tax described in paragraph 1 or 2 of subsection (d) of section 1085 of the tax law, in relation to the preceding year's return, shall be calculated as if the amendments made by this act had been in effect for that entire preceding year.

§ 7. This act shall take effect upon the enactment into law by the states of Connecticut, New Jersey, Massachusetts and Pennsylvania of legislation having substantially the same effect as this act and the enactments by such states have taken effect in each state and shall apply for taxable years beginning on or after such date; provided, however, if the states of Connecticut, New Jersey, Massachusetts and Pennsylvania have already enacted such legislation, this act shall take effect immediately and shall apply for taxable years beginning on or after January 1, 2019; provided further that the commissioner of taxation and finance shall notify the legislative bill drafting commission upon the enactment of such legislation by the states of Connecticut, New Jersey, Massachusetts and Pennsylvania in order that such commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.

PART Z

Section 1. Paragraph 3 of subdivision (a) and paragraphs 2 and 5 of subdivision (c) of section 43 of the tax law, as added by section 7 of part K of chapter 59 of the laws of 2017, are amended to read as follows:

(3) The total amount of credit allowable to a qualified life sciences company, or, if the life sciences company is properly included or required to be included in a combined report, to the combined group, taken in the aggregate, shall not exceed five hundred thousand dollars in any taxable year. If the [life-sciences-company] taxpayer is a partner in a partnership that is a life sciences company or a shareholder of a New York S corporation that is a life sciences company, then the total amount of credit allowable shall be applied at the entity level, so that the total amount of credit allowable to all the partners or shareholders of each such entity, taken in the aggregate, does not exceed five hundred thousand dollars in any taxable year.

(2) "New business" means any business that qualifies as a new business under either paragraph (f) of subdivision one of section two hundred ten-B or paragraph ten of subsection [one] (a) of section six hundred six of this chapter.
(5) "Related person" means a related person as defined in subparagraph [C] of paragraph three of subsection (b) of section 465 of the
internal revenue code. For this purpose, a "related person" shall
include an entity that would have qualified as a "related person" if it
had not been dissolved, liquidated, merged with another entity or other-
wise ceased to exist or operate.
§ 2. Subdivision 5 of section 209 of the tax law, as amended by
section 5 of part A of chapter 59 of the laws of 2014, is amended to
read as follows:
5. For any taxable year of a real estate investment trust as defined
in section eight hundred fifty-six of the internal revenue code in which
such trust is subject to federal income taxation under section eight
hundred fifty-seven of such code, such trust shall be subject to a tax
computed under either paragraph (a) or (d) of subdivision one of section
two hundred ten of this chapter, whichever is greater, and shall not be
subject to any tax under article thirty-three of this chapter except for
a captive REIT required to file a combined return under subdivision (f)
of section fifteen hundred fifteen of this chapter. In the case of such
a real estate investment trust, including a captive REIT as defined in
section two of this chapter, the term "entire net income" means "real
estate investment trust taxable income" as defined in paragraph two of
subdivision (b) of section eight hundred fifty-seven (as modified by
section eight hundred fifty-eight) of the internal revenue code [plus
the amount taxable under paragraph three of subdivision (b) of section
eight hundred fifty-seven of such code], subject to the modifications
required by subdivision nine of section two hundred eight of this arti-
cle.
§ 3. Paragraph (a) of subdivision 8 of section 211 of the tax law, as
amended by chapter 760 of the laws of 1992, is amended to read as
follows:
(a) Except in accordance with proper judicial order or as otherwise
provided by law, it shall be unlawful for any tax commissioner, any
officer or employee of the department [of taxation and finance], or any
person who, pursuant to this section, is permitted to inspect any
report, or to whom any information contained in any report is furnished,
or any person engaged or retained by such department on an independent
contract basis, or any person who in any manner may acquire knowledge of
the contents of a report filed pursuant to this article, to divulge or
make known in any manner the amount of income or any particulars set
forth or disclosed in any report under this article. The officers
charged with the custody of such reports shall not be required to
produce any of them or evidence of anything contained in them in any
action or proceeding in any court, except on behalf of the state or the
commissioner in an action or proceeding under the provisions of this
chapter or in any other action or proceeding involving the collection of
a tax due under this chapter to which the state or the commissioner is a
party or a claimant, or on behalf of any party to any action or proceed-
ing under the provisions of this article when the reports or facts shown
thereby are directly involved in such action or proceeding, in any of
which events the court may require the production of, and may admit in
evidence, so much of said reports or of the facts shown thereby as are
pertinent to the action or proceeding, and no more. The commissioner
may, nevertheless, publish a copy or a summary of any determination or
decision rendered after the formal hearing provided for in section one
thousand eighty-nine of this chapter. Nothing herein shall be construed
to prohibit the delivery to a corporation or its duly authorized repre-
sentative of a copy of any report filed by it, nor to prohibit the
publication of statistics so classified as to prevent the identification
of particular reports and the items thereof; or the publication of
delinquent lists showing the names of taxpayers who have failed to pay
their taxes at the time and in the manner provided by section two
hundred thirteen of this chapter together with any relevant information
which in the opinion of the commissioner may assist in the collection of
such delinquent taxes; or the inspection by the attorney general or
other legal representatives of the state of the report of any corpo-
roration which shall bring action to set aside or review the tax based
thereon, or against which an action or proceeding under this chapter has
been recommended by the commissioner of taxation and finance or the
attorney general or has been instituted; or the inspection of the
reports of any corporation by the comptroller or duly designated officer
or employee of the state department of audit and control, for purposes
of the audit of a refund of any tax paid by such corporation under this
article[]. and nothing in this chapter shall be construed to prohibit the
publication of the issuer's allocation percentage of any corporation, as
such term "issuer's allocation percentage" is defined in subparagraph
one of paragraph (b) of subdivision three of section two hundred ten of
this article.

§ 4. Subdivision (a) of section 213-b of the tax law, as amended by
section 10 of part Q of chapter 60 of the laws of 2016, is amended to
read as follows:

(a) First installments for certain taxpayers.--In privilege periods of
del-
preceding year's tax if the preceding year's tax exceeded one thousand dollars but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the preceding year's tax if the preceding year's tax exceeded one hundred thousand dollars. If the preceding year's tax under section two hundred nine of this article exceeded one thousand dollars and such taxpayer that is an S corporation is subject to the tax surcharge imposed by section two hundred nine-B of this article, the taxpayer must also pay with the tax surcharge report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the preceding year if the preceding year's tax was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed for the preceding year if the preceding year's tax exceeded one hundred thousand dollars.

§ 5. Subdivision (e) of section 213-b of the tax law, as amended by chapter 166 of the laws of 1991, the subdivision heading as amended by section 10-b of part Q of chapter 60 of the laws of 2016, is amended to read as follows:

(e) Interest on certain installments based on the second preceding year's tax.--Notwithstanding the provisions of section one thousand eighty-eight of this chapter or of section sixteen of the state finance law, if an amount paid pursuant to subdivision (a) exceeds the tax or tax surcharge, respectively, shown on the report required to be filed by the taxpayer for the privilege period during which the amount was paid, interest shall be allowed and paid on the amount by which the amount so paid pursuant to such subdivision exceeds such tax or tax surcharge. In the case of amounts so paid pursuant to subdivision (a), such interest shall be allowed and paid at the overpayment rate set by the commissioner of taxation and finance pursuant to section one thousand ninety-six of this chapter, or if no rate is set, at the rate of six per centum per annum from the date of payment of the amount so paid pursuant to such subdivision to the fifteenth day of the third month following the close of the taxable year, provided, however, that no interest shall be allowed or paid under this subdivision if the amount thereof is less than one dollar or if such interest becomes payable solely because of a carryback of a net operating loss in a subsequent privilege period.

§ 6. Subdivision (a) of section 1503 of the tax law, as amended by chapter 817 of the laws of 1987, is amended to read as follows:

(a) The entire net income of a taxpayer shall be its total net income from all sources which shall be presumed to be the same as the life insurance company taxable income of such company (which shall include, in the case of a stock life insurance company, that has a balance, as determined as of the close of such company's last taxable year beginning before January first, two thousand eighteen, in an existing policyholders surplus account, as such term is defined in section 815 of the internal revenue code as such section was in effect for taxable years beginning before January first, two thousand eighteen, the amount of direct and indirect distributions during the taxable year to shareholders from such account one-eighth of such balance), taxable income of a partnership or taxable income, but not alternative minimum taxable income, as the case may be, which the taxpayer is required to report to the United States treasury department, for the taxable year or, in the case of a corporation exempt from federal income tax (other than the tax on unrelated business taxable income imposed under section 511 of the internal revenue code) but not exempt from tax under section fifteen hundred one, the taxable
income which such taxpayer would have been required to report but for such exemption, except as hereinafter provided.

§ 7. Intentionally omitted.

§ 8. Section 2 of chapter 369 of the laws of 2018 amending the tax law relating to unrelated business taxable income of a taxpayer, is amended to read as follows:

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

§ 9. Paragraph (b) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 20 to read as follows:

(20) the amount of any federal deduction that would have been allowed pursuant to section 250(a)(1)(A) of the internal revenue code if the taxpayer had not made an election under subchapter s of chapter one of the internal revenue code.

§ 10. Clause (i) of subparagraph 1 of paragraph (b) of subdivision 3 of section 11-604 of the administrative code of the city of New York, as amended by chapter 241 of the laws of 1989, is amended to read as follows:

(i) In the case of an issuer or obligor subject to tax under this subchapter, subchapter three-A or subchapter four of this chapter, or subject to tax as a utility corporation under chapter eleven of this title, the issuer's allocation percentage shall be the percentage of the appropriate measure (as defined hereinafter) which is required to be allocated within the city on the reports or reports, if any, required of the issuer or obligor under this title for the preceding year. The appropriate measure referred to in the preceding sentence shall be: in the case of an issuer or obligor subject to subchapter or subchapter three-A, entire capital; in the case of an issuer or obligor subject to subchapter four of this chapter, issued capital stock; in the case of an issuer or obligor subject to chapter eleven of this title as a utility corporation, gross income.

§ 11. This act shall take effect immediately, provided, however, that:

(i) section one of this act shall be deemed to have been in full force and effect on and after the effective date of part K of chapter 59 of the laws of 2017;

(ii) sections two and six of this act shall be deemed to have been in full force and effect on and after the effective date of part KK of chapter 59 of the laws of 2018; provided, however, that section six of this act shall apply to taxable years beginning on or after January 1, 2018 through taxable years beginning on or before January 1, 2025;

(iii) section three of this act shall be deemed to have been in full force and effect on and after the effective date of part A of chapter 59 of the laws of 2014;

(iv) sections four and five of this act shall be deemed to have been in full force and effect on and after the effective date of part Q of chapter 60 of the laws of 2016;

(v) section eight of this act shall be deemed to have been in full force and effect on and after the effective date of chapter 369 of the laws of 2018; and

(vi) section nine of this act shall apply to taxable years beginning on and after January 1, 2018.
Section 1. This Part enacts into law legislation relating to the office of gaming inspector general, the thoroughbred breeding and development fund, the Harry M. Zweig memorial fund and prize payment amounts and revenue distributions of lottery game sales. Each component is wholly contained within a Subpart identified as Subparts A through D. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this Part sets forth the general effective date of this Part.

SUBPART A

Section 1. Sections 1368, 1369, 1370, and 1371 of the racing, pari-mutuel wagering and breeding law are renumbered sections 130, 131, 132, and 133.

§ 2. Title 9 of article 13 of the racing, pari-mutuel wagering and breeding law is REPEALED.

§ 3. Section 130 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013 and as renumbered by section one of this act, is amended to read as follows:

§ 130. Establishment of the office of gaming inspector general. 1.

There is hereby created within the commission the office of gaming inspector general. The head of the office shall be the gaming inspector general who shall be appointed by the governor by and with the advice and consent of the senate. The gaming inspector general shall serve at the pleasure of the governor. The gaming inspector general shall report directly to the governor. The person appointed as gaming inspector general shall, upon his or her appointment, have not less than ten years professional experience in law, investigation, or auditing. The gaming inspector general shall be compensated within the limits of funds available therefor, provided, however, such salary shall be no less than the salaries of certain state officers holding the positions indicated in paragraph (a) of subdivision one of section one hundred sixty-nine of the executive law.

2. The gaming inspector general may not be employed with the gaming commission during their employment with the office or within two years after terminating employment with the office.

§ 3-a. Subdivision 1 of section 131 of the racing, pari-mutuel wagering and breeding law, such section as renumbered by section one of this act, is renumbered subdivision 1-a.
§ 4. The section heading, opening paragraph and subdivisions 6 and 7 of section 131 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013 and such section as renumbered by section one of this act, are amended and two new subdivisions 1 and 8 are added to read as follows:

[State-gaming] Gaming inspector general; functions and duties. The [state] gaming inspector general shall have the following duties and responsibilities:

1. appoint such deputies, directors, assistants and other officers and employees as may be needed for the performance of their duties and may prescribe their powers and fix their compensation within the amounts available therefor;

6. recommend remedial action to prevent or eliminate corruption, fraud, criminal activity, conflicts of interest or abuse in the commission; [and]

7. establish programs for training commission officers and employees regarding the prevention and elimination of corruption, fraud, criminal activity, conflicts of interest or abuse in the commission; and

8. make an annual report to the governor, the comptroller and the legislature concerning its work during the preceding year, and to make such further interim reports to the governor, the comptroller or the legislature as they shall deem advisable or require.

