

STATE OF NEW YORK

2009--B

IN ASSEMBLY

January 18, 2019

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.

LBD12574-03-9

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, in relation to the office of 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:

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

12 PART A

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14 law is REPEALED.

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16 istrative code of the city of New York is REPEALED.

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18 REPEALED.

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20 trative code of the city of New York is REPEALED.

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

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

26 (a) the amendments to section 29 of the tax law made by section thir-
27 teen of this act shall apply to tax documents filed or required to be
28 filed on or after the sixtieth day after which this act shall have
29 become a law [~~and shall expire and be deemed repealed December 31,~~
30 ~~2019~~], provided however that the amendments to paragraph 4 of subdivi-
31 sion (a) of section 29 of the tax law and paragraph 2 of subdivision (e)
32 of section 29 of the tax law made by section thirteen of this act with
33 regard to individual taxpayers shall take effect September 15, 2011 but
34 only if the commissioner of taxation and finance has reported in the
35 report required by section seventeen-b of this act that the percentage
36 of individual taxpayers electronically filing their 2010 income tax
37 returns is less than eighty-five percent; provided that the commissioner
38 of taxation and finance shall notify the legislative bill drafting
39 commission of the date of the issuance of such report in order that the
40 commission may maintain an accurate and timely effective data base of
41 the official text of the laws of the state of New York in furtherance of
42 effectuating the provisions of section 44 of the legislative law and
43 section 70-b of the public officers law;

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

50 (c) sections fourteen-a and fifteen-a of this act shall take effect
51 September 15, 2011 and expire and be deemed repealed December 31, 2012

1 but shall take effect only if the commissioner of taxation and finance
 2 has reported in the report required by section seventeen-b of this act
 3 that the percentage of individual taxpayers electronically filing their
 4 2010 income tax returns is eighty-five percent or greater[+]

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

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

13 § 6. This act shall take effect immediately.

14 PART B

15 Section 1. Subdivision 3 of section 441 of the economic development
 16 law, as amended by section 1 of part L of chapter 59 of the laws of
 17 2017, is amended to read as follows:

18 3. "Eligible training" means (a) training provided by the business
 19 entity or an approved provider that is:

- 20 (i) to upgrade, retrain or improve the productivity of employees;
- 21 (ii) provided to employees in connection with a significant capital
 22 investment by a participating business entity;
- 23 (iii) determined by the commissioner to satisfy a business need on the
 24 part of a participating business entity;
- 25 (iv) not designed to train or upgrade skills as required by a federal
 26 or state entity;
- 27 (v) not training the completion of which may result in the awarding of
 28 a license or certificate required by law in order to perform a job func-
 29 tion; and

30 (vi) not culturally focused training; or
 31 (b) an internship program in advanced technology [ex], life sciences,
 32 software development or clean energy approved by the commissioner and
 33 provided by the business entity or an approved provider, on or after
 34 August first, two thousand fifteen, to provide employment and experience
 35 opportunities for current students, recent graduates, and recent members
 36 of the armed forces.

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

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

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

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

49 § 4. This act shall take effect immediately.

50 PART C

51 Section 1. Section 210-A of the tax law is amended by adding a new
 52 subdivision 5-a to read as follows:

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

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

15 5-a. Notwithstanding any other provision of this section, net global
16 intangible low-taxed income shall be included in the receipts fraction
17 as provided in this subdivision. Receipts constituting net global
18 intangible low-taxed income shall not be included in the numerator of
19 the receipts fraction. Receipts constituting net global intangible low-
20 taxed income shall be included in the denominator of the receipts frac-
21 tion. For purposes of this subdivision, the term "net global intangible
22 low-taxed income" means the amount required to be included in the
23 taxpayer's federal gross income pursuant to subsection (a) of section
24 951A of the internal revenue code less the amount of the deduction
25 allowed under clause (i) of section 250(a)(1)(B) of such code.

26 § 3. Subparagraph (2) of paragraph (a) of subdivision (3) of section
27 11-604 of the administrative code of the city of New York is amended by
28 adding a new clause (E) to read as follows:

29 (E) notwithstanding any other provision of this paragraph, net global
30 intangible low-taxed income shall be included in the receipts fraction
31 as provided in this clause. Receipts constituting net global intangible
32 low-taxed income shall not be included in the numerator of the receipts
33 fraction. Receipts constituting net global intangible low-taxed income
34 shall be included in the denominator of the receipts fraction. For
35 purposes of this clause, the term "net global intangible low-taxed
36 income" means the amount that would have been required to be included in
37 the taxpayer's federal gross income pursuant to subsection (a) of
38 section 951A of the internal revenue code less the amount of the
39 deduction that would have been allowed under clause (i) of section
40 250(a)(1)(B) of such code if the taxpayer had not made an election under
41 subchapter s of chapter one of the internal revenue code.

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

44 PART D

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

48 (vi) for taxable years beginning on or after January first, two thou-
49 sand fourteen, the amount prescribed by this paragraph for a taxpayer
50 [~~which~~] that is a qualified New York manufacturer, shall be computed at
51 the rate of zero percent of the taxpayer's business income base. The
52 term "manufacturer" shall mean a taxpayer [~~which~~] that during the taxa-
53 ble year is principally engaged in the production of goods by manufac-
54 turing, processing, assembling, refining, mining, extracting, farming,

1 agriculture, horticulture, floriculture, viticulture or commercial fish-
2 ing. However, the generation and distribution of electricity, the
3 distribution of natural gas, and the production of steam associated with
4 the generation of electricity shall not be qualifying activities for a
5 manufacturer under this subparagraph. Moreover, in the case of a
6 combined report, the combined group shall be considered a "manufacturer"
7 for purposes of this subparagraph only if the combined group during the
8 taxable year is principally engaged in the activities set forth in this
9 paragraph, or any combination thereof. A taxpayer or, in the case of a
10 combined report, a combined group shall be "principally engaged" in
11 activities described above if, during the taxable year, more than fifty
12 percent of the gross receipts of the taxpayer or combined group, respec-
13 tively, are derived from receipts from the sale of goods produced by
14 such activities. In computing a combined group's gross receipts, inter-
15 corporate receipts shall be eliminated. A "qualified New York manufac-
16 turer" is a manufacturer [~~which~~] that has property in New York [~~which~~]
17 that is described in clause (A) of subparagraph (i) of paragraph (b) of
18 subdivision one of section two hundred ten-B of this article and either
19 (I) the adjusted basis of such property for [~~federal-income~~] New York
20 state tax purposes at the close of the taxable year is at least one
21 million dollars or (II) all of its real and personal property is located
22 in New York. A taxpayer or, in the case of a combined report, a combined
23 group, that does not satisfy the principally engaged test may be a qual-
24 ified New York manufacturer if the taxpayer or the combined group
25 employs during the taxable year at least two thousand five hundred
26 employees in manufacturing in New York and the taxpayer or the combined
27 group has property in the state used in manufacturing, the adjusted
28 basis of which for [~~federal-income~~] New York state tax purposes at the
29 close of the taxable year is at least one hundred million dollars.

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

33 (2) For purposes of subparagraph one of this paragraph, the term
34 "manufacturer" shall mean a taxpayer [~~which~~] that during the taxable
35 year is principally engaged in the production of goods by manufacturing,
36 processing, assembling, refining, mining, extracting, farming, agricul-
37 ture, horticulture, floriculture, viticulture or commercial fishing.
38 Moreover, for purposes of computing the capital base in a combined
39 report, the combined group shall be considered a "manufacturer" for
40 purposes of this subparagraph only if the combined group during the
41 taxable year is principally engaged in the activities set forth in this
42 subparagraph, or any combination thereof. A taxpayer or, in the case of
43 a combined report, a combined group shall be "principally engaged" in
44 activities described above if, during the taxable year, more than fifty
45 percent of the gross receipts of the taxpayer or combined group, respec-
46 tively, are derived from receipts from the sale of goods produced by
47 such activities. In computing a combined group's gross receipts, inter-
48 corporate receipts shall be eliminated. A "qualified New York manufac-
49 turer" is a manufacturer that has property in New York that is described
50 in clause (A) of subparagraph (i) of paragraph (b) of subdivision one of
51 section two hundred ten-B of this article and either (i) the adjusted
52 basis of that property for [~~federal-income~~] New York state tax purposes
53 at the close of the taxable year is at least one million dollars or (ii)
54 all of its real and personal property is located in New York. In addi-
55 tion, a "qualified New York manufacturer" means a taxpayer that is
56 defined as a qualified emerging technology company under paragraph (c)

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 [~~federal income~~] New York
10 state tax purposes at the close of the taxable year is at least one
11 hundred million dollars.

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

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

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

25

PART E

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

30 § 5. This act shall take effect January 1, 2015, and shall apply to
31 taxable years beginning on and after that date; provided, however, that
32 this act shall expire and be deemed repealed January 1, [~~2020~~] 2023.

33 § 2. This act shall take effect immediately.

34

PART F

35 Section 1. Paragraph 3 of subsection (a) of section 954 of the tax
36 law, as amended by section 2 of part BB of chapter 59 of the laws of
37 2015, is amended to read as follows:

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

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

51 (4) Increased by the value of any property not otherwise already
52 included in the decedent's federal gross estate in which the decedent

1 had a qualifying income interest for life if a deduction was allowed on
2 the return of the tax imposed by this article with respect to the trans-
3 fer of such property to the decedent by reason of the application of
4 paragraph (7) of subsection (b) of section 2056 of the internal revenue
5 code, as made applicable to the tax imposed by this article by section
6 nine hundred ninety-nine-a of this article, whether or not a federal
7 estate tax return was required to be filed by the estate of the trans-
8 ferring spouse.

9 § 3. Subsection (c) of section 955 of the tax law, as added by section
10 4 of part X of chapter 59 of the laws of 2014, is amended to read as
11 follows:

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

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

29 PART G

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

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

36 (1) Marketplace provider. A person who, pursuant to an agreement with
37 a marketplace seller, facilitates sales of tangible personal property by
38 such marketplace seller or sellers. A person "facilitates a sale of
39 tangible personal property" for purposes of this paragraph when the
40 person meets both of the following conditions: (A) such person provides
41 the forum in which, or by means of which, the sale takes place or the
42 offer of sale is accepted, including a shop, store, or booth, an inter-
43 net website, catalog, or similar forum; and (B) such person or an affil-
44 iate of such person collects the receipts paid by a customer to a
45 marketplace seller for a sale of tangible personal property, or
46 contracts with a third party to collect such receipts. For purposes of
47 this paragraph, a "sale of tangible personal property" shall not include
48 the rental of a passenger car as described in section eleven hundred
49 sixty of this chapter but shall include a lease described in subdivision
50 (i) of section eleven hundred eleven of this article. For purposes of
51 this paragraph, persons are affiliated if one person has an ownership
52 interest of more than five percent, whether direct or indirect, in
53 another, or where an ownership interest of more than five percent,
54 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; ~~and~~ 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 (1) to read as follows:

(1)(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

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

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

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

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

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

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

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

1 article, and the amount of tax payable thereon pursuant to the
 2 provisions of section eleven hundred thirty-seven of this part. The
 3 return of a recipient of amusement charges shall show all such charges
 4 and the amount of tax thereon, and the return of an operator required to
 5 collect tax on rents shall show all rents received or charged and the
 6 amount of tax thereon. The return of a marketplace seller shall exclude
 7 the receipts from a sale of tangible personal property facilitated by a
 8 marketplace provider if, in regard to such sale: (A) the marketplace
 9 seller has timely received in good faith a properly completed certifi-
 10 cate of collection from the marketplace provider or the marketplace
 11 provider has included a provision approved by the commissioner in the
 12 publicly-available agreement between the marketplace provider and the
 13 marketplace seller as described in subdivision one of section eleven
 14 hundred thirty-two of this part, and (B) the information provided by the
 15 marketplace seller to the marketplace provider about such tangible
 16 personal property is accurate.

17 § 6. Section 1142 of the tax law is amended by adding a new subdivi-
 18 sion 15 to read as follows:

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

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

30 PART H

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

34 (A) gas, electricity, refrigeration and steam, and gas, electric,
 35 refrigeration and steam service of whatever nature, including the trans-
 36 portation, transmission or distribution of gas or electricity, even if
 37 sold separately;

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

39 § 3. Subparagraph (xi) of paragraph 4 of subdivision (a) of section
 40 1210 of the tax law is REPEALED.

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

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

46 PART I

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

50 3. Where the tentative equalization rate is not within plus or minus
 51 five [~~percentage points~~] percent of the locally stated level of assess-
 52 ment, the assessor shall provide notice in writing to the local govern-

1 ing body of any affected town, city, village, county and school district
2 of the difference between the locally stated level of assessment and the
3 tentative equalization rate. Such notice shall be made within ten days
4 of the receipt of the tentative equalization rate, or within ten days of
5 the filing of the tentative assessment roll, whichever is later, and
6 shall provide the difference in the indicated total full value estimates
7 of the locally stated level of assessment and the tentative equalization
8 rate for the taxable property within each affected town, city, village,
9 county and school district, where applicable.