§ 5. The opening paragraph of section 132 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013 and such section as renumbered by section one of this act, is amended to read as follows:

The [state] gaming inspector general shall have the power to:

§ 6. Section 133 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013 and as renumbered by section one of this act, is amended to read as follows:

§ 133. Responsibilities of the commission and its officers and employees. 1. Every commission officer or employee shall report promptly to the [state] gaming inspector general any information concerning corruption, fraud, criminal activity, conflicts of interest or abuse by another state officer or employee relating to his or her office or employment, or by a person having business dealings with the commission relating to those dealings. The knowing failure of any officer or employee to so report shall be cause for removal from office or employment or other appropriate penalty under this article. Any officer or employee who acts pursuant to this subdivision by reporting to the [state] gaming inspector general or other appropriate law enforcement official improper governmental action as defined in section seventy-five-b of the civil service law shall not be subject to dismissal, discipline or other adverse personnel action.

2. The commission chair shall advise the governor within ninety days of the issuance of a report by the [state] gaming inspector general as to the remedial action that the commission has taken in response to any recommendation for such action contained in such report.

§ 7. This act shall take effect immediately.

SUBPART B

Intentionally Omitted

SUBPART C
§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or subpart of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or subpart thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately provided, however, that the applicable effective date of Subparts A through D of this Part shall be as specifically set forth in the last section of such Subpart.

PART EE

Section 1. Subparagraphs (ii) and (iii) of paragraph 1 of subdivision b of section 1612 of the tax law, subparagraph (ii) as amended by chapter 174 of the laws of 2013, the opening paragraph of subparagraph (ii) as separately amended by section 30 of chapter 174 of the laws of 2013, clause (F) of subparagraph (ii) as amended by section 1 of part PP of chapter 59 of the laws of 2017, clause (G) as amended by section 2 of part HH and clause (G-2) of subparagraph (ii) as added by section 1 of part DD of chapter 60 of the laws of 2016, clauses (G-1) and (I) of subparagraph (ii) as amended by chapter 175 of the laws of 2013, clause (H) of subparagraph (ii) as amended by section 1 of part TT of chapter 59 of the laws of 2018, clause (J) of subparagraph (ii) as added by section 2 of part I of chapter 61 of the laws of 2017 and subparagraph (iii) as separately amended by chapters 174 and 175 of the laws of 2013, are amended to read as follows:

(ii) [less a vendor’s fee the amount of which is to be paid for serving as a lottery agent to the track operator of a vendor track or the operator of a resort facility or the operator of any other video lottery gaming facility authorized pursuant to section one thousand six hundred seventeen a of this article:

(A) having fewer than one thousand one hundred video gaming machines, at a rate of thirty-five percent for the first fifty million dollars annually, twenty-eight percent for the next hundred million dollars annually, and twenty-five percent thereafter of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter;

(B) having one thousand one hundred or more video gaming machines, at a rate of thirty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, except for such facility located in the county of Westchester, in which case the rate shall be thirty percent until March thirty-first, two thousand twelve.

Notwithstanding the foregoing, not later than April first, two thousand twelve, the vendor fee shall become thirty-one percent and remain at that level thereafter; and except for Aqueduct racetrack, in which case the vendor fee shall be thirty-eight percent of the total revenue
wagered at the vendor track after payout for prizes pursuant to this chapter;

(C) notwithstanding clauses (A) and (B) of this subparagraph, when the vendor track is located in an area with a population of less than one million within the forty mile radius around such track, at a rate of thirty-nine percent for the first fifty million dollars annually, twenty-eight percent for the next hundred million dollars annually, and twenty-five percent thereafter of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter;

(D) notwithstanding clauses (A), (B) and (C) of this subparagraph, when the vendor track is located within fifteen miles of a Native American class III gaming facility at a rate of forty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter;

(E) notwithstanding clauses (A), (B), (C) and (D) of this subparagraph, when a Native American class III gaming facility is established after the effective date of this subparagraph, within fifteen miles of the vendor track, at a rate of forty-one percent of the total revenue wagered after payout for prizes pursuant to this chapter;

(E-1) for purposes of this subdivision, the term "class III gaming" shall have the meaning defined in 25 U.S.C. § 2703(8).

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

(G) less a vendor’s fee the amount of which is to be paid for serving as a lottery agent to the track operator of a vendor track or the operator of any other video lottery gaming facility authorized pursuant to section sixteen hundred seventeen-a of this article. The amount of the vendor’s fee shall be calculated as follows:

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

(B) when a vendor track is located within zone two as defined by section thirteen hundred ten of the racing, pari-mutuel wagering and breeding law, the rate of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter shall be as follows:

(1) forty-three and one-half percent for a vendor track located more than fifteen miles but less than fifty miles from a destination resort gaming facility authorized pursuant to article thirteen of the racing, pari-mutuel wagering and breeding law;

(2) forty-nine percent for a vendor track located within fifteen miles of a destination resort gaming facility authorized pursuant to article thirteen of the racing, pari-mutuel wagering and breeding law;

(3) fifty-one percent for vendor track located more than fifteen miles but less than fifty miles from a Native American class III gaming facility as defined in 25 U.S.C. §2703(8);

(4) fifty-six percent for a vendor track located within fifteen miles of a Native American class III gaming facility as defined in 25 U.S.C §2703(8);
(C) when a video lottery facility is located at Aqueduct racetrack, at a rate of fifty percent of the total revenue wagered at the video lottery gaming facility after payout for prizes pursuant to this chapter;

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

(iii) (A) Notwithstanding any provision to the contrary, when a vendor track is located within regions one, two, or five of development zone two as defined by section thirteen hundred ten of the racing, pari-mutuel wagering and breeding law, such vendor track shall receive an additional commission at a rate equal to the percentage of revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which percentage shall be one hundred, less the sum of the percentages of net revenue wagered at the vendor track retained by the commission for operation, administration, and procurement purposes; and the vendor's fee, marketing allowance and capital award paid to the vendor track pursuant to this chapter; and the effective tax rate paid on all gross gaming revenue paid by a gaming facility within the same region pursuant to section thirteen hundred fifty-one of the racing, pari-mutuel wagering and breeding law, provided, however, such additional commission shall be applied to revenue wagered at the vendor track after payout for prizes only while a gaming facility in the same region is open and operational pursuant to an operation certificate issued pursuant to section thirteen hundred thirty-one of the racing, pari-mutuel wagering and breeding law. The additional commission set forth in this clause shall be paid to the vendor track within sixty days after the conclusion of the state fiscal year based on the calculated percentage during the previous fiscal year.

[c-1] Notwithstanding clause (A) and (B) of this subparagraph, when a video lottery gaming facility is located in either the county of Nassau or Suffolk and is operated by a corporation established pursuant to section five hundred two of the racing, pari-mutuel wagering and breeding law at a rate of thirty-five percent of the total revenue wagered at the vendor after payout for prizes pursuant to this chapter;

[c-2] (B) Notwithstanding any provision to the contrary, when a vendor track is located within region six of development zone two as defined by section thirteen hundred ten of the racing, pari-mutuel wagering and breeding law and is located within Ontario county, such vendor track shall receive an additional commission at a rate equal to the percentage of revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which percentage shall be one hundred, less the sum of the percentages of net revenue wagered at the vendor track retained by the commission for operation, administration, and procurement purposes; and the vendor's fee, marketing allowance and capital award paid to the vendor track pursuant to this chapter; and the effective tax rate paid on all gross gaming revenue paid by a gaming facility within Seneca or Wayne counties pursuant to section thirteen hundred fifty-one of the racing, pari-mutuel wagering and breeding law, provided, however, such additional commission shall be applied to revenue wagered at the vendor track after payout for prizes only while a gaming facility in Seneca or Wayne counties is open and operational pursuant to an operation certificate issued pursuant to section thirteen hundred fifty-one of the racing, pari-mutuel wagering and breeding law.
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1 hundred thirty-one of the racing, pari-mutuel wagering and breeding law.
2 The additional commission set forth in this clause shall be paid to the
3 vendor track within sixty days after the conclusion of the state fiscal
4 year based on the calculated percentage during the previous fiscal year.
5    [(N) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
6 this subparagraph, the track operator of a vendor track and in the case
7 of Aqueduct, the video lottery terminal facility operator, shall be
8 eligible for a vendor's capital award of up to four percent of the total
9 revenue wagered at the vendor track after payout for prizes pursuant to
10 this chapter, which shall be used exclusively for capital project
11 investments to improve the facilities of the vendor track which promote
12 or encourage increased attendance at the video lottery gaming facility
13 including, but not limited to hotels, other lodging facilities, enter-
14 tainment facilities, retail facilities, dining facilities, events
15 arenas, parking garages and other improvements that enhance facility
16 amenities, provided that such capital investments shall be approved by
17 the division, in consultation with the gaming commission, and that such
18 vendor track demonstrates that such capital expenditures will increase
19 patronage at such vendor track's facilities and increase the amount of
20 revenue generated to support state education programs. The annual amount
21 of such vendor's capital awards that a vendor track shall be eligible to
22 receive shall be limited to two million five hundred thousand dollars,
23 except for Aqueduct racetrack, for which there shall be no annual limit,
24 provided, however, that any such capital award for the Aqueduct video
25 lottery terminal facility operator shall be one percent of the total
26 revenue wagered at the video lottery terminal facility after payout for
27 prizes pursuant to this chapter until the earlier of the designation of
28 one thousand video lottery devices as hosted pursuant to paragraph four
29 of subdivision a of section sixteen hundred seventeen-a of this chapter
30 or April first, two thousand nineteen and shall then be four percent of
31 the total revenue wagered at the video lottery terminal facility after
32 payout for prizes pursuant to this chapter, provided, further, that such
33 capital award shall only be provided pursuant to an agreement with the
34 operator to construct an expansion of the facility, hotel, and conven-
35 tion and exhibition space requiring a minimum capital investment of
36 three hundred million dollars. Except for tracks having less than one
37 thousand nine hundred video gaming machines, and except for a vendor
38 track located west of State Route 14 from Sodus Point to the Pennsylva-
39 nia border within New York, and except for Aqueduct racetrack each track
40 operator shall be required to co-invest an amount of capital expenditure
41 equal to its cumulative vendor's capital award. For all tracks the
42 amount of any vendor's capital award that is not used during any one
43 year period may be carried over into subsequent years ending before
44 April first, two thousand nineteen. Any amount attributable to a capital
45 expenditure approved prior to April first, two thousand nineteen and
46 completed before April first, two thousand twenty-one, or approved prior
47 to April first, two thousand twenty-three and completed before April
48 first, two thousand twenty-five for a vendor track located west of State
49 Route 14 from Sodus Point to the Pennsylvania border within New York,
50 shall be eligible to receive the vendor's capital award. In the event
51 that a vendor track's capital expenditures, approved by the gaming
52 commission prior to April first, two thousand nineteen and completed
53 prior to April first, two thousand twenty-one, exceed the vendor track's
54 cumulative capital award during the five year period ending April first,
55 two thousand nineteen, the vendor shall continue to receive the capital
56 award after April first, two thousand nineteen until such approved capi-
tal expenditures are paid to the vendor track subject to any required co-investment. In no event shall any vendor track that receives a vendor fee pursuant to clause (F) or (G) of this subparagraph be eligible for a vendor's capital award under this section. Any operator of a vendor track which has received a vendor's capital award, choosing to divest the capital improvement toward which the award was applied, prior to the full depreciation of the capital improvement in accordance with generally accepted accounting principles, shall reimburse the state in amounts equal to the total of any such awards. Any capital award not approved for a capital expenditure at a video lottery gaming facility by April first, two thousand nineteen shall be deposited into the state lottery fund for education aid; and

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

(J) Notwithstanding clause (H) of this subparagraph, the gaming commission shall be able to authorize a vendor track located within Oneida county, within fifteen miles of a Native American class III gaming facility, and who has maintained at least ninety percent of full-time equivalent employees as they employed in the year two thousand sixteen, to use a portion of their vendor's capital award of up to four percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter each year, for operations.

(iii) less an additional vendor's marketing allowance at a rate of ten percent for the first one hundred million dollars annually and eight percent thereafter of the total revenue wagered at the vendor track after payout for prizes to be used by the vendor track for the marketing and promotion and associated costs of its video lottery gaming operations and pari-mutuel horse racing operations, as long as any such costs associated with pari-mutuel horse racing operations simultaneously encourage increased attendance at such vendor's video lottery gaming facilities, consistent with the customary manner of marketing comparable operations in the industry and subject to the overall supervision of the division; provided, however, that the additional vendor's marketing allowance shall not exceed eight percent in any year for any operator of a racetrack located in the county of Westchester or Queens, provided, however, a vendor track that receives a vendor fee pursuant to clause (G) of subparagraph (ii) of this paragraph shall not receive the additional vendor's marketing allowance; provided, however, except for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania border within New York shall continue to receive a marketing allowance of ten percent on total revenue wagered at the vendor track after payout for prizes in excess of one hundred million dollars annually provided, however, a vendor that receives a vendor fee pursuant to clause (G-1) of subparagraph (ii) of this paragraph shall receive an additional marketing allowance at a rate of ten percent of the total revenue wagered at the video lottery gaming facility after payout for prizes. In establishing the vendor fee,

§ 2. Subdivision b of section 1612 of the tax law is amended by adding three new paragraphs 1-a, 1-b, and 1-c to read as follows:
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(1) Notwithstanding any provision of law to the contrary, any operators of a vendor track or the operators of any other video lottery gaming facility eligible to receive a capital award as of December thirty-first, two thousand sixteen shall deposit from their vendor fee into a segregated account an amount equal to four percent of the first sixty-two million five hundred thousand dollars of revenue wagered at the vendor track after payout for prizes pursuant to this chapter to be used exclusively for capital investments, except for Aqueduct, which shall deposit into a segregated account an amount equal to one percent of all revenue wagered at the video lottery gaming facility after payout for prizes pursuant to this chapter until the earlier of the designation of one thousand video lottery devices as hosted pursuant to paragraph four of subdivision a of section sixteen hundred seventeen-a of this article or April first, two thousand nineteen, when at such time four percent of all revenue wagered at the video lottery gaming facility after payout for prizes pursuant to this chapter shall be deposited into a segregated account for capital investments.