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

12 § 1211. Confirmation by commissioner of the locally stated level of
13 assessment. Notwithstanding the foregoing provisions of this title,
14 before the commissioner determines a tentative equalization rate for a
15 city, town or village, he or she shall examine the accuracy of the
16 locally stated level of assessment appearing on the tentative assessment
17 roll. If the commissioner confirms the locally stated level of assess-
18 ment, then as soon thereafter as is practicable, he or she shall estab-
19 lish and certify such locally stated level of assessment as the final
20 equalization rate for such city, town or village in the manner provided
21 by sections twelve hundred ten and twelve hundred twelve of this title.
22 The provisions of sections twelve hundred four, twelve hundred six and
23 twelve hundred eight of this title shall not apply in such cases, unless
24 the commissioner finds that the final assessment roll differs from the
25 tentative assessment roll to an extent that renders the locally stated
26 level of assessment inaccurate, and rescinds the final equalization rate
27 on that basis.

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

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

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

1 wise be performed by the district superintendent under the provisions of
2 this section, shall be performed by the school authorities of such
3 district.

4 § 4. This act shall take effect immediately.

5 PART J

6 Section 1. This Part enacts into law major components of legislation
7 relating to the improvement of the administration of real property taxa-
8 tion in accordance with the real property tax law and other laws relat-
9 ing thereto. Each component is wholly contained within a Subpart identi-
10 fied as Subparts A through F. The effective date for each particular
11 provision contained within such Subpart is set forth in the last section
12 of such Subpart. Any provision in any section contained within a
13 Subpart, including the effective date of the Subpart, which makes a
14 reference to a section "of this act", when used in connection with that
15 particular component, shall be deemed to mean and refer to the corre-
16 sponding section of the Subpart in which it is found. Section three of
17 this Part sets forth the general effective date of this Part.

18 SUBPART A

19 Intentionally Omitted

20 SUBPART B

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

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

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

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

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

47 (c) In the case of an assessing unit, no such agreement shall be
48 submitted to the governing body for approval unless at least forty-five
49 days prior to such submission, the governing body shall have adopted a

1 resolution, subject to a permissive referendum, authorizing the assess-
2 ing unit to negotiate such an agreement with the county; provided,
3 however, that such prior authorization shall not be required for an
4 agreement to amend, cancel or terminate an existing agreement pursuant
5 to this section.

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

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

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

28 § 4. This act shall take effect immediately.

29 SUBPART C

30 Section 1. Subdivision 4 of section 318 of the real property tax law,
31 as amended by chapter 527 of the laws of 1997 and as further amended by
32 subdivision (b) of section 1 of part W of chapter 56 of the laws of
33 2010, is amended to read as follows:

34 4. Notwithstanding the provisions of this subdivision or any other
35 law, the travel and other actual and necessary expenses incurred by an
36 appointed or elected assessor, or by a person appointed assessor for a
37 forthcoming term, or by an assessor-elect prior to the commencement of
38 his or her term, in satisfactorily completing courses of training as
39 required by this title or as approved by the commissioner, including
40 continuing education courses prescribed by the commissioner which are
41 satisfactorily completed by any elected assessor, shall be a state
42 charge upon audit by the comptroller. Travel and other actual and neces-
43 sary expenses incurred by an acting assessor who has been exercising the
44 powers and duties of the assessor for a period of at least six months,
45 in attending training courses no earlier than twelve months prior to the
46 date when courses of training and education are required, shall also be
47 a state charge upon audit by the comptroller. Candidates for certifi-
48 cation as eligible for the position of assessor, other than assessors
49 or assessors-elect, shall be charged for the cost of training materials
50 and shall be responsible for all other costs incurred by them in
51 connection with such training. Notwithstanding the foregoing provisions
52 of this subdivision, if the provider of a training course has asked the
53 commissioner to approve the course for credit only, so that attendees
54 who successfully complete the course would be entitled to receive credit

1 without having their expenses reimbursed by the state, and the commis-
2 sioner has agreed to do so, the travel and other actual and necessary
3 expenses incurred by such attendees shall not be a state charge.

4 § 2. Paragraph f of subdivision 3 of section 1530 of the real property
5 tax law, as amended by chapter 361 of the laws of 1986 and as further
6 amended by subdivision (b) of section 1 of part W of chapter 56 of the
7 laws of 2010, is amended to read as follows:

8 f. Expenses in attending training courses. Notwithstanding the
9 provisions of any other law, the travel and other actual and necessary
10 expenses incurred by a director or a person appointed director for a
11 forthcoming term in attending courses of training as required by this
12 subdivision or as approved by the commissioner shall be a state charge
13 upon audit by the comptroller. Notwithstanding the foregoing provisions
14 of this paragraph, if the provider of a training course has asked the
15 commissioner to approve the course for credit only, so that attendees
16 who successfully complete the course would be entitled to receive credit
17 without having their expenses reimbursed by the state, and the commis-
18 sioner has agreed to do so, the travel and other actual and necessary
19 expenses incurred by such attendees shall not be a state charge.

20 § 3. This act shall take effect immediately.

21

SUBPART D

22 Section 1. Section 104 of the real property tax law, as added by
23 section 1 of part U of chapter 61 of the laws of 2011, is amended to
24 read as follows:

25 § 104. Electronic real property tax administration. 1. Notwithstanding
26 any provision of law to the contrary, the commissioner is hereby author-
27 ized to establish standards for electronic real property tax adminis-
28 tration (E-RPT). Such standards shall set forth the terms and conditions
29 under which the various tasks associated with real property tax adminis-
30 tration may be executed electronically, dispensing with the need for
31 paper documents. Such tasks shall include any or all of the following:

- 32 (a) The filing of exemption applications;
33 (b) The filing of petitions for administrative review of assessments;
34 (c) The filing of petitions for judicial review of assessments;
35 (d) The filing of applications for administrative corrections of
36 errors;
37 (e) The issuance of statements of taxes;
38 (f) The payment of taxes, subject to the provisions of sections five
39 and five-b of the general municipal law;
40 (g) The provision of receipts for the payment of taxes;
41 (h) The issuance of taxpayer notices required by law, including
42 sections five hundred eight, five hundred ten, five hundred ten-a, five
43 hundred eleven, five hundred twenty-five and five hundred fifty-one-a
44 through five hundred fifty-six-b of this chapter; and
45 (i) The furnishing of notices and certificates under this chapter
46 relating to state equalization rates, residential assessment ratios,
47 special franchise assessments, railroad ceilings, taxable state lands,
48 advisory appraisals, and the certification of assessors and county
49 directors or real property tax services, subject to the provisions of
50 subdivision five of this section.

51 2. Such standards shall be developed after consultation with local
52 government officials, the office of court administration in the case of
53 standards relating to petitions for judicial review of assessments, and

1 the office of the state comptroller in the case of standards relating to
2 payments or taxes and the issuance of receipts therefor.

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

8 ~~(b) [Assessors and other municipal officials shall not be required to~~
9 ~~accept and respond to communications from the commissioner electron-~~
10 ~~ically.~~

11 ~~(e)]~~ The governing board of any municipal corporation may, by local
12 law, ordinance or resolution, determine that it is in the public inter-
13 est for such municipal corporation to provide electronic real property
14 tax administration. Upon adoption of such local law, ordinance or resol-
15 ution, such municipal corporation shall comply with standards set forth
16 by the commissioner.

17 ~~(d)]~~ (c) The standards prescribed by the commissioner pursuant to
18 this section relating to communications with taxpayers shall provide for
19 the collection of electronic contact information, such as e-mail
20 addresses and/or social network usernames, from taxpayers who have
21 elected to receive electronic communications in accordance with the
22 provisions of this section. Such information shall be exempt from public
23 disclosure in accordance with section eighty-nine of the public officers
24 law.

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

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

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

53 (c) When a final determination is made in such a matter, notice of the
54 final determination and any certificate relating thereto shall be
55 furnished by e-mail or by a website posting, or both at the commis-
56 ioner's discretion, and need not be provided by postal mail, except as

1 provided by paragraphs (d) and (e) of this subdivision. When providing
2 notice of a final determination by website posting, the commissioner
3 also shall e-mail the parties required by law to receive such notice, to
4 inform them that the notice of final determination has been posted on
5 the website. Such notice of final determination shall not be deemed
6 complete unless such emails have been sent.

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

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

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

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

30 § 2. This act shall take effect immediately.

31 SUBPART E

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

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

44 § 2. Subdivision 2 of section 606 of the real property tax law, as
45 amended by chapter 743 of the laws of 2005 and as further amended by
46 subdivision (b) of section 1 of part W of chapter 56 of the laws of
47 2010, is amended to read as follows:

48 2. In any assessing unit which has completed a revaluation since nine-
49 teen hundred fifty-three or which does not contain property that was
50 assessed in nineteen hundred fifty-three, the commissioner shall deter-
51 mine the full value of such special franchise as of the [~~valuation date~~
52 of the assessing unit] taxable status date specified by subdivision four
53 of section three hundred two of this chapter. Such full value shall be
54 determined by the commissioner for purposes of sections six hundred

1 eight, six hundred fourteen and six hundred sixteen of this article.
 2 These full values shall be entered on the assessment roll at the level
 3 of assessment, which shall be the uniform percentage of value, as
 4 required by section five hundred two of this chapter, appearing on the
 5 tentative assessment roll upon which the assessment is entered. Whenever
 6 a final state equalization rate, or, in the case of a special assessing
 7 unit, a class equalization rate, is established that is different from a
 8 level of assessment applied pursuant to this paragraph, any public offi-
 9 cial having custody of that assessment roll is hereby authorized and
 10 directed to recompute these assessments to reflect that equalization
 11 rate, provided such final rate is established by the commissioner at
 12 least ten days prior to the date for levy of taxes against those assess-
 13 ments.

14 § 3. This act shall take effect January 1, 2020.

15 SUBPART F

16 Section 1. The real property tax law is amended by adding a new
 17 section 575-a to read as follows:

18 § 575-a. Electric generating facility annual reports. 1. Every corpo-
 19 ration, company, association, joint stock association, partnership and
 20 person, their lessees, trustees or receivers appointed by any court
 21 whatsoever, owning, operating or managing any electric generating facil-
 22 ity in the state shall annually file with the commissioner, by April
 23 thirtieth, a report showing the inventory, revenue, and expenses associ-
 24 ated therewith for the most recent fiscal year. Such report shall be in
 25 the form and manner prescribed by the commissioner.

26 2. When used in this section, "electric generating facility" shall
 27 mean any facility that generates electricity for sale, directly or indi-
 28 rectly, to the public, including the land upon which the facility is
 29 located, any equipment used in such generation, and equipment leading
 30 from the facility to the interconnection with the electric transmission
 31 system, but shall not include:

32 (a) any equipment in the electric transmission system; and

33 (b) any electric generating equipment owned or operated by a residen-
 34 tial customer of an electric generating facility, including the land
 35 upon which the equipment is located, when located and used at his or her
 36 residence.

37 3. Every electric generating facility owner, operator, or manager
 38 failing to make the report required by this section, or failing to make
 39 any report required by the commissioner pursuant to this section within
 40 the time specified by it, shall forfeit to the people of the state the
 41 sum of up to ten thousand dollars for every such failure and the addi-
 42 tional sum of up to one thousand dollars for each day that such failure
 43 continues.

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

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

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

4 PART K

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

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

9 PART L

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

12 § 44. Employer-provided child care credit. (a) General. A taxpayer
13 subject to tax under article nine-A, twenty-two, or thirty-three of this
14 chapter shall be allowed a credit against such tax in an amount equal to
15 the portion of the credit that is allowed to the taxpayer under section
16 45F of the internal revenue code that is attributable to (i) qualified
17 child care expenditures paid or incurred with respect to a qualified
18 child care facility with a situs in the state, and to (ii) qualified
19 child care resource and referral expenditures paid or incurred with
20 respect to the taxpayer's employees working in the state. The credit
21 allowable under this subdivision for any taxable year shall not exceed
22 one hundred fifty thousand dollars. If the entity operating the quali-
23 fied child care facility is a partnership or a New York S corporation,
24 then such cap shall be applied at the entity level, so the aggregate
25 credit allowed to all the partners or shareholders of such entity in a
26 taxable year does not exceed one hundred fifty thousand dollars.

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

34 (c) Reporting requirements. A taxpayer that has claimed a credit under
35 this section shall notify the commissioner of any cessation of opera-
36 tion, change in ownership, or agreement to assume recapture liability as
37 such terms are defined by section 45F of the internal revenue code, in
38 the form and manner prescribed by the commissioner.

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

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

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

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

51 53. Employer-provided child care credit. (a) Allowance of credit. A
52 taxpayer shall be allowed a credit, to be computed as provided in

1 section forty-four of this chapter, against the tax imposed by this
2 article.

3 (b) Application of credit. The credit allowed under this subdivision
4 for any taxable year may not reduce the tax due for such year to less
5 than the amount prescribed in paragraph (d) of subdivision one of
6 section two hundred ten of this article. However, if the amount of the
7 credit allowed under this subdivision for any taxable year reduces the
8 tax to such amount or if the taxpayer otherwise pays tax based on the
9 fixed dollar minimum amount, any amount of credit thus not deductible in
10 such taxable year will be treated as an overpayment of tax to be credit-
11 ed or refunded in accordance with the provisions of section one thousand
12 eighty-six of this chapter. Provided, however, the provisions of
13 subsection (c) of section one thousand eighty-eight of this chapter
14 notwithstanding, no interest shall be paid thereon.

15 (c) Credit recapture. For provisions requiring recapture of credit,
16 see section forty-four of this chapter.