(ii) Vendor tracks and video lottery gaming facilities shall be permitted to withdraw funds for projects approved by the commission to improve the facilities of the vendor track or video lottery gaming facility which enhance or maintain the video lottery gaming facility including, but not limited to hotels, other lodging facilities, entertainment facilities, retail facilities, dining facilities, events arenas, parking garages and other improvements and amenities customary to a gaming facility, provided, however, the vendor tracks and video lottery gaming facilities shall be permitted to withdraw funds for unreimbursed capital awards approved prior to the effective date of this subparagraph.

(iii) Any proceeds from the divestiture of any assets acquired through these capital funds or any prior capital award must be deposited into this segregated account, provided that if the vendor track or video lottery gaming facility ceases use of such asset for gaming purposes or transfers the asset to a related party, such vendor track or video lottery gaming facility shall deposit an amount equal to the fair market value of that asset into the account.

(iv) In the event a vendor track or video lottery gaming facility ceases gaming operations, any balance in the account along with an amount equal to the value of all remaining assets acquired through this fund or prior capital awards shall be returned to the state for deposit into the state lottery fund for education aid, except for Aqueduct, which shall return to the state for deposit into the state lottery fund for education aid all amounts in excess of the amount needed to fund a project pursuant to an agreement with the operator to construct an expansion of the facility, hotel, and convention and exhibition space requiring a minimum capital investment of three hundred million dollars and any subsequent amendments to such agreement.

(v) The comptroller or his legally authorized representative is authorized to audit any and all expenditures made out of these segregated capital accounts.

(vi) Notwithstanding subparagraphs (i) through (v) of this paragraph, a vendor track located in Ontario county may withdraw up to two million dollars from this account for the purpose of constructing a turf course at the vendor track.

(vii) Any balance remaining in the capital award account of a vendor track or operator or any other video lottery gaming facility as of March
thirty-first, two thousand nineteen shall be transferred for deposit into a segregated account established by this subparagraph.

1-b. Notwithstanding any provision of law to the contrary, free play allowance credits authorized by the division pursuant to subdivision 1 of section sixteen hundred seventeen-a of this article shall not be included in the calculation of the total amount wagered on video lottery games, the total amount wagered after payout of prizes, the vendor fees payable to the operators of video lottery gaming facilities, fees payable to the division's video lottery gaming equipment contractors, or racing support payments.

1-c. Notwithstanding any provision of law to the contrary, the operator of a vendor track or the operator of any other video lottery gaming facility shall fund a marketing and promotion program out of the vendor's fee. Each operator shall submit an annual marketing plan for the review and approval of the commission and any other required documents detailing promotional activities as prescribed by the commission. The commission shall have the right to reject any advertisement or promotion that does not properly represent the mission or interests of the lottery or its programs.

§ 3. This act shall take effect immediately.

PART FF

Section 1. Subdivision 25 of section 1301 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

25. "Gross gaming revenue". The total of all sums actually received by a gaming facility licensee from gaming operations less the total of all sums paid out as winnings to patrons; provided, however, that the total of all sums paid out as winnings to patrons shall not include the cash equivalent value of any merchandise or thing of value included in a jackpot or payout; provided further, that the issuance to or wagering by patrons of a gaming facility of any promotional gaming credit shall not be taxable for the purposes of determining gross revenue.

§ 2. Section 1351 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 2 to read as follows:

2. Permissible deductions. (a) A gaming facility may deduct from gross gaming revenue the amount of approved promotional gaming credits issued to and wagered by patrons of such gaming facility. The amount of approved promotional credits shall be calculated as follows:

(1) for the period commencing on April first, two thousand eighteen and ending on March thirty-first, two thousand twenty, an aggregate maximum amount equal to nineteen percent of the base taxable gross gaming revenue amount during the specified period;

(2) for the period commencing on April first, two thousand twenty and ending on March thirty-first, two thousand twenty-three, a maximum amount equal to nineteen percent of the base taxable gross gaming revenue amount for each fiscal year during the specified period; and

(3) for the period commencing on April first, two thousand twenty-three and thereafter, a maximum amount equal to fifteen percent of the base taxable gross gaming revenue amount for each fiscal year during the specified period.

(b) For purposes of paragraph (a) of this subdivision, "base taxable gross gaming revenue amount" means that portion of gross gaming revenue not attributable to deductible promotional credit.
(c) Any tax due on promotional credits deducted during the fiscal year in excess of the allowable deduction shall be paid within thirty days from the end of the fiscal year.

(d) Only promotional credits that are issued pursuant to a written plan approved by the commission as designed to increase revenue at the facility may be eligible for such deduction. The commission, in conjunction with the director of the budget, may suspend approval of any plan whenever they jointly determine that the use of the promotional credits under such plan is not effective in increasing the amount of revenue earned.

§ 3. This act shall take effect immediately.

PART GG

Section 1. Subdivision 12 of section 502 of the racing, pari-mutuel wagering and breeding law is amended to read as follows:

12. a. The board of directors shall hold an annual meeting and meet not less than quarterly.

b. Each board member shall receive, not less than seven days in advance of a meeting, documentation necessary to ensure knowledgeable and engaged participation. Such documentation shall include material relevant to each agenda item including background information of discussion items, resolutions to be considered and associated documents, a monthly financial statement which shall include an updated cash flow statement and aged payable listing of industry payables, financial statements, management reports, committee reports and compliance items.

c. Staff of the corporation shall annually submit to the board for approval a financial plan accompanied by expenditure, revenue and cash flow projections. The plan shall contain projection of revenues and expenditures based on reasonable and appropriate assumptions and methods of estimations, and shall provide that operations will be conducted within the cash resources available. The financial plan shall also include information regarding projected employment levels, collective bargaining agreements and other actions relating to employee costs, capital construction and such other matters as the board may direct.

d. Staff of the corporation shall prepare and submit to the board on a quarterly basis a report of summarized budget data depicting overall trends, by major category within funds, of actual revenues and budget expenditures for the entire budget rather than individual line items, as well as updated quarterly cash flow projections of receipts and disbursements. Such reports shall compare revenue estimates and appropriations as set forth in such budget and in the quarterly revenue and expenditure projections submitted therewith, with the actual revenues and expenditures made to date. Such reports shall also compare actual receipts and disbursements with the estimates contained in the cash flow projections, together with variances and their explanation. All quarterly reports shall be accompanied by recommendations from the president setting forth any remedial action necessary to resolve any unfavorable budget variance including the overestimation of revenues and the underestimation of appropriations. These reports shall be completed within thirty days after the end of each quarter and shall be submitted to the board by the corporation comptroller.

e. Revenue estimates and the financial plan shall be regularly reexamined by the board and staff and shall provide a modified financial plan in such detail and within such time periods as the board may require. In the event of reductions in such revenue estimates, the board shall
consider and approve such adjustments in revenue estimates and
reductions in total expenditures as may be necessary to conform to such
revised revenue estimates or aggregate expenditure limitations.

§ 2. Intentionally omitted.
§ 3. Intentionally omitted.
§ 4. This act shall take effect immediately.

PART HH

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
racing, pari-mutuel wagering and breeding law, as amended by section 1
of part GG of chapter 59 of the laws of 2018, is amended to read as
follows:

(a) Any racing association or corporation or regional off-track
betting corporation, authorized to conduct pari-mutuel wagering under
this chapter, desiring to display the simulcast of horse races on which
pari-mutuel betting shall be permitted in the manner and subject to the
conditions provided for in this article may apply to the commission for
a license so to do. Applications for licenses shall be in such form as
may be prescribed by the commission and shall contain such information
or other material or evidence as the commission may require. No license
shall be issued by the commission authorizing the simulcast transmission
of thoroughbred races from a track located in Suffolk county. The fee
for such licenses shall be five hundred dollars per simulcast facility
and for account wagering licensees that do not operate either a simul-
cast facility that is open to the public within the state of New York or
a licensed racetrack within the state, twenty thousand dollars per year
payable by the licensee to the commission for deposit into the general
fund. Except as provided in this section, the commission shall not
approve any application to conduct simulcasting into individual or group
residences, homes or other areas for the purposes of or in connection
with pari-mutuel wagering. The commission may approve simulcasting into
residences, homes or other areas to be conducted jointly by one or more
regional off-track betting corporations and one or more of the follow-
ing: a franchised corporation, thoroughbred racing corporation or a
harness racing corporation or association; provided (i) the simulcasting
consists only of those races on which pari-mutuel betting is authorized
by this chapter at one or more simulcast facilities for each of the
contracting off-track betting corporations which shall include wagers
made in accordance with section one thousand fifteen, one thousand
sixteen and one thousand seventeen of this article; provided further
that the contract provisions or other simulcast arrangements for such
simulcast facility shall be no less favorable than those in effect on
January first, two thousand five; (ii) that each off-track betting
corporation having within its geographic boundaries such residences,
homes or other areas technically capable of receiving the simulcast
signal shall be a contracting party; (iii) the distribution of revenues
shall be subject to contractual agreement of the parties except that
statutory payments to non-contracting parties, if any, may not be
reduced; provided, however, that nothing herein to the contrary shall
prevent a track from televising its races on an irregular basis primari-
ly for promotional or marketing purposes as found by the commission. For
purposes of this paragraph, the provisions of section one thousand thir-
ten of this article shall not apply. Any agreement authorizing an
in-home simulcasting experiment commencing prior to May fifteenth, ninte-
ten hundred ninety-five, may, and all its terms, be extended until June
thirtieth, two thousand [nineteen] twenty; provided, however, that any
party to such agreement may elect to terminate such agreement upon
conveying written notice to all other parties of such agreement at least
forty-five days prior to the effective date of the termination, via
registered mail. Any party to an agreement receiving such notice of an
intent to terminate, may request the commission to mediate between the
parties new terms and conditions in a replacement agreement between the
parties as will permit continuation of an in-home experiment until June
thirtieth, two thousand [nineteen] twenty; and (iv) no in-home simul-
casting in the thoroughbred special betting district shall occur without
the approval of the regional thoroughbred track.
§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
1007 of the racing, pari-mutuel wagering and breeding law, as amended by
section 2 of part GG of chapter 59 of the laws of 2018, is amended to
read as follows:
(iii) Of the sums retained by a receiving track located in Westchester
county on races received from a franchised corporation, for the period
commencing January first, two thousand eight and continuing through June
thirtieth, two thousand [nineteen] twenty, the amount used exclusively
for purses to be awarded at races conducted by such receiving track
shall be computed as follows: of the sums so retained, two and one-half
percent of the total pools. Such amount shall be increased or decreased
in the amount of fifty percent of the difference in total commissions
determined by comparing the total commissions available after July twen-
ty-first, nineteen hundred ninety-five to the total commissions that
would have been available to such track prior to July twenty-first, nineteen hundred ninety-five.

§ 3. The opening paragraph of subdivision 1 of section 1014 of the
racing, pari-mutuel wagering and breeding law, as amended by section 3
of part GG of chapter 59 of the laws of 2018, is amended to read as
follows:
The provisions of this section shall govern the simulcasting of races
conducted at thoroughbred tracks located in another state or country on
any day during which a franchised corporation is conducting a race meet-
ing in Saratoga county at Saratoga thoroughbred racetrack until June
thirtieth, two thousand [nineteen] twenty and on any day regardless of
whether or not a franchised corporation is conducting a race meeting in
Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,
two thousand [nineteen] twenty. On any day on which a franchised corpo-
ration has not scheduled a racing program but a thoroughbred racing
corporation located within the state is conducting racing, every off-
track betting corporation branch office and every simulcasting facility
licensed in accordance with section one thousand seven (that [have] has
entered into a written agreement with such facility's representative
horsemen's organization, as approved by the commission), one thousand
eight, or one thousand nine of this article shall be authorized to
accept wagers and display the live simulcast signal from thoroughbred
tracks located in another state or foreign country subject to the
following provisions:
§ 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
and breeding law, as amended by section 4 of part GG of chapter 59 of
the laws of 2018, is amended to read as follows:
1. The provisions of this section shall govern the simulcasting of
races conducted at harness tracks located in another state or country
during the period July first, nineteen hundred ninety-four through June
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1. thirtieth, two thousand [nineteen] twenty. This section shall supersede all inconsistent provisions of this chapter.

§ 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part GG of chapter 59 of the laws of 2018, is amended to read as follows:

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

§ 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part GG of chapter 59 of the laws of 2018, is amended to read as follows:

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

§ 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part GG of chapter 59 of the laws of 2018, is amended to read as follows:

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, [2019] 2020; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.
§ 8. Section 54 of 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, as amended by section 8 of part GG of chapter 59 of the laws of 2018, is amended to read as follows:

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, [2019, 2020]; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

§ 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part GG of chapter 59 of the laws of 2018, is amended to read as follows:

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

Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty centum per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty centum per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks.