17 § 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
18 of the tax law is amended by adding a new clause (xliv) to read as
19 follows:

20 <u>(xliv) Employer-provided child</u>	<u>Amount of credit under subdivision</u>
21 <u>care credit (jjj)</u>	<u>fifty-three of section two hundred</u>
22	<u>ten-B</u>

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

25 (jjj) Employer-provided child care credit. (1) Allowance of credit. A
26 taxpayer shall be allowed a credit, to be computed as provided in
27 section forty-four of this chapter, against the tax imposed by this
28 article.

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

35 (3) Credit recapture. For provisions requiring recapture of credit,
36 see section forty-four of this chapter.

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

39 (dd) Employer-provided child care credit. (1) Allowance of credit. A
40 taxpayer shall be allowed a credit, to be computed as provided in
41 section forty-four of this chapter, against the tax imposed by this
42 article.

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

55 (3) Credit recapture. For provisions requiring recapture of credit,
56 see section forty-four of this chapter

1 § 6. This act shall take effect immediately and apply to years begin-
2 ning on or after January 1, 2020.

3 PART M

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

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

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

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

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

18 PART N

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

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

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

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

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

47 PART O

48 Section 1. Section 12 of part N of chapter 61 of the laws of 2005,
49 amending the tax law relating to certain transactions and related infor-
50 mation and relating to the voluntary compliance initiative, as amended

1 by section 1 of part M of chapter 60 of the laws of 2016, is amended to
2 read as follows:

3 § 12. This act shall take effect immediately; provided, however, that
4 (i) section one of this act shall apply to all disclosure statements
5 described in paragraph 1 of subdivision (a) of section 25 of the tax
6 law, as added by section one of this act, that were required to be filed
7 with the internal revenue service at any time with respect to "listed
8 transactions" as described in such paragraph 1, and shall apply to all
9 disclosure statements described in paragraph 1 of subdivision (a) of
10 section 25 of the tax law, as added by section one of this act, that
11 were required to be filed with the internal revenue service with respect
12 to "reportable transactions" as described in such paragraph 1, other
13 than "listed transactions", in which a taxpayer participated during any
14 taxable year for which the statute of limitations for assessment has not
15 expired as of the date this act shall take effect, and shall apply to
16 returns or statements described in such paragraph 1 required to be filed
17 by taxpayers (or persons as described in such paragraph) with the
18 commissioner of taxation and finance on or after the sixtieth day after
19 this act shall have become a law; and

20 (ii) sections two through four and seven through nine of this act
21 shall apply to any tax liability for which the statute of limitations on
22 assessment has not expired as of the date this act shall take effect[+
23 and

24 ~~(iii) provided, further, that the provisions of this act, except~~
25 ~~section five of this act, shall expire and be deemed repealed July 1,~~
26 ~~2019, provided, that, such expiration and repeal shall not affect any~~
27 ~~requirement imposed pursuant to this act].~~

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

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

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

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

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

53 (5) This subsection shall not apply if the penalty under subsection
54 (r) of this section is imposed on the tax return preparer with respect
55 to such understatement.

1 § 3. Subsection (u) of section 685 of the tax law is amended by adding
2 three new paragraphs (1), (2), and (6) to read as follows:

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

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

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

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

46

PART P

47 Section 1. Clauses (iii), (iv), (v), (vi), (vii) and (viii) of subpar-
48 agraph (B) of paragraph 1 of subsection (a) of section 601 of the tax
49 law, as added by section 1 of part R of chapter 59 of the laws of 2017,
50 are amended to read as follows:

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

1	If the New York taxable income is:	The tax is:
2	Not over \$17,150	4% of the New York taxable income
3	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
4		\$17,150
5	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
6		\$23,600
7	Over \$27,900 but not over \$43,000	\$1,202 plus 5.9% of excess over
8		\$27,900
9	Over \$43,000 but not over \$161,550	\$2,093 plus 6.09% of excess over
10		\$43,000
11	Over \$161,550 but not over \$323,200	\$9,313 plus 6.41% of excess over
12		\$161,550
13	Over \$323,200 <u>but not over</u>	\$19,674 plus 6.85% of excess
14	<u>\$2,155,350</u>	over \$323,200
15	<u>Over \$2,155,350 but not over</u>	<u>\$145,177 plus 8.82% of excess over</u>
16	<u>\$5,000,000</u>	<u>\$2,155,350</u>
17	<u>Over \$5,000,000 but not over</u>	<u>\$396,075 plus 9.32% of excess over</u>
18	<u>\$10,000,000</u>	<u>\$5,000,000</u>
19	<u>Over \$10,000,000 but not over</u>	<u>\$862,075 plus 9.82% of excess over</u>
20	<u>\$100,000,000</u>	<u>\$10,000,000</u>
21	<u>Over \$100,000,000</u>	<u>\$9,700,075 plus 10.32% of excess</u>
22		<u>over \$100,000,000</u>

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

25	If the New York taxable income is:	The tax is:
26	Not over \$17,150	4% of the New York taxable income
27	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
28		\$17,150
29	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
30		\$23,600
31	Over \$27,900 but not over \$43,000	\$1,202 plus 5.9% of excess over
32		\$27,900
33	Over \$43,000 but not over \$161,550	\$2,093 plus 5.97% of excess over
34		\$43,000
35	Over \$161,550 but not over \$323,200	\$9,170 plus 6.33% of excess over
36		\$161,550
37	Over \$323,200 <u>but not over</u>	\$19,403 plus 6.85% of excess
38	<u>\$2,155,350</u>	over \$323,200
39	<u>Over \$2,155,350 but not over</u>	<u>\$144,905 plus 8.82% of excess over</u>
40	<u>\$5,000,000</u>	<u>\$2,155,350</u>
41	<u>Over \$5,000,000 but not over</u>	<u>\$395,803 plus 9.32% of excess over</u>
42	<u>\$10,000,000</u>	<u>\$5,000,000</u>
43	<u>Over \$10,000,000 but not over</u>	<u>\$861,803 plus 9.82% of excess over</u>
44	<u>\$100,000,000</u>	<u>\$10,000,000</u>
45	<u>Over \$100,000,000</u>	<u>\$9,699,803 plus 10.32% of excess</u>
46		<u>over \$100,000,000</u>

47 (v) For taxable years beginning in two thousand twenty-two the follow-
 48 ing rates shall apply:

49	If the New York taxable income is:	The tax is:
50	Not over \$17,150	4% of the New York taxable income
51	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
52		\$17,150
53	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
54		\$23,600
55	Over \$27,900 but not over \$161,550	\$1,202 plus 5.85% of excess over