For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks.
For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [nineteen] twenty, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April first, two thousand one through December thirty-first, two thousand [nineteen] twenty, such payment shall be seven-tenths of one per centum of such pools.

§ 10. This act shall take effect immediately.

PART II

Intentionally Omitted

PART JJ

Section 1. Section 2 of part EE of chapter 59 of the laws of 2018, amending the racing, pari-mutuel wagering and breeding law relating to adjusting the franchise payment and establishing an advisory committee to review the structure, operations and funding of equine drug testing and research, is amended to read as follows:

§ 2. An advisory committee shall be established within the New York gaming commission comprised of individuals with demonstrated interest in the performance of thoroughbred and standardbred race horses to review the present structure, operations and funding of equine drug testing and research conducted pursuant to article nine of the racing, pari-mutuel wagering and breeding law. Members of the committee, who shall be appointed by the governor, shall include but not be limited to a designee at the recommendation of each licensed or franchised thoroughbred and standardbred racetrack, a desiginee at the recommendation of each operating regional off-track betting corporation, a desiginee at the recommendation of each recognized horsemen's organization at licensed or franchised thoroughbred and standardbred racetracks, a desiginee at the recommendation of both Morrisville State College and the Cornell University School of Veterinary Medicine, and two designees each at the recommendation of the speaker of the assembly and temporary president of the senate. The governor shall designate the chair from among the members who shall serve as such at the pleasure of the governor. State agencies shall cooperate with and assist the committee in the fulfillment of its duties and may render informational, non-personnel services to the committee within their respective functions as the committee may reasonably request. Recommendations shall be delivered to the temporary president of the senate, speaker of the assembly and governor by December 1, [2018] 2019 regarding the future of such research, testing and funding. Members of the board shall not be considered policymakers.

§ 2. Subdivision 1 of section 902 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 15 of the laws of 2010, is amended to read as follows:
1. In order to assure the public's confidence and continue the high
degree of integrity in racing at the pari-mutuel betting tracks, equine
drug testing at race meetings shall be conducted by a state college
within this state with an approved equine science program or a suitable

laboratory in the state of New York. The state racing and wagering
board shall promulgate any rules and regulations necessary to implement the provisions of this section, including admin-
istrative penalties of loss of purse money, fines, or denial, suspen-
sion or revocation of a license for racing drugged horses.

§ 3. This act shall take effect immediately.

PART KK

Intentionally Omitted

PART LL

Intentionally Omitted

PART MM

Section 1. Section 1405-B of the tax law is amended by adding a new
subdivision (c) to read as follows:

(c) The information contained within information returns filed under
subdivision (b) of this section may be provided by the commissioner to
local assessors for use in real property tax administration, and such
information shall not be subject to the secrecy provisions set forth in
section fourteen hundred eighteen of this chapter, provided, however,
that the commissioner shall not disclose social security numbers or
employer identification numbers.

§ 2. This act shall take effect January 1, 2020.

PART NN

Section 1. Paragraph 3 of subsection (e-1) of section 606 of the tax
law, as added by section 2 of part K of chapter 59 of the laws of 2014,
is amended as follows:

(3) Determination of credit. For taxable years after two thousand
thirteen and prior to two thousand sixteen, the amount of the credit
allowable under this subsection shall be determined as follows:

If household gross income for the taxable year is:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage of Excess Real Property Taxes</th>
<th>Percentage of Excess of Qualifying Real Property Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000</td>
<td>4</td>
<td>4.5</td>
</tr>
<tr>
<td>$100,000 to less than $200,000</td>
<td>5</td>
<td>3.0</td>
</tr>
<tr>
<td>$150,000 to less than $200,000</td>
<td>6</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Notwithstanding the foregoing provisions, the maximum credit determined under this subparagraph may not exceed five hundred dollars.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2016; provided, however, that the amendments to subsection (e-1) of section 606 of the tax law made by section one of this act shall not affect the repeal of such subsection and shall be deemed to be repealed therewith.

PART OO

Intentionally Omitted

PART PP

Intentionally Omitted

PART QQ

Intentionally Omitted

PART RR

Intentionally Omitted

PART SS

Section 1. Subdivision 6 of section 1306-a of the real property tax law, as amended by section 3 of part TT of chapter 59 of the laws of 2017, is amended to read as follows:

6. When the commissioner determines, at least twenty days prior to the levy of school district taxes, that an advance credit of the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law will be provided to the owners of a parcel in that school district, he or she shall so notify the assessor, the county director of real property tax services, and the authorities of the school district, who shall cause a statement to be placed on the tax bill for the parcel in substantially the following form: "An estimated STAR check [has been or will be mailed to you [upon issuance] by the NYS Tax Department. Any overpayment or underpayment can be reconciled on your next tax return or STAR credit check."

Notwithstanding any provision of law to the contrary, in the event that the parcel in question had been granted a STAR exemption on the assessment roll upon which school district taxes are to be levied, such exemption shall be deemed null and void, shall be removed from the assessment roll, and shall be disregarded when the parcel's tax liability is determined. The assessor or other local official or officials having custody and control of the data file used to generate school district tax rolls and tax bills shall be authorized and directed to change such file as necessary to enable the school district authorities to discharge the duties imposed upon them by this subdivision.

§ 2. This act shall take effect immediately.
Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real property tax law, as added by section 1 of part D of chapter 60 of the laws of 2016, is amended to read as follows:

(a-2) Notwithstanding any provision of law to the contrary, where an application for the "enhanced" STAR exemption authorized by subdivision four of this section has not been filed on or before the taxable status date, and the owner believes that good cause existed for the failure to file the application by that date, the owner may, no later than the last day for paying school taxes without incurring interest or penalty, submit a written request to the commissioner asking him or her to extend the filing deadline and grant the exemption. Such request shall contain an explanation of why the deadline was missed, and shall be accompanied by an application, reflecting the facts and circumstances as they existed on the taxable status date. After consulting with the assessor, the commissioner may extend the filing deadline and grant the exemption if the commissioner is satisfied that (i) good cause existed for the failure to file the application by the taxable status date, and that (ii) the applicant is otherwise entitled to the exemption. The commissioner shall mail notice of his or her determination to such owner and the assessor. If the determination states that the commissioner has granted the exemption, the assessor shall thereupon be authorized and directed to correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections. If the correction is not made before school taxes are levied, the failure to take the exemption into account in the computation of the tax shall be deemed a "clerical error" for purposes of title three of article five of this chapter, and shall be corrected accordingly. School district authorities shall be authorized and directed to take account of the fact that the commissioner has granted the exemption by correcting the applicant’s tax bill and/or issuing a refund accordingly.

§ 2. Paragraph (d) of subdivision 2 of section 496 of the real property tax law, as added by section 3 of part A of chapter 60 of the laws of 2016, is amended to read as follows:

(d) If the applicant is renouncing a STAR exemption in order to qualify for the personal income tax credit authorized by subsection (eee) of section six hundred six of the tax law, and no other exemptions are being renounced on the same application, or if the applicant is renouncing a STAR exemption before school taxes have been levied on the assessment roll upon which that exemption appears, no processing fee shall be applicable.

§ 3. Paragraph (a) of subdivision 2 of section 496 of the real property tax law, as amended by section 3 of part A of chapter 60 of the laws of 2016, is amended to read as follows:

(a) For each assessment roll on which the renounced exemption appears, the assessed value that was exempted shall be multiplied by the tax rate or rates that were applied to that assessment roll, or in the case of a renounced STAR exemption, the tax savings calculated pursuant to subdivision two of section thirteen hundred six-a of this chapter. Interest shall then be added to each such product at the rate prescribed by section nine hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereon since the levy of taxes upon such assessment roll.
§ 4. Paragraph 5 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(5) Disqualification. A taxpayer shall not qualify for the credit authorized by this subsection if the parcel that serves as the taxpayer's primary residence received the STAR exemption on the assessment roll upon which school district taxes for the associated fiscal year were levied. Provided, however, that the taxpayer may remove this disqualification by renouncing the exemption [and making any required payments] by December thirty-first of the taxable year, as provided by subdivision sixteen of section four hundred twenty-five of the real property tax law, and making any required payments within the time frame prescribed by section four hundred ninety-six of the real property tax law.

§ 5. This act shall take effect immediately.

PART UU

Section 1. Intentionally omitted.
§ 2. Intentionally omitted.
§ 3. Intentionally omitted.
§ 4. Intentionally omitted.
§ 5. Intentionally omitted.
§ 6. Intentionally omitted.
§ 7. Intentionally omitted.
§ 8. Intentionally omitted.
§ 9. Intentionally omitted.
§ 10. Intentionally omitted.
§ 11. Intentionally omitted.
§ 12. Intentionally omitted.
§ 13. Intentionally omitted.
§ 15. Intentionally omitted.
§ 16. Intentionally omitted.
§ 17. The tax law is amended by adding a new article 28-C to read as follows:

ARTICLE 28-C

SUPPLEMENTAL TAX ON VAPOR PRODUCTS

Section 1180. Definitions.

1181. Imposition of tax.
1182. Imposition of compensating use tax.
1183. Vapor products dealer registration and renewal.
1184. Administrative provisions.
1185. Criminal penalties.
1186. Deposit and disposition of revenue.

§ 1180. Definitions. For the purposes of the taxes imposed by this article, the following terms shall mean:

(a) "Vapor product" means any noncombustible liquid or gel, regardless of the presence of nicotine therein, that is manufactured in to a finished product for use in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, vaping pen, hookah pen or other similar device. "Vapor product" shall not include any product approved by the United States food and drug administration as a drug or medical
device, or manufactured and dispensed pursuant to title five-A of article thirty-three of the public health law.

(b) "Vapor products dealer" means a person licensed by the commissioner to sell vapor products in this state.

§ 1181. Imposition of Tax. In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of twenty percent on receipts from the retail sale of vapor products sold in this state. The tax is imposed on the purchaser and collected by the vapor products dealer as defined in subdivision (b) of section eleven hundred eighty of this article, in trust for and on account of the state.

§ 1182. Imposition of compensating use tax. (a) Except to the extent that vapor products have already been or will be subject to the tax imposed by section eleven hundred eighty-one of this article, or are otherwise exempt under this article, there is hereby imposed a use tax on every use within the state of vapor products: (1) purchased at retail; and (2) manufactured or processed by the user if items of the same kind are sold by him or her in the regular course of his or her business.

(b) For purposes of paragraph one of subdivision (a) of this section, the tax shall be at the rate of twenty percent of the consideration given or contracted to be given for such vapor product purchased at retail. For purposes of paragraph two of subdivision (a) of this section, the tax shall be at the rate of twenty percent of the price at which such items of the same kind of vapor product are offered for sale by the user, and the mere storage, keeping, retention or withdrawal from storage of such vapor product by the person that manufactured or processed such vapor product shall not be deemed a taxable use by him or her.

(c) The tax due pursuant to this section shall be paid and reported no later than twenty days after such use on a form prescribed by the commissioner.

§ 1183. Vapor products dealer registration and renewal. (a) Every person who intends to sell vapor products in this state must receive from the commissioner a certificate of registration prior to engaging in business. Such person must electronically submit a properly completed application for a certificate of registration for each location at which vapor products will be sold in this state, on a form prescribed by the commissioner, and shall be accompanied by a non-refundable application fee of three hundred dollars.

(b) A vapor products dealer certificate of registration shall be valid for the calendar year for which it is issued unless earlier suspended or revoked. Upon the expiration of the term stated on the certificate of registration, such certificate shall be null and void. A certificate of registration shall not be assignable or transferable and shall be destroyed immediately upon the vapor products dealer ceasing to do business as specified in such certificate or in the event that such business never commenced.

(c) Every vapor product dealer shall publicly display a vapor products dealer certificate of registration in each place of business in this state where vapor products are sold at retail. A vapor products dealer who has no regular place of business shall publicly display such valid certificate on each of its carts, stands, trucks or other merchandising devices through which it sells vapor products.

(d) (1) The commissioner shall refuse to issue a certificate of registration to any applicant who does not possess a valid certificate of authority under section eleven hundred thirty-four of this chapter. In
addition, the commissioner may refuse to issue a certificate of regis-
tration, or suspend, cancel or revoke a certificate of registration
issued to any person who: (A) has a past-due liability as that term is
defined in section one hundred seventy-one-v of this chapter; (B) has
had a certificate of registration under this article or any license or
registration provided for in this chapter revoked within one year from
the date on which such application was filed; (C) has been convicted of
a crime provided for in this chapter within one year from the date on
which such application was filed; (D) willfully fails to file a report
or return required by this article; (E) willfully files, causes to be be-
filed, gives or causes to be given a report, return, certificate or
affidavit required by this article which is false; (F) willfully fails
to collect or truthfully account for or pay over any tax imposed by this
article; or (G) whose place of business is at the same premises as that
of a person whose vapor products dealer registration has been revoked
and where such revocation is still in effect, unless the applicant or
vapor products dealer provides the commissioner with adequate documenta-
tion demonstrating that such applicant or vapor products dealer acquired
the premises or business through an arm’s length transaction as defined
in paragraph (e) of subdivision one of section four hundred eighty-a of
this chapter.

(2) In addition to the grounds provided in paragraph one of this
subdivision, the commissioner shall refuse to issue a certificate of
registration and shall cancel or suspend a certificate of registration
as directed by an enforcement officer pursuant to article thirteen-F of
the public health law. Notwithstanding any provision of law to the
contrary, an applicant whose application for a certificate of registra-
tion is refused or a vapor products dealer whose registration is
cancelled or suspended under this paragraph shall have no right to a
hearing under this chapter and shall have no right to commence a court
action or proceeding or to any other legal recourse against the commis-
sioner with respect to such refusal, suspension or cancellation;
provided, however, that nothing herein shall be construed to deny a
vapor products dealer a hearing under article thirteen-F of the public
health law or to prohibit vapor products dealers from commencing a court
action or proceeding against an enforcement officer as defined in
section thirteen hundred ninety-nine-aa of the public health law.

(e) If a vapor products dealer is suspended, cancelled or revoked and
such vapor products dealer sells vapor products through more than one
place of business in this state, the vapor products dealer’s certificate
of registration issued to that place of business, cart, stand, truck or
other merchandising device, where such violation occurred, shall be
suspended, revoked or cancelled. Provided, however, upon a vapor
products dealer’s third suspension, cancellation or revocation within a
five-year period for any one or more businesses owned or operated by the
vapor products dealer, such suspension, cancellation, or revocation of
the vapor products dealer’s certificate of registration shall apply to
all places of business where he or she sells vapor products in this
state.

(f) Every holder of a certificate of registration must notify the
commissioner of changes to any of the information stated on the certif-
icate or changes to any information contained in the application for the
certificate of registration. Such notification must be made on or before
the last day of the month in which a change occurs and must be made
electronically on a form prescribed by the commissioner.
(g) Every vapor products dealer who holds a certificate of registration under this article shall be required to reapply for a certificate of registration for the following calendar year on or before the twenty-sixth day of September and such reapplication shall be subject to the same requirements and conditions, including grounds for refusal, as an initial registration under this article, including but not limited to the payment of the three hundred dollar application fee for each retail location.

(h) In addition to any other penalty imposed by this chapter, any vapor products dealer who violates the provisions of this section, (1) for a first violation is liable for a civil fine not less than five thousand dollars but not to exceed twenty-five thousand dollars and such certificate of registration may be suspended for a period of not more than six months; and (2) for a second or subsequent violation within three years following a prior violation of this section, is liable for a civil fine not less than ten thousand dollars but not to exceed thirty-five thousand dollars and such certificate of registration may be suspended for a period of up to thirty-six months; or (3) for a third violation within a period of five years, its vapor products certificate or certificates of registration issued to each place of business owned or operated by the vapor products dealer in this state, shall be revoked for a period of up to five years.

§ 1184. Administrative provisions. (a) Except as otherwise provided for in this article, the taxes imposed by this article shall be administered and collected in a like manner as and jointly with the taxes imposed by sections eleven hundred five and eleven hundred ten of this chapter. In addition, except as otherwise provided in this article, all of the provisions of article twenty-eight of this chapter (except sections eleven hundred seven, eleven hundred eight, eleven hundred nine, and eleven hundred forty-eight) relating to or applicable to the administration, collection and review of the taxes imposed by such sections eleven hundred five and eleven hundred ten, including, but not limited to, the provisions relating to definitions, returns, exemptions, penalties, tax secrecy, personal liability for the tax, and collection of tax from the customer, shall apply to the taxes imposed by this article so far as such provisions can be made applicable to the taxes imposed by this article with such limitations as set forth in this article and such modifications as may be necessary in order to adapt such language to the taxes so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.

(b) Notwithstanding the provisions of subdivision (a) of this section, the exemptions provided in paragraph ten of subdivision (a) of section eleven hundred fifteen of this chapter, and the provisions of section eleven hundred sixteen, except those provided in paragraphs one, two, three and six of subdivision (a) of such section, shall not apply to the taxes imposed by this article.

(c) Notwithstanding the provisions of this section or section eleven hundred forty-six of this chapter, the commissioner may, in his or her discretion, permit the commissioner of health or his or her authorized representative to inspect any return related to the tax imposed by this article and may furnish to the commissioner of health any such return or supply him or her with information concerning an item contained in
any such return, or disclosed by any investigation of a liability under this article.

§ 1185. Criminal penalties. The criminal penalties in sections eighteen hundred one through eighteen hundred seven and eighteen hundred seventeen of this chapter shall apply to this article with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.

§ 1186. Deposit and disposition of revenue. The taxes, interest, and penalties imposed by this article and collected or received by the commissioner shall be deposited daily with such responsible banks, banking houses or trust companies, as may be designated by the comptroller, to the credit of the comptroller in trust for the tobacco control and insurance initiatives pool established by section ninety-two-dd of the state finance law and distributed by the commissioner of health in accordance with section twenty-eight hundred seven-v of the public health law. Such deposits will be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under this article, the comptroller shall retain such amount as the commissioner may determine to be necessary for refunds under this article. Provided, however that the commissioner is authorized and directed to deduct from the amounts he or she receives from the registration fees under section eleven hundred eighty-three of this article, before deposit into the tobacco control and insurance initiatives pool, a reasonable amount necessary to effectuate refunds of appropriations of the department to reimburse the department for the costs incurred to administer, collect and distribute the taxes imposed by this article.

§ 18. Subdivision (a) of section 92-dd of the state finance law, as amended by section 3 of part T of chapter 61 of the laws of 2011, is amended to read as follows:

(a) On and after April first, two thousand five, such fund shall consist of the revenues heretofore and hereafter collected or required to be deposited pursuant to paragraph (a) of subdivision eighteen of section twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t of the public health law, subdivision (b) of section four hundred eighty-two of the tax law and required to be credited to the tobacco control and insurance initiatives pool, subparagraph (O) of paragraph four of subsection (j) of section four thousand three hundred one of the insurance law, section twenty-seven of part A of chapter one of the laws of two thousand two and all other moneys credited or transferred thereto from any other fund or source pursuant to law.

§ 19. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.
§ 20. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however that section seventeen of this act shall take effect on the first day of a quarterly period described in subdivision (b) of section 1136 of the tax law next commencing at least one hundred eighty days after this act shall become a law, and shall apply to sales and uses of vapor products on or after such date.

PART VV

Intentionally Omitted

PART WW

Section 1. Section 1166-a of the tax law, as added by section 1 of part F of chapter 25 of the laws of 2009, is amended to read as follows:

§ 1166-a. Special supplemental tax on passenger car rentals within the metropolitan commuter transportation district. (a) In addition to the tax imposed under section eleven hundred sixty of this article and in addition to any tax imposed under any other article of this chapter, there is hereby imposed and there shall be paid a tax at the rate of [five] six percent upon the receipts from every rental of a passenger car which is a retail sale of such passenger car within the metropolitan commuter transportation district as defined in [subdivision] subsection (a) of section eight hundred of this chapter.

(b) Except to the extent that a passenger car rental described in subdivision (a) of this section, or section eleven hundred sixty-six-b of this article, has already been or will be subject to the tax imposed under such subdivision or section and except as otherwise exempted under this article, there is hereby imposed on every person and there shall be paid a use tax for the use within the metropolitan commuter transportation district as defined in [subdivision] subsection (a) of section eight hundred of this article; of any passenger car rented by the user [which] that is a purchase at retail of such passenger car, but not including any lease of a passenger car to which subdivision (i) of section eleven hundred eleven of this chapter applies. For purposes of this [paragraph] subdivision, the tax shall be at the rate of [five] six percent of the consideration given or contracted to be given for such property, or for the use of such property, including any charges for shipping or delivery as described in paragraph three of subdivision (b) of section eleven hundred one of this chapter, but excluding any credit for tangible personal property accepted in part payment and intended for resale.

§ 2. The tax law is amended by adding a new section 1166-b to read as follows:

§ 1166-b. Special supplemental tax on passenger car rentals outside of the metropolitan commuter transportation district. (a) In addition to the tax imposed under section eleven hundred sixty of this article and in addition to any tax imposed under any other article of this chapter, there is hereby imposed and there shall be paid a tax at the rate of [five] six percent upon the receipts from every rental of a passenger car that is not subject to the tax described in section eleven hundred sixty-six-a of this article, but which is a retail sale of such passenger car within the state.

(b) Except to the extent that a passenger car rental described in subdivision (a) of this section or in section eleven hundred
sixty-six-a of this article, has already been subject to the tax imposed
under such subdivision or section, and except as otherwise exempted
under this article, there is hereby imposed on every person and there
shall be paid a use tax for the use within the state of any passenger
car rented by the user that is a purchase at retail of such passenger
car, but not including any lease of a passenger car to which subdivision
(i) of section eleven hundred eleven of this chapter applies. For
purposes of this subdivision, the tax shall be at the rate of six
percent of the consideration given or contracted to be given for such
property, or for the use of such property, including any charges for
shipping or delivery as described in paragraph three of subdivision (b)
of section eleven hundred one of this chapter, but excluding any credit
for tangible personal property accepted in part payment and intended for
resale.

§ 3. Section 1167 of the tax law, as amended by section 3 of part F of
chapter 25 of the laws of 2009, is amended to read as follows:
§ 1167. Deposit and disposition of revenue. All taxes, interest and
penalties collected or received by the commissioner under this article
shall be deposited and disposed of pursuant to the provisions of section
one hundred seventy-one-a of this chapter, except that after reserving
amounts in accordance with such section one hundred seventy-one-a of
this chapter, the remainder shall be paid by the comptroller to the
credit of the highway and bridge trust fund established by section
eighty-nine-b of the state finance law, provided, however: (a) taxes,
interest and penalties collected or received pursuant to section eleven
hundred sixty-six-a of this article shall be paid to the credit of the
metropolitan transportation authority aid trust account of the metropol-
itan transportation authority financial assistance fund established by
section ninety-two-ff of the state finance law; and (b) taxes, interest
and penalties collected or received pursuant to section eleven hundred
sixty-six-b of this article shall be paid to the credit of the public
transportation systems operating assistance account established by
section eighty-eight-a of the state finance law.
§ 4. This act shall take effect June 1, 2019, and shall apply to
rentals of passenger cars commencing on and after such date whether or
not under a prior contract; provided, however where such passenger car
rentals are billed on a monthly, quarterly or other period basis, the
tax imposed by this act shall apply to the rental for such period if
more than half of the days included in such period are days subsequent
to such effective date.

PART XX

Intentionally Omitted

PART YY

Section 1. The opening paragraph of subdivision 7 of section 221 of
the racing, pari-mutuel wagering and breeding law, as amended by section
1 of part NN of chapter 59 of the laws of 2018, is amended to read as
follows:
In order to pay the costs of the insurance required by this section
and by the workers' compensation law and to carry out its other powers
and duties and to pay for any of its liabilities under section fourteen-a of the workers' compensation law, the New York Jockey Injury
Compensation Fund, Inc. shall ascertain the total funding necessary and
establish the sums that are to be paid by all owners and trainers licensed or required to be licensed under section two hundred twenty of this article, to obtain the total funding amount required annually. In order to provide that any sum required to be paid by an owner or trainer is equitable, the fund shall establish payment schedules which reflect such factors as are appropriate, including where applicable, the geographic location of the racing corporation at which the owner or trainer participates, the duration of such participation, the amount of any purse earnings, the number of horses involved, or such other factors as the fund shall determine to be fair, equitable and in the best interests of racing. In no event shall the amount deducted from an owner's share of purses exceed two per centum; provided, however, for two thousand [eighteen] nineteen through two thousand twenty-one the New York Jockey Injury Compensation Fund, Inc. may use up to two million five hundred thousand dollars from the account established pursuant to subdivision nine of section two hundred eight of this article to pay the annual costs required by this section and the funds from such account shall not count against the two per centum of purses deducted from an owner's share of purses. The amount deducted from an owner's share of purses shall not exceed one per centum after April first, two thousand twenty. In the cases of multiple ownerships and limited racing appearances, the fund shall equitably adjust the sum required.

§ 2. Paragraph (a) of subdivision 9 of section 208 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part NN of chapter 59 of the laws of 2018, is amended to read as follows:

(a) The franchised corporation shall maintain a separate account for all funds held on deposit in trust by the corporation for individual horsemen's accounts. Purse funds shall be paid by the corporation as required to meet its purse payment obligations. Funds held in horsemen's accounts shall only be released or applied as requested and directed by the individual horseman. For two thousand [eighteen] nineteen through two thousand twenty-one the New York Jockey Injury Compensation Fund, Inc. may use up to two million five hundred thousand dollars from the account established pursuant to this subdivision to pay the annual costs required by section two hundred twenty-one of this article.

§ 3. This act shall take effect immediately.

PART ZZ

Section 1. Subdivisions 1, 3 and 5 of section 171-v of the tax law, as added by section 1 of part P of chapter 59 of the laws of 2013, are amended to read as follows:

(1) The commissioner shall enter into a written agreement with the commissioner of motor vehicles, which shall set forth the procedures for the two departments to cooperate in a program to improve tax collection through the suspension of drivers' licenses of taxpayers with past-due tax liabilities equal to or in excess of ten thousand dollars multiplied by the applicable inflation adjustment. For the purposes of this section, the term "tax liabilities" shall mean any tax, surcharge, or fee administered by the commissioner, or any penalty or interest due on these amounts owed by an individual with a New York driver's license, the term "driver's license" means any license issued by the department of motor vehicles, except for a commercial driver's license as defined in section five hundred one-a of the vehicle and traffic law, and the term "past-due tax liabilities" means any tax liability or liabilities which have become fixed and final such that the taxpayer no longer has
any right to administrative or judicial review, and the "applicable inflation adjustment" for a calendar year shall be determined under the principles of section 7345(f) of the Internal Revenue Code of 1986, using the calendar year of the effective date of the chapter of the laws of two thousand nineteen which amended this subdivision as the base period. The ten thousand dollar limitation in this subdivision shall not apply to a taxpayer that the commissioner determines has taken affirmative steps to evade or avoid the collection of tax, such as by hiding assets.