1		\$27,900
2	Over \$161,550 but not over \$323,200	\$9,021 plus 6.25% of excess over
3		\$161,550
4	Over \$323,200 <u>but not over</u>	\$19,124 plus 6.85% of excess over
5	<u>\$2,155,350</u>	\$323,200
6	<u>Over \$2,155,350 but not over</u>	<u>\$144,626 plus 8.82% of excess over</u>
7	<u>\$5,000,000</u>	<u>\$2,155,350</u>
8	<u>Over \$5,000,000 but not over</u>	<u>\$395,524 plus 9.32% of excess over</u>
9	<u>\$10,000,000</u>	<u>\$5,000,000</u>
10	<u>Over \$10,000,000 but not over</u>	<u>\$861,524 plus 9.82% of excess over</u>
11	<u>\$100,000,000</u>	<u>\$10,000,000</u>
12	<u>Over \$100,000,000</u>	<u>\$9,699,524 plus 10.32% of excess</u>
13		<u>over \$100,000,000</u>

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

16	If the New York taxable income is:	The tax is:
17	Not over \$17,150	4% of the New York taxable income
18	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
19		\$17,150
20	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
21		\$23,600
22	Over \$27,900 but not over \$161,550	\$1,202 plus 5.73% of excess over
23		\$27,900
24	Over \$161,550 but not over \$323,200	\$8,860 plus 6.17% of excess over
25		\$161,550
26	Over \$323,200 <u>but not over</u>	\$18,834 plus 6.85% of
27	<u>\$2,155,350</u>	excess over \$323,200
28	<u>Over \$2,155,350 but not over</u>	<u>\$144,336 plus 8.82% of excess</u>
29	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
30	<u>Over \$5,000,000 but not over</u>	<u>\$395,234 plus 9.32% of excess over</u>
31	<u>\$10,000,000</u>	<u>\$5,000,000</u>
32	<u>Over \$10,000,000 but not over</u>	<u>\$861,234 plus 9.82% of excess over</u>
33	<u>\$100,000,000</u>	<u>\$10,000,000</u>
34	<u>Over \$100,000,000</u>	<u>\$9,699,234 plus 10.32% of excess</u>
35		<u>over \$100,000,000</u>

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

38	If the New York taxable income is:	The tax is:
39	Not over \$17,150	4% of the New York taxable income
40	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
41		\$17,150
42	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
43		\$23,600
44	Over \$27,900 but not over \$161,550	\$1,202 plus 5.61% of excess over
45		\$27,900
46	Over \$161,550 but not over \$323,200	\$8,700 plus 6.09% of excess over
47		\$161,550
48	Over \$323,200 <u>but not over</u>	\$18,544 plus 6.85% of
49	<u>\$2,155,350</u>	excess over \$323,200
50	<u>Over \$2,155,350 but not over</u>	<u>\$144,047 plus 8.82% of excess over</u>
51	<u>\$5,000,000</u>	<u>\$2,155,350</u>
52	<u>Over \$5,000,000 but not over</u>	<u>\$394,945 plus 9.32% of excess over</u>
53	<u>\$10,000,000</u>	<u>\$5,000,000</u>
54	<u>Over \$10,000,000 but not over</u>	<u>\$860,945 plus 9.82% of excess over</u>
55	<u>\$100,000,000</u>	<u>\$10,000,000</u>
56	<u>Over \$100,000,000</u>	<u>\$9,698,945 plus 10.32% of excess</u>

1		<u>over \$100,000,000</u>
2	(viii) For taxable years beginning after two thousand twenty-four the	
3	following rates shall apply:	
4	If the New York taxable income is:	The tax is:
5	Not over \$17,150	4% of the New York taxable income
6	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
7		\$17,150
8	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
9		\$23,600
10	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
11		\$27,900
12	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
13		\$161,550
14	Over \$323,200 <u>but not over</u>	\$18,252 plus 6.85% of
15	<u>\$2,155,350</u>	excess over \$323,200
16	<u>Over \$2,155,350 but not over</u>	<u>\$143,754 plus 8.82% of excess</u>
17	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
18	<u>Over \$5,000,000 but not over</u>	<u>\$394,652 plus 9.32% of excess</u>
19	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
20	<u>Over \$10,000,000 but not</u>	<u>\$860,652 plus 9.82% of excess</u>
21	<u>over \$100,000,000</u>	<u>over \$10,000,000</u>
22	<u>Over \$100,000,000</u>	<u>\$9,698,652 plus 10.32% of excess</u>
23		<u>over \$100,000,000</u>

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

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

30	If the New York taxable income is:	The tax is:
31	Not over \$12,800	4% of the New York taxable income
32	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
33		\$12,800
34	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
35		\$17,650
36	Over \$20,900 but not over \$32,200	\$901 plus 5.9% of excess over
37		\$20,900
38	Over \$32,200 but not over \$107,650	\$1,568 plus 6.09% of excess over
39		\$32,200
40	Over \$107,650 but not over \$269,300	\$6,162 plus 6.41% of excess over
41		\$107,650
42	Over \$269,300 <u>but not over</u>	\$16,524 plus 6.85% of
43	<u>\$1,616,450</u>	excess over \$269,300
44	<u>Over \$1,616,450 but not over</u>	<u>\$108,804 plus 8.82% of excess over</u>
45	<u>\$5,000,000</u>	<u>\$1,616,450</u>
46	<u>Over \$5,000,000 but not over</u>	<u>\$407,233 plus 9.32% of excess</u>
47	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
48	<u>Over \$10,000,000 but not</u>	<u>\$873,233 plus 9.82% of excess</u>
49	<u>over \$100,000,000</u>	<u>over \$10,000,000</u>
50	<u>Over \$100,000,000</u>	<u>\$9,711,233 plus 10.32% of excess</u>
51		<u>over \$100,000,000</u>

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

54	If the New York taxable income is:	The tax is:
55	Not over \$12,800	4% of the New York taxable income
56	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over

1		\$12,800
2	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
3		\$17,650
4	Over \$20,900 but not over \$32,200	\$901 plus 5.9% of excess over
5		\$20,900
6	Over \$32,200 but not over \$107,650	\$1,568 plus 5.97% of excess over
7		\$32,200
8	Over \$107,650 but not over \$269,300	\$6,072 plus 6.33% of excess over
9		\$107,650
10	Over \$269,300 <u>but not over</u>	\$16,304 plus 6.85% of
11	<u>\$1,616,450</u>	excess over \$269,300
12	<u>Over \$1,616,450 but not over</u>	<u>\$108,584 plus 8.82% of excess over</u>
13	<u>\$5,000,000</u>	<u>\$1,616,450</u>
14	<u>Over \$5,000,000 but not over</u>	<u>\$407,013 plus 9.32% of excess</u>
15	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
16	<u>Over \$10,000,000 but not over</u>	<u>\$873,013 plus 9.82% of excess</u>
17	<u>\$100,000,000</u>	<u>over \$10,000,000</u>
18	<u>Over \$100,000,000</u>	<u>\$9,711,013 plus 10.32% of excess</u>
19		<u>over \$100,000,000</u>