(3) The department shall provide notice to the taxpayer of his or her inclusion in the license suspension program no later than sixty days prior to the date the department intends to inform the commissioner of motor vehicles of the taxpayer's inclusion. However, no such notice shall be issued to a taxpayer: (i) whose wages are being garnished by the department for the payment of past-due tax liabilities or past-due child support or combined child and spousal support arrears; (ii) who receives public assistance or supplemental security income; or (iii) whose income does not exceed two hundred fifty percent of the poverty level as reported by the federal Department of Health and Human Services or any successor agency. Notice shall be provided by first class mail to the taxpayer's last known address as such address appears in the electronic systems or records of the department. Such notice shall include:

(a) a clear statement of the past-due tax liabilities along with a statement that the department shall provide to the department of motor vehicles the taxpayer's name, social security number and any other identifying information necessary for the purpose of suspending his or her driver's license pursuant to this section and subdivision four-f of section five hundred ten of the vehicle and traffic law sixty days after the mailing or sending of such notice to the taxpayer;

(b) a statement that the taxpayer may avoid suspension of his or her license by fully satisfying the past-due tax liabilities, [or], by making payment arrangements satisfactory to the commissioner, [and information as to how] by demonstrating any of the grounds for challenge set forth in subdivision five of this section, or by presenting facts to the commissioner resulting in the commissioner waiving suspension of his or her license based on the equities of the case. Such statement shall include information regarding all of the agency's programs through which the taxpayer can pay the past-due tax liabilities to the department, enter into a payment arrangement or request additional information needed to challenge the suspension under subdivision five of this section or demonstrate the equities of the case;

(c) a statement that the taxpayer's right to protest the notice is limited to raising issues set forth in subdivision five of this section;

(d) a statement that the suspension of the taxpayer's driver's license shall continue until the past-due tax liabilities are fully paid or the taxpayer makes payment arrangements satisfactory to the commissioner; and

(e) any other information that the commissioner deems necessary.

(5) Notwithstanding any other provision of law, and except as specifically provided herein, the taxpayer shall have no right to commence a court action or proceeding or to any other legal recourse against the department or the department of motor vehicles regarding a notice issued by the department pursuant to this section and the referral by the department of any taxpayer with past-due tax liabilities to the department of motor vehicles pursuant to this section for the purpose of suspending the taxpayer's driver's license. A taxpayer may only chal-
length such suspension or referral on the grounds that (i) the individual to whom the notice was provided is not the taxpayer at issue; (ii) the past-due tax liabilities were satisfied; (iii) the taxpayer's wages are being garnished by the department for the payment of the past-due tax liabilities at issue or for past-due child support or combined child and spousal support arrears; (iv) the taxpayer's wages are being garnished for the payment of past-due child support or combined child and spousal support arrears pursuant to an income execution issued pursuant to section five thousand two hundred forty-one of the civil practice law and rules; (v) the taxpayer's driver's license is a commercial driver's license as defined in section five hundred one-a of the vehicle and traffic law; or (vi) the department incorrectly found that the taxpayer has failed to comply with the terms of a payment arrangement made with the commissioner more than once within a twelve month period for the purposes of subdivision three of this section; (vii) the taxpayer receives public assistance or supplemental security income; (viii) the taxpayer's income does not exceed two hundred fifty percent of the poverty level as reported by the federal Department of Health and Human Services or any successor agency; or (ix) payment of the past due tax liabilities will create a hardship for the taxpayer in meeting necessary living expenses.

However, nothing in this subdivision is intended to limit a taxpayer from seeking relief pursuant to an offer in compromise pursuant to subdivision fifteenth of section one hundred seventy-one of this article or from joint and several liability pursuant to section six hundred fifty-four of this chapter, to the extent that he or she is eligible pursuant to [that subdivision] such section, or establishing to the department that the enforcement of the underlying tax liabilities has been stayed by the filing of a petition pursuant to the Bankruptcy Code of 1978 (Title Eleven of the United States Code).

§ 2. The commissioner of taxation and finance is authorized and directed to promulgate any rules and regulations necessary to implement the provisions of this act in accordance with the provisions of the state administrative procedure act.

§ 3. This act shall take effect immediately.

PART AAA

Intentionally Omitted

PART BBB

Section 1. The tax law is amended by adding a new section 1402-b to read as follows:

§ 1402-b. Additional transfer tax on conveyances for consideration of five million dollars or more. (a) In addition to the taxes imposed by sections fourteen hundred two and fourteen hundred two-a of this article, a tax is hereby imposed on each conveyance of real property or interest therein when the consideration for the entire conveyance is five million dollars or more. The rate of such tax shall be three-tenths percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than five million dollars but no more than ten million dollars. The rate of such tax shall be one-half percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than ten million dollars but no more
than fifty million dollars. The rate of such tax shall be seven-tenths percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than fifty million dollars but no more than one hundred million dollars. The rate of such tax shall be nine-tenths percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than one hundred million dollars but no more than two hundred and fifty million dollars. The rate of such tax shall be one and one-tenth percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than two hundred fifty million dollars but no more than five hundred million dollars. The rate of such tax shall be one and three-tenths percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than five hundred million dollars but no more than one billion dollars. The rate of such tax shall be one and one-half percent of the consideration or part thereof attributable to the real property when such consideration for the entire conveyance is no less than one billion dollars.

(b) The taxes, interest, and penalties imposed by this section and collected or received by the commissioner shall be deposited daily with such responsible banks, banking houses or trust companies, as may be designated by the comptroller, to the credit of the comptroller. An account may be established in one or more of such depositories. Such deposits will be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under this section, the comptroller shall retain such amount as the commissioner may determine to be necessary for refunds under this section. The commissioner is authorized and directed to deduct from the amount she or he receives under this section, before deposit into the trust accounts designated by the comptroller, a reasonable amount necessary to effectuate refunds of appropriations of the department to reimburse the department for the costs incurred to administer, collect and distribute the taxes imposed by this section.

(c) Notwithstanding the provisions of subdivision (a) of section fourteen hundred four of this article, the additional tax imposed by this section shall be paid by the grantee. If the grantee has failed to pay the tax imposed by this article at the time required by section fourteen hundred ten of this article or if the grantee is exempt from such tax, the grantor shall have the duty to pay the tax. Where the grantor has the duty to pay the tax because the grantee has failed to pay, such tax shall be the joint and several liability of the grantor and the grantee.

(d) Except as otherwise provided in this section, all the provisions of this article relating to or applicable to the administration, collection, determination and distribution of the tax imposed by section fourteen hundred two of this article shall apply to the tax imposed under the authority of this section with such modifications as may be necessary to adapt such language to the tax so authorized. Such provisions shall apply with the same force and effect as if those provisions had been set forth in this section except to the extent that any provision is either inconsistent with a provision of this section or not relevant to the tax authorized by this section.

§ 2. This act shall take effect April 1, 2019, and shall apply to conveyances occurring on or after the thirtieth day after this act shall have become a law.
Section 1. The real property tax law is amended by adding a new section 307-b to read as follows:

§ 307-b. Additional property tax on certain non-primary residence properties in a city with a population of one million or more. 1. Generally. Notwithstanding any provision of any general, specific or local law to the contrary, any city with a population of one million or more is hereby authorized and empowered to adopt and amend local laws in accordance with this section imposing an additional property tax on certain residential properties.

2. Definitions. As used in this section: (a) "Commissioner of finance" means the commissioner of finance of a city having a population of one million or more, or his or her designee.
(b) "Department of finance" means the department of finance of a city having a population of one million or more.
(c) "Market value" shall mean the current monetary value of the property, using a comparable sale-based valuation method, as determined by the department of finance.

3. Additional tax. A local law enacted pursuant to this section may provide for a real property tax in accordance with the following table for fiscal years beginning on or after July first, two thousand twenty:

<table>
<thead>
<tr>
<th>If the market value of the property is:</th>
<th>The tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $5,000,000 but not over $6,000,000</td>
<td>$0 plus .5% of excess over $5,000,000</td>
</tr>
<tr>
<td>Over $6,000,000 but not over $10,000,000</td>
<td>$5,000 plus 1% of excess over $6,000,000</td>
</tr>
<tr>
<td>Over $10,000,000 but not over $15,000,000</td>
<td>$45,000 plus 1.5% of excess over $10,000,000</td>
</tr>
<tr>
<td>Over $15,000,000 but not over $20,000,000</td>
<td>$120,000 plus 2% of excess over $15,000,000</td>
</tr>
<tr>
<td>Over $20,000,000 but not over $25,000,000</td>
<td>$220,000 plus 3% of excess over $20,000,000</td>
</tr>
<tr>
<td>Over $25,000,000 but not over $25,000,000</td>
<td>$370,000 plus 4% of excess over $25,000,000</td>
</tr>
</tbody>
</table>

4. Property subject to additional tax. Such tax shall be imposed on class one properties, as that term is defined in section eighteen hundred two of this chapter, excluding vacant land, and all other residential real property held in condominium or cooperative form of ownership, that has a market value of over five million dollars and is not the primary residence of the owner or owners of such property, or the primary residence of the parent or child of such owner or owners.

5. Primary residence and/or relationship to owner or owners. The tax shall be a lien on the subject property and collected in the same manner as any other taxes levied on real property. Proof of primary residence and the resident's or residents' relationship to the owner or owners shall be in the form of a certification as required by local law or the rules of the commissioner. Notwithstanding the former, property owners who receive the STAR exemption, or other exemption from real property tax administered by the department of finance on the subject property for which primary residency is a requirement, shall not be required to file an additional certification of proof of primary residence.
6. Rules. The department of finance of any city enacting a local law pursuant to this section shall have, in addition to any other functions, powers and duties which have been or may be conferred on it by law, the power to make and promulgate rules to carry out the purposes of this section including, but not limited to, rules relating the timing, form and manner of any certification required to be submitted under this section.

7. Penalties. (a) Notwithstanding any provision of any general, special or local law to the contrary, an owner or owners shall be personally liable for any taxes owed pursuant to this section whenever such owner or owners fail to comply with this section or the local law or rules promulgated thereunder, or makes such false or misleading statement or omission and the commissioner determines that such act was due to the owner or owners' willful neglect, or that under such circumstances such act constituted a fraud on the department. The remedy provided herein for an action in personam shall be in addition to any other remedy or procedure for the enforcement of collection of delinquent taxes provided by any general, special or local law.

(b) If the commissioner should determine, after notice and an opportunity to be heard, within three years from the filing of an application or certification pursuant to this section, that there was a material misstatement on such application or certification, he or she shall proceed to impose a penalty tax against the property of up to ten thousand dollars, in accordance with the local law or rules promulgated hereunder.

8. Cessation of use. In the event that a property that was not subject to taxation pursuant to this section due to the property having been the primary residence of the owner or owners, or the primary residence of the parent or child of such owner or owners, and such property ceases to be used as the primary residence of such owner or owners or his, her or their parent or child, such owner or owners shall so notify the commissioner of finance in a time, form and manner as so required by local law or the rules of the commissioner.

§ 2. This act shall take effect immediately.

PART DDD

Section 1. Subparagraph (i) of the opening paragraph of section 1210 of the tax law is amended by adding a new clause 42 to read as follows:

(42) the county of Westchester is hereby further authorized and empowered to adopt and amend local laws, ordinances or resolutions imposing such taxes at a rate that is one percent additional to the three percent rate authorized above in this paragraph for such county for the period beginning March first, two thousand nineteen and ending November thirtieth, two thousand twenty-two;

§ 2. Section 1224 of the tax law is amended by adding a new subdivision (jj) to read as follows:

(jj) The county of Westchester shall have the sole right to impose the additional one percent rate of tax which such county is authorized to impose pursuant to the authority of section twelve hundred ten of this article. Such additional rate of tax shall be in addition to any other tax which such county may impose or may be imposing pursuant to this article or any other law and such additional rate of tax shall not be subject to preemption. The maximum three percent rate referred to in this section shall be calculated without reference to the additional one percent rate of tax which the county of Westchester is authorized and
empowered to adopt pursuant to section twelve hundred ten of this article.

§ 3. Section 1262-b of the tax law, as amended by section 1 of part A of chapter 8 of the laws of 2004, is amended to read as follows:

§ 1262-b. The Westchester county property tax stabilization and relief act. (a) Notwithstanding any other provision of law to the contrary, if the county of Westchester imposes sales and compensating use taxes pursuant to subdivision (a) clause forty-two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article at the rate of three four percent:

(1) The county shall allocate net collections from such taxes imposed at the rate of one and one-half percent countywide among the cities and towns of the county on the basis of the ratio which the full valuation of real property in each city or town bears to the aggregate full valuation of real property in all cities and towns of the county. Amounts so allocated shall be credited to each of said cities and towns against the county taxes levied upon real property in said cities and towns.

(2) The county shall allocate and credit or pay net collections received by the county by reason of its additional one percent rate of such taxes on the area of the county outside any city imposing sales and compensating use taxes at a rate of one and one-half percent or greater pursuant to the authority of subdivision (a) or at any rate pursuant to the authority of subdivision (b) clause forty-two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article as follows:

(A) One-third of such net collections shall be allocated and credited in the manner set forth in paragraph one of this subdivision.

(B) One-sixth of such net collections shall be allocated and paid quarterly by the county commissioner of finance, in cash, to the several school districts in such area of the county outside any such city imposing sales and compensating use taxes. Such allocation and payment, to such several school districts, shall be made on the basis of the ratio which the population of each such school district bears to the aggregate population of all of the school districts in such area. In the case of school districts which are partially within and partially without the county, or partially within or partially without the area of the county outside a city imposing sales and compensating use taxes, the allocation and payment to each such school district shall be made on the basis of the population in such school district in the county, or in such area of the county outside a city imposing sales and compensating use taxes, as the case may be. Such populations shall be determined in accordance with the latest federal census or special population census under section twenty of the general municipal law completed and published prior to the end of the quarter in which such allocation and payment are made, which special population census shall include the entire area of the county; provided that such special population census shall not be taken more than once in every two years. A school district split between Westchester county and another county shall apply such allocation and payment solely to the benefit of the residents of the county in which the sales and compensating use taxes are imposed.

(C) One-half of such net collections shall be allocated and paid quarterly by the county commissioner of finance, in cash, to the cities not imposing sales and compensating use taxes and to the towns and villages on which such additional one percent rate is imposed, on the basis of the ratio which the population of each such city, town or village on which such additional one percent rate is imposed bears to the entire
A. 2009--B

population of all such cities, towns and villages in the area on which such additional one percent rate is imposed. Such populations shall be determined in accordance with the latest federal census or special population census under section twenty of the general municipal law completed and published prior to the end of the quarter in which such allocation is made, which special population census shall include the entire area of the county; provided that such special population census shall not be taken more than once in every two years.

(D) The quarterly allocation and payment of cash to cities, towns, villages and school districts provided for under this paragraph and under paragraph three of this subdivision may be made after payment by the state comptroller to the county of the net collections subject to such allocation and receipt by the county commissioner of finance of the quarterly settlement report issued by the department, and may include adjustments for corrections applicable to such allocations. All ratios established by the county commissioner of finance with respect to allocations to cities, towns, villages and school districts under this subdivision shall be carried to four decimal places. The allocation of net collections and payment of cash provided for under this paragraph and under paragraph three of this subdivision shall be made to a town based upon the population of the town less the population of any village therein, provided that a town/village or village/town shall be deemed a village for the purpose of determining such allocation. The allocation of net collections and payment of cash provided for under this paragraph and under paragraph three of this subdivision shall be applied by the cities, towns, villages and school districts receiving such allocation and payment as a credit against the taxes upon real property imposed by such municipalities and school districts, respectively. The allocation and payment received by towns shall be credited against real property taxes in either the general fund town-wide or the town outside village fund or a combination thereof.

(3) The county shall allocate and credit or pay net collections received by the county by reason of its additional one and one-half percent rate of such taxes imposed on the area of the county outside any city imposing sales and compensating use taxes at a rate of one and one-half percent or greater pursuant to the authority of subdivision (a) or at any rate pursuant to the authority of subdivision (b) of section twelve hundred ten of this article as follows:

(A) Seventy percent of such net collections shall be retained by the county to be used for any county purpose.

(B) Ten percent of such net collections shall be allocated and paid in the manner set forth in subparagraph (B) of paragraph two of this subdivision.

(C) Twenty percent of such net collections shall be allocated and paid in the manner set forth in subparagraph (C) of paragraph two of this subdivision.

(b) Nothing in this section shall be construed to impair the powers of a city currently imposing sales and compensating use taxes pursuant to the authority of section twelve hundred ten of this article from continuing to do so in accordance with law. No school district in any city imposing such sales and compensating use taxes shall be entitled to receive a cash allocation and payment under paragraph two or three of subdivision (a) of this section. No city, town or village authorized or entitled to receive an allocation under subparagraph (C) of paragraph two or subparagraph (C) of paragraph three of subdivision (a) of this
section shall be authorized or entitled to receive any cash allocation under section twelve hundred sixty-two of this article.

§ 4. Subdivision e of section 4 and sections 5, 7 and 16 of chapter 272 of the laws of 1991, amending the tax law relating to the method of disposition of sales and compensating use tax revenue in Westchester county and enacting the Westchester county spending limitation act, as amended by chapter 81 of the laws of 2017, are amended to read as follows:


§ 5. Establishment of annual spending limitation. a. For county fiscal years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 there shall be in effect an annual spending limitation. The spending limitation shall be derived from a fixed percentage reflecting the ratio of base year spending to county personal income. County personal income for such calculation shall be for the period January 1, 1986 through December 31, 1986. Such percentage shall be applied to county personal income for the period January 1, 1989 through December 31, 1989, to determine the spending limitation for county fiscal year 1992; to determine the spending limitation for county fiscal year 1993, such percentage shall be applied to county personal income for the period January 1, 1990 through December 31, 1990; to determine the spending limitation for county fiscal year 1994, such percentage shall be applied to county personal income for the period January 1, 1991 through December 31, 1991; to determine the spending limitation for county fiscal year 1995, such percentage shall be applied to county personal income for the period January 1, 1992 through December 31, 1992; to determine the spending limitation for county fiscal year 1996, such percentage shall be applied to county personal income for the period January 1, 1993 through December 31, 1993; to determine the spending limitation for county fiscal year 1997, such percentage shall be applied to county personal income for the period January 1, 1994 through December 31, 1994; to determine the spending limitation for county fiscal year 1998, such percentage shall be applied to county personal income for the period January 1, 1995 through December 31, 1995; to determine the spending limitation for county fiscal year 1999, such percentage shall be applied to county personal income for the period January 1, 1996 through December 31, 1996; to determine the spending limitation for county fiscal year 2000, such percentage shall be applied to county personal income for the period January 1, 1997 through December 31, 1997; to determine the spending limitation for county fiscal year 2001, such percentage shall be applied to county personal income for the period January 1, 1998 through December 31, 1998; to determine the spending limitation for county fiscal year 2002, such percentage shall be applied to county personal income for the period January 1, 1999 through December 31, 1999; to determine the spending limitation for county fiscal year 2003, such percentage shall be applied to county personal income for the period January 1, 2000 through December 31, 2000; to determine the spending limitation for county fiscal year 2004, such percentage shall be applied to county personal income for the period January 1, 2001 through December 31, 2001; to determine the spending limitation for county fiscal year 2005,
such percentage shall be applied to county personal income for the period January 1, 2002 through December 31, 2002; to determine the spending limitation for county fiscal year 2006, such percentage shall be applied to county personal income for the period January 1, 2003 through December 31, 2003; to determine the spending limitation for the county fiscal year 2007, such percentage shall be applied to county personal income for the period January 1, 2004 through December 31, 2004; to determine the spending limitation for the county fiscal year 2008, such percentage shall be applied to county personal income for the period January 1, 2005 through December 31, 2005; to determine the spending limitation for the county fiscal year 2009, such percentage shall be applied to county personal income for the period January 1, 2006 through December 31, 2006; to determine the spending limitation for the county fiscal year 2010, such percentage shall be applied to county personal income for the period January 1, 2007 through December 31, 2007; to determine the spending limitation for the county fiscal year 2011, such percentage shall be applied to county personal income for the period January 1, 2008 through December 31, 2008; to determine the spending limitation for the county fiscal year 2012, such percentage shall be applied to county personal income for the period January 1, 2009 through December 31, 2009; to determine the spending limitation for the county fiscal year 2013, such percentage shall be applied to county personal income for the period January 1, 2010 through December 31, 2010; to determine the spending limitation for the county fiscal year 2014, such percentage shall be applied to county personal income for the period January 1, 2011 through December 31, 2011; to determine the spending limitation for the county fiscal year 2015, such percentage shall be applied to county personal income for the period January 1, 2012 through December 31, 2012; to determine the spending limitation for county fiscal year 2016, such percentage shall be applied to the county personal income for the period January 1, 2013 through December 31, 2013; to determine the spending limitation for the county fiscal year 2017, such percentage shall be applied to county personal income for the period January 1, 2014 through December 31, 2014; and to determine the spending limitation for county fiscal year 2018, such percentage shall be applied to county personal income for the period January 1, 2015 through December 31, 2015; to determine the spending limitation for the county fiscal year 2019, such percentage shall be applied to county personal income for the period January 1, 2016 through December 31, 2016; and to determine the spending limitation for county fiscal year 2020, such percentage shall be applied to the county personal income for the period January 1, 2017 through December 31, 2017; and to determine the spending limitation for the county fiscal year 2021, such percentage shall be applied to county personal income for the period January 1, 2018 through December 31, 2018; and to determine the spending limitation for the county fiscal year 2022, such percentage shall be applied to county personal income for the period January 1, 2019 through December 31, 2019.

b. The spending limitation shall serve as a statutory cap on county spending to be reflected in the tentative budget as well as the enacted budget for county fiscal years beginning in 1992.

2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 [●]. § 16. This act shall take effect immediately, provided, however, that sections one through seven of this act shall be in full force and effect until [May 31, 2020, provided, however, that if the county of Westchester imposes the tax authorized by section 1210 of the tax law in excess of three percent, then sections one through seven of this act shall be deemed repealed; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission upon the repeal of section 1262-b of the tax law pursuant to section seven of the Westchester county spending limitation act in order that the commission may maintain an accurate and timely effective data base of the official text of laws of the state of New York in furtherance of effecting the provisions of section 44 of the legislative law and section 70-b of the public officers law] November 30, 2022.

§ 5. This act shall take effect immediately; provided that the amendments to section 1262-b of the tax law made by section three of this act shall not affect the expiration of such section and shall expire therewith; provided, further, that the amendments to sections 4, 5, and 7 of chapter 272 of the laws of 1991 shall not affect the expiration of such sections and shall expire therewith.

PART EEE

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

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

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

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

(3) "Credit-eligible capital contribution" means an investment of cash by a person in a rural business growth fund that equals the amount specified on a tax credit certificate issued by the department under subparagraph (B) of paragraph six of subdivision (b) of this section. The investment shall purchase an equity interest in the rural business growth fund or purchase, at par value or premium, a debt instrument issued by the rural growth fund that meets all of the following criteria:

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

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

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

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

(5) "Jobs created" means the number of persons employed by a rural
business concern having received a growth investment from a rural busi-
ness growth fund during the taxable year which shall be determined by
ascertaining the number of such individuals employed full-time by such
rural business concern on the thirty-first day of March, the thirtieth
day of June, the thirtieth day of September and the thirty-first day of
December during each taxable year following its initial growth invest-
ment, by adding together the number of such individuals ascertained on
each of such dates and dividing the sum so obtained by the number of
dates occurring within such taxable year in the amount that such number
exceeds the jobs retained number. An individual employed full-time means
an employee in a job consisting of at least thirty-five hours per week,
or two or more employees who are in jobs that together constitute the
equivalent of a job of at least thirty-five hours per week.

(6) "Jobs retained" means the number of persons employed by a rural
business concern having received a growth investment from a rural busi-
ness growth fund during the taxable year which shall be determined by
ascertaining the number of such individuals employed full-time by such
rural business concern on the thirty-first day of March, the thirtieth
day of June, the thirtieth day of September and the thirty-first day of
December during the year in which the rural business concern received
its initial growth investment from a rural business growth fund, by
adding together the number of such individuals ascertained on each of
such dates and dividing the sum so obtained by the number of dates
occurring within such taxable year. An individual employed full-time
means an employee in a job consisting of at least thirty-five hours per
week, or two or more employees who are in jobs that together constitute
the equivalent of a job of at least thirty-five hours per week.

(7) A business's "principal business operations" are in New York state
if New York state is its principal place of business and at least eighty
percent of the business's employees work in New York state, or the busi-
ness has agreed to use the proceeds of a rural growth investment to
relocate at least eighty percent of its employees to New York state
within twelve months of receiving the investment by a rural business
growth fund.

(8) "Rural area" shall have the same meaning as defined in subdivision
seven of section four hundred eighty-one of the executive law.

(9) "Rural business concern" means an operating company that, at the
time of the initial investment in the company by a rural business growth
fund employs no more than one hundred fifty full-time equivalent employ-
ees or has earned not more than ten million dollars in net income for
the preceding taxable year, and meets either of the following criteria:

(A) The business’s principal business operations are located in a
rural area in New York state and is an agricultural enterprise or is
related to the use of agricultural products or forest products, or is an
enterprise in one of the following industries: manufacturing, computer
hardware or software, tourism, agribusiness development to stimulate the
development and implementation of new and alternative production, proc-
essing, storage, distribution and marketing technology and improvements
for New York food, agriculture and forest products or if not engaged in
any of these industries, the department determines that the investment
will be beneficial to the qualified location and the economic growth of
New York state; or
(B) The business produces or provides any goods principally used by farmers, ranchers, or producers and harvesters of aquatic products in their business operations, or is involved in the processing and marketing of agricultural products, farm supply, and input suppliers, provided that such business is located in a municipality, as defined in section four hundred eighty-one of the executive law, in New York state with a population of less than fifty thousand. For the purposes of this section, "net income" means federal adjusted gross income as required to be reported under the Internal Revenue Code less federal and state taxes imposed on or measured by income. Any business which is classified as a rural business concern at the time of the initial investment in said business by a rural business growth fund shall remain classified as a rural business concern and may receive follow-on investments from any rural business growth fund, and such follow-on investments shall qualify as a rural growth investment provided it otherwise meets the definition of rural business concern with the exception of the employee limitation and net income limitation in such definition.