20 (v) For taxable years beginning in two thousand twenty-two the follow-
 21 ing rates shall apply:

22	If the New York taxable income is:	The tax is:
23	Not over \$12,800	4% of the New York taxable income
24	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
25		\$12,800
26	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
27		\$17,650
28	Over \$20,900 but not over \$107,650	\$901 plus 5.85% of excess over
29		\$20,900
30	Over \$107,650 but not over \$269,300	\$5,976 plus 6.25% of excess over
31		\$107,650
32	Over \$269,300 <u>but not over</u>	\$16,079 plus 6.85% of excess
33	<u>\$1,616,450</u>	over \$269,300
34	<u>Over \$1,616,450 but not over</u>	<u>\$108,359 plus 8.82% of excess over</u>
35	<u>\$5,000,000</u>	<u>\$1,616,450</u>
36	<u>Over \$5,000,000 but not over</u>	<u>\$406,788 plus 9.32% of excess</u>
37	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
38	<u>Over \$10,000,000 but not over</u>	<u>\$872,788 plus 9.82% of excess</u>
39	<u>\$100,000,000</u>	<u>over \$10,000,000</u>
40	<u>Over \$100,000,000</u>	<u>\$9,710,788 plus 10.32% of excess</u>
41		<u>over \$100,000,000</u>

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

44	If the New York taxable income is:	The tax is:
45	Not over \$12,800	4% of the New York taxable income
46	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
47		\$12,800
48	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
49		\$17,650
50	Over \$20,900 but not over \$107,650	\$901 plus 5.73% of excess over
51		\$20,900
52	Over \$107,650 but not over \$269,300	\$5,872 plus 6.17% of excess over
53		\$107,650
54	Over \$269,300 <u>but not over</u>	\$15,845 plus 6.85% of excess
55	<u>\$1,616,450</u>	over \$269,300

1	<u>Over \$1,616,450 but not over</u>	<u>\$108,125 plus 8.82% of excess over</u>
2	<u>\$5,000,000</u>	<u>\$1,616,450</u>
3	<u>Over \$5,000,000 but not over</u>	<u>\$406,554 plus 9.32% of excess</u>
4	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
5	<u>Over \$10,000,000 but not over</u>	<u>\$872,554 plus 9.82% of excess</u>
6	<u>\$100,000,000</u>	<u>over \$10,000,000</u>
7	<u>Over \$100,000,000</u>	<u>\$9,710,554 plus 10.32% of excess</u>
8		<u>over \$100,000,000</u>

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

11	If the New York taxable income is:	The tax is:
12	Not over \$12,800	4% of the New York taxable income
13	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
14		\$12,800
15	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
16		\$17,650
17	Over \$20,900 but not over \$107,650	\$901 plus 5.61% of excess over
18		\$20,900
19	Over \$107,650 but not over \$269,300	\$5,768 plus 6.09% of excess over
20		\$107,650
21	Over \$269,300 <u>but not over</u>	\$15,612 plus 6.85% of excess
22	<u>\$1,616,450</u>	over \$269,300
23	<u>Over \$1,616,450 but not over</u>	<u>\$107,892 plus 8.82% of excess over</u>
24	<u>\$5,000,000</u>	<u>\$1,616,450</u>
25	<u>Over \$5,000,000 but not over</u>	<u>\$406,321 plus 9.32% of excess</u>
26	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
27	<u>Over \$10,000,000 but not over</u>	<u>\$872,321 plus 9.82% of excess</u>
28	<u>\$100,000,000</u>	<u>over \$10,000,000</u>
29	<u>Over \$100,000,000</u>	<u>\$9,710,321 plus 10.32% of excess</u>
30		<u>over \$100,000,000</u>

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

33	If the New York taxable income is:	The tax is:
34	Not over \$12,800	4% of the New York taxable income
35	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
36		\$12,800
37	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
38		\$17,650
39	Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over
40		\$20,900
41	Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over
42		\$107,650
43	Over \$269,300 <u>but not over</u>	\$15,371 plus 6.85% of excess over
44	<u>\$1,616,450</u>	\$269,300
45	<u>Over \$1,616,450 but not over</u>	<u>\$107,651 plus 8.82% of excess over</u>
46	<u>\$5,000,000</u>	<u>\$1,616,450</u>
47	<u>Over \$5,000,000 but not over</u>	<u>\$406,080 plus 9.32% of excess</u>
48	<u>\$10,000,000</u>	<u>over \$5,000,000</u>
49	<u>Over \$10,000,000 but not over</u>	<u>\$872,080 plus 9.82% of excess</u>
50	<u>\$100,000,000</u>	<u>over \$10,000,000</u>
51	<u>Over \$100,000,000</u>	<u>\$9,710,080 plus 10.32% of excess</u>
52		<u>over \$100,000,000</u>

53 § 3. Clauses (iii), (iv), (v), (vi), (vii) and (viii) of subparagraph
 54 (B) of paragraph 1 of subsection (c) of section 601 of the tax law, as
 55 added by section 3 of part R of chapter 59 of the laws of 2017, is
 56 amended to read as follows:

1	(iii) For taxable years beginning in two thousand twenty the following	
2	rates shall apply:	
3	If the New York taxable income is:	The tax is:
4	Not over \$8,500	4% of the New York taxable income
5	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
6		\$8,500
7	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
8		\$11,700
9	Over \$13,900 but not over \$21,400	\$600 plus 5.9% of excess over
10		\$13,900
11	Over \$21,400 but not over \$80,650	\$1,042 plus 6.09% of excess over
12		\$21,400
13	Over \$80,650 but not over \$215,400	\$4,650 plus 6.41% of excess over
14		\$80,650
15	Over \$215,400 <u>but not over</u>	\$13,288 plus 6.85% of excess
16	<u>\$1,077,550</u>	over \$215,400
17	<u>Over \$1,077,550 but not over</u>	<u>\$72,345 plus 8.82% of excess over</u>
18	<u>\$5,000,000</u>	<u>\$1,077,550</u>
19	<u>Over \$5,000,000 but not over</u>	<u>\$418,305 plus 9.32% of excess over</u>
20	<u>\$10,000,000</u>	<u>\$5,000,000</u>
21	<u>Over \$10,000,000 but not over</u>	<u>\$884,305 plus 9.82% of excess over</u>
22	<u>\$100,000,000</u>	<u>\$10,000,000</u>
23	<u>Over \$100,000,000</u>	<u>\$9,722,305 plus 10.32% of excess</u>
24		<u>over \$100,000,000</u>