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

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

(12) "Tax credit certificate" means the document issued by the department to a taxpayer who has made a credit-eligible capital contribution to a rural business growth fund.

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

(14) "Department", as used in this section, means the department of economic development.

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

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

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

(ii) As of the date the application is submitted, the applicant has invested more than one hundred million dollars in operating companies in rural areas located inside or outside of New York state and at least twenty-five million dollars in operating companies located in New York state. In computing investments under this subdivision, the applicant may include investments made by affiliates of the applicant.

(C) An estimate of the number of (i) jobs that will be created in the rural areas of New York state as a result of the applicant’s rural growth investments, (ii) jobs that will be retained in the rural areas of New York state as a result of the applicants rural growth investments, and (iii) the anticipated average wage per job.
(D) A revenue impact assessment for the applicant's proposed rural
growth investments prepared by a nationally recognized third-party inde-
pendent economic forecasting firm using a dynamic economic forecasting
model. The revenue impact assessment shall analyze the applicant's
business plan over the ten years following the date the application is
submitted to the department.

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

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

(G) A strategy, as part of its business plan, to make reasonable
efforts to invest in businesses that are environmentally sensitive and
utilize resources that promote a clean environment and energy conserva-
tion.

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

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

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

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

(D) The revenue impact assessment submitted under subparagraph (D) of
paragraph one of this subdivision does not demonstrate that the appli-
cant’s business plan will result in a positive economic impact on this
state over a ten-year period that exceeds the credit eligible capital
contributions sought by the applicant.

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

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

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

(5) If approving multiple simultaneously submitted applications would
result in exceeding the overall eligible investment limit prescribed by
paragraph two of this subdivision, the department shall proportionally
reduce the eligible investment authority and the credit-eligible capital
contributions for each approved application as necessary to avoid
exceeding the limit.

(6) If the department approves such application, the department shall:
(A) issue a written notice certifying that the applicant qualifies as a
rural business growth fund and specifying the amount of the applicant's
eligible investment authority and the number of jobs created and jobs
retained required of the rural business growth fund determined by multi-
plying the estimated number of jobs created and jobs retained set forth
in the rural business growth fund's application by a fraction, the
numerator of which is the investment authority awarded to the rural
business growth fund and the denominator of which is the investment
authority for which the rural business growth fund applied; (B) to each
investor whose affidavit was included in the application, issue a tax
credit certificate specifying the amount of the investor's credit-eligible
capital contribution; and (C) to the commissioner, a copy of each
tax credit certificate issued under subparagraph (B) of this paragraph.

(7) A rural business growth fund shall complete all of the following
within sixty days of receiving the written notice issued under paragraph
six of this subdivision:
(A) Collect the credit-eligible capital contributions from each inves-
tor whose credit-eligible capital contributions are described in affida-
vits submitted pursuant to subparagraph (E) of paragraph one of this
subdivision.
(B) Collect one or more investments of cash, which shall purchase an
equity interest in the rural growth fund or a debt instrument issued by
the rural growth fund at par value or premium, with a maturity date of
at least five years from the closing date that, when added to the
contributions collected under subparagraph (A) of this paragraph, equal
the fund's eligible investment authority. At least ten percent of the
fund's eligible investment authority shall be comprised of equity
investments contributed by affiliates of the rural business growth fund,
including employees, officers, and directors of such affiliates.
(C) Send to the department documentation sufficient to prove that the
amounts described in subparagraphs (A) and (B) of this paragraph have
been collected. If the rural business growth fund fails to fully comply
with this paragraph, the fund's certification shall lapse.

(8) Eligible investment authority and corresponding credit-eligible
capital contributions that lapse under paragraph seven of this subdivi-
sion do not count toward limits on total eligible investment authority
and credit-eligible capital contributions prescribed in paragraph two of
this subdivision. Once eligible investment authority has lapsed, the
department shall first award lapsed authority pro rata to each rural
business growth fund that was awarded less than the requested eligible
investment authority under paragraph five of this subdivision. Any
remaining eligible investment authority may be awarded by the department
to new applicants.
(9) Application fees submitted to the department pursuant to subpara-
graph (F) of paragraph one of this subdivision shall be credited to the
New York agriculture and rural jobs fund, created in section ninety-
nine-ff of the state finance law.

(c) Revocation of certification and penalties. (1) The department
shall revoke a tax credit certificate issued under subdivision (b) of
this section if any of the following occur with respect to a rural busi-
ness growth fund before the fund exits the program under paragraph five
of this subdivision.

(A) The rural business growth fund in which the credit-eligible capi-
tal contribution was made does not invest sixty percent of its eligible
investment authority in rural growth investments in this state within
two years of the closing date and one hundred percent of its eligible
investment authority in rural growth investments in this state within
three years of the closing date.

(B) After investing one hundred percent of its eligible investment
authority in rural growth investments in this state, the rural business
growth fund fails to maintain that investment until the seventh anniver-
sary of the closing date. For the purposes of this section, an invest-
ment is "maintained" even if the investment is sold or repaid so long as
the rural business growth fund reinvests an amount equal to the capital
returned or recovered by the fund from the original investment, exclu-
dive of any profits realized, in other rural growth investments in this
state within twelve months of the receipt of such capital. Amounts
received periodically by a rural business growth fund shall be treated
as continually invested in rural growth investments if the amounts are
reinvested in one or more rural growth investments by the end of the
following calendar year. A rural business growth fund is not required to
reinvest capital returned from rural growth investments in the six
months immediately preceding the seventh anniversary of the closing
date, and such rural growth investments shall be considered held contin-
uously by the rural growth fund through the seventh anniversary of the
closing date.

(C) The rural business growth fund invests more than the greater of
five million dollars or twenty percent of its eligible investment
authority in the same rural business concern, including amounts invested
in affiliates of the rural business concern but excluding amounts rein-
vested in the rural business growth fund with repaid or redeemed rural
business growth investments, provided such reinvestments shall not count
towards the requirement of subparagraph (A) of this paragraph.

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

(2) Before taking action under paragraph one of this subdivision, the
department shall notify the rural business growth fund of the reasons
for the pending action. If the rural business growth fund corrects the
violations, other than violations of subparagraph (D) of paragraph one
of this subdivision, outlined in the notice to the satisfaction of the depart-
ment within one hundred eighty days of the date of the notice was
sent, the department shall not revoke the tax credit certificates or
levy a fine.
If the department revokes a tax credit certificate under paragraph one of this subdivision, it shall notify the commissioner, who shall make an assessment for the amount of the credit claimed by the certificate holder before the certificate was revoked. The commissioner shall make the assessment within one year after the certificate has been revoked.

If tax credit certificates are revoked under paragraph one of this subdivision, the associated eligible investment authority and credit-eligible capital contributions do not count toward the limit on total eligible investment authority and credit-eligible capital contributions described by paragraph two of subdivision (b) of this section. The department shall first award reverted authority pro rata to each rural business growth fund that was awarded less than the requested eligible investment authority under paragraph five of subdivision (b) of this section. Any remaining eligible investment authority may be awarded by the department to new applicants.

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

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

The department shall not revoke a tax credit certificate due to any actions of a rural business growth fund that occur after the date the fund’s application for exiting the program is approved under subparagraph (A) of paragraph six of subdivision (b) of this section.

A rural business growth fund is subject to a penalty in the amount provided by paragraph seven of this subdivision if:

(A) the rural business growth fund authorizes a distribution to the rural business growth fund's equity or debt holders in an amount that, when added to all previous distributions to the rural business growth fund’s equity and debt holders and any previous penalties under this section, exceeds the rural business growth fund’s investment authority; and

(B) the number of jobs created and jobs retained as reported in each of the annual reports submitted under paragraph one of subdivision (d) of this section is less than the number of jobs created and jobs retained as set forth in the rural business growth fund’s notice of approval pursuant to subparagraph (A) of paragraph six of subdivision (b) of this section.

The amount of the penalty pursuant to paragraph six of this subdivision shall be equal to the amount of the tax credit certificate issued under subparagraph (B) of paragraph six of subdivision (b) of this section multiplied by a fraction:

(A) the numerator of which is the number of jobs created and jobs retained set forth in the rural business growth fund’s notice of approval under subparagraph (A) of paragraph six of subdivision (b) of
this section less the sum of jobs created and jobs retained reported to
the department annually pursuant to paragraph one of subdivision (d) of
this section; and
(B) the denominator of which is the number of jobs created and jobs
retained set forth in the rural business growth fund’s notice of
approval under subparagraph (A) of paragraph six of subdivision (b) of
this section.
(8) Before making a distribution to the rural business growth fund’s
equity holders, the rural business growth fund shall deduct the amount
of the penalty as calculated pursuant to paragraph seven of this subdi-
vision from the amount otherwise authorized to be distributed to the
equity holders and pay the penalty to the department.
(9) A rural business growth fund shall, prior to making a rural growth
investment, request from the department a written determination as to
whether the business entity in which it proposes to invest qualifies as
a rural business concern. Such request shall be in a form prescribed by
the department. Rural business concern determination requests shall be
accepted, reviewed, and approved on a rolling basis. The department,
not later than the twentieth business day after the date of receipt of
such request, provided the request includes all of the required informa-
tion to perform such review, shall notify the rural business growth fund
of its determination. If the department fails to notify such fund of its
determination within such twenty business days, the business in which
the rural business growth fund proposes to invest shall be deemed to
qualify as a rural business concern.
(d) Reports. (1) A rural business growth fund shall submit a report to
the department on or before the fifth business day after each anniver-
sary of the closing date until the rural business growth fund has exited
the program in accordance with paragraph five of subdivision (c) of this
section. The report shall document the rural business growth fund’s
growth investments and shall include, but shall not be limited to:
(A) A bank statement showing each rural growth investment;
(B) The name, location, and industry of each rural business concern
receiving a rural growth investment, including either the determination
notice described by paragraph nine of subdivision (c) of this section or
evidence that such determination was requested and no notice was
provided;
(C) The number of jobs created and jobs retained in the preceding
twelve month reporting period as a result of the rural business growth
fund’s rural growth investments as of the last day of that period;
(D) The average annual salary of the jobs described by subparagraph
(C) of this paragraph; and
(E) Any other information deemed pertinent by the rural business
growth fund or required by the department.
(2) The department shall adopt rules necessary to implement this
subdivision.
§ 2. Section 1511 of the tax law is amended by adding a new subdivi-
sion (dd) to read as follows:
(dd) Credit for certain investments to a rural business growth fund.
(1) There is hereby allowed a nonrefundable tax credit for taxpayers
that made a credit-eligible capital contribution to a rural business
growth fund and were issued a tax credit certificate under subparagraph
(B) of paragraph six of subdivision (b) of section forty-four of this
chapter. The credit may be claimed against the tax imposed by this arti-
cle. The credit may not be sold, transferred, or allocated to any entity
other than an affiliate of the taxpayer.
(2) The taxpayer may claim up to twenty-five percent of the eligible investment authority for the fifth anniversary of the closing date and up to twenty percent of the eligible investment authority for the sixth and seventh anniversaries of the closing date in connection with the certificate issued, exclusive of amounts carried forward pursuant to paragraph three of this subdivision.

(3) If the amount of the credit for a taxable year exceeds the tax otherwise due for that year, the excess shall be carried forward to ensuing taxable years. A taxpayer claiming a credit under this section shall submit a copy of the tax credit certificate with the taxpayer’s return for each taxable year for which the credit is claimed.

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

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

2. The taxpayer may claim up to twenty-five percent of the eligible investment authority for the fifth anniversary of the closing date and up to twenty percent of the eligible investment authority for the sixth and seventh anniversaries of the closing date in connection with the certificate issued, exclusive of amounts carried forward pursuant to subdivision three of this section. In no event shall the credit under this section be allowed in an amount which will reduce the tax payable to less than the applicable minimum tax fixed by section one hundred eighty-three of this article.

3. If the amount of the credit for a taxable year exceeds the tax otherwise due for that year, the excess shall be carried forward to ensuing taxable years. A taxpayer claiming a credit under this section shall submit a copy of the tax credit certificate with the taxpayer’s return for each taxable year for which the credit is claimed.

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

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

(2) Amount of credit claimed. The taxpayer may claim up to twenty-five percent of the eligible investment authority for the fifth anniversary of the closing date and up to twenty percent of the eligible investment authority for the sixth and seventh anniversaries of the closing date in connection with the certificate issued, exclusive of amounts carried forward pursuant to paragraph three of this subdivision.

(3) Application of credit. 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. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable
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§ 5. The state finance law is amended by adding a new section 99-ff to read as follows:

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

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

3. Moneys of the fund, following appropriation by the legislature shall be expended only for the purposes of providing funding for the New York agriculture and rural jobs credit set forth in section forty-four of the tax law. Moneys shall be paid out of the fund on the audit and warrant of the state comptroller on vouchers approved and certified by the commissioner of taxation and finance. Any interest received by the comptroller on moneys on deposit in the New York agriculture and rural jobs fund shall be retained in and become part of such fund.

§ 6. This act shall take effect July 1, 2019.

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

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