25	(iv) For taxable years beginning in two thousand twenty-one the	
26	following rates shall apply:	
27	If the New York taxable income is:	The tax is:
28	Not over \$8,500	4% of the New York taxable income
29	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
30		\$8,500
31	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
32		\$11,700
33	Over \$13,900 but not over \$21,400	\$600 plus 5.9% of excess over
34		\$13,900
35	Over \$21,400 but not over \$80,650	\$1,042 plus 5.97% of excess over
36		\$21,400
37	Over \$80,650 but not over \$215,400	\$4,579 plus 6.33% of excess over
38		\$80,650
39	Over \$215,400 <u>but not over</u>	\$13,109 plus 6.85% of excess
40	<u>\$1,077,550</u>	over \$215,400
41	<u>Over \$1,077,550 but not over</u>	<u>\$72,166 plus 8.82% of excess over</u>
42	<u>\$5,000,000</u>	<u>\$1,077,550</u>
43	<u>Over \$5,000,000 but not over</u>	<u>\$418,126 plus 9.32% of excess over</u>
44	<u>\$10,000,000</u>	<u>\$5,000,000</u>
45	<u>Over \$10,000,000 but not over</u>	<u>\$884,126 plus 9.82% of excess over</u>
46	<u>\$100,000,000</u>	<u>\$10,000,000</u>
47	<u>Over \$100,000,000</u>	<u>\$9,722,126 plus 10.32% of excess</u>
48		<u>over \$100,000,000</u>

49	(v) For taxable years beginning in two thousand twenty-two the follow-	
50	ing rates shall apply:	
51	If the New York taxable income is:	The tax is:
52	Not over \$8,500	4% of the New York taxable income
53	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
54		\$8,500
55	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over

1		\$11,700
2	Over \$13,900 but not over \$80,650	\$600 plus 5.85% of excess over
3		\$13,900
4	Over \$80,650 but not over \$215,400	\$4,504 plus 6.25% of excess over
5		\$80,650
6	Over \$215,400 <u>but not over</u>	\$12,926 plus 6.85% of excess
7	<u>\$1,077,550</u>	over \$215,400
8	<u>Over \$1,077,550 but not over</u>	<u>\$71,984 plus 8.82% of excess over</u>
9	<u>\$5,000,000</u>	<u>\$1,077,550</u>
10	<u>Over \$5,000,000 but not over</u>	<u>\$417,944 plus 9.32% of excess over</u>
11	<u>\$10,000,000</u>	<u>\$5,000,000</u>
12	<u>Over \$10,000,000 but not over</u>	<u>\$883,944 plus 9.82% of excess over</u>
13	<u>\$100,000,000</u>	<u>\$10,000,000</u>
14	<u>Over \$100,000,000</u>	<u>\$9,721,944 plus 10.32% of excess</u>
15		<u>over \$100,000,000</u>

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

18	If the New York taxable income is:	The tax is:
19	Not over \$8,500	4% of the New York taxable income
20	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
21		\$8,500
22	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
23		\$11,700
24	Over \$13,900 but not over \$80,650	\$600 plus 5.73% of excess over
25		\$13,900
26	Over \$80,650 but not over \$215,400	\$4,424 plus 6.17% of excess over
27		\$80,650
28	Over \$215,400 <u>but not over</u>	\$12,738 plus 6.85% of excess
29	<u>\$1,077,550</u>	over \$215,400
30	<u>Over \$1,077,550 but not over</u>	<u>\$71,796 plus 8.82% of excess over</u>
31	<u>\$5,000,000</u>	<u>\$1,077,550</u>
32	<u>Over \$5,000,000 but not over</u>	<u>\$417,756 plus 9.32% of excess over</u>
33	<u>\$10,000,000</u>	<u>\$5,000,000</u>
34	<u>Over \$10,000,000 but not over</u>	<u>\$883,756 plus 9.82% of excess over</u>
35	<u>\$100,000,000</u>	<u>\$10,000,000</u>
36	<u>Over \$100,000,000</u>	<u>\$9,721,756 plus 10.32% of excess</u>
37		<u>over \$100,000,000</u>

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

40	If the New York taxable income is:	The tax is:
41	Not over \$8,500	4% of the New York taxable income
42	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
43		\$8,500
44	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
45		\$11,700
46	Over \$13,900 but not over \$80,650	\$600 plus 5.61% of excess over
47		\$13,900
48	Over \$80,650 but not over \$215,400	\$4,344 plus 6.09% of excess over
49		\$80,650
50	Over \$215,400 <u>but not over</u>	\$12,550 plus 6.85% of excess
51	<u>\$1,077,550</u>	over \$215,400
52	<u>Over \$1,077,550 but not over</u>	<u>\$71,608 plus 8.82% of excess over</u>
53	<u>\$5,000,000</u>	<u>\$1,077,550</u>
54	<u>Over \$5,000,000 but not over</u>	<u>\$417,568 plus 9.32% of excess over</u>
55	<u>\$10,000,000</u>	<u>\$5,000,000</u>
56	<u>Over \$10,000,000 but not over</u>	<u>\$883,568 plus 9.82% of excess over</u>

1	<u>\$100,000,000</u>	<u>\$10,000,000</u>
2	<u>Over \$100,000,000</u>	<u>\$9,721,568 plus 10.32% of excess</u>
3		<u>over \$100,000,000</u>
4	(viii) For taxable years beginning after two thousand twenty-four the	
5	following rates shall apply:	
6	If the New York taxable income is:	The tax is:
7	Not over \$8,500	4% of the New York taxable income
8	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
9		\$8,500
10	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
11		\$11,700
12	Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
13		\$13,900
14	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over
15		\$80,650
16	Over \$215,400 <u>but not over</u>	\$12,356 plus 6.85% of excess
17	<u>\$1,077,550</u>	over \$215,400
18	<u>Over \$1,077,550 but not over</u>	<u>\$71,413 plus 8.82% of excess over</u>
19	<u>\$5,000,000</u>	<u>\$1,077,550</u>
20	<u>Over \$5,000,000 but not over</u>	<u>\$417,373 plus 9.32% of excess over</u>
21	<u>\$10,000,000</u>	<u>\$5,000,000</u>
22	<u>Over \$10,000,000 but not over</u>	<u>\$883,373 plus 9.82% of excess over</u>
23	<u>\$100,000,000</u>	<u>\$10,000,000</u>
24	<u>Over \$100,000,000</u>	<u>\$9,721,373 plus 10.32% of excess</u>
25		<u>over \$100,000,000</u>

26 § 4. Subparagraph (D) of paragraph 1 of subsection (d-1) of section
 27 601 of the tax law, as amended by section 4 of part R of chapter 59 of
 28 the laws of 2017, is amended to read as follows:

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

43 § 5. Subparagraph (C) of paragraph 2 of subsection (d-1) of section
 44 601 of the tax law, as amended by section 5 of part R of chapter 59 of
 45 the laws of 2017, is amended to read as follows:

46 (C) The tax table benefit is the difference between (i) the amount of
 47 taxable income set forth in the tax table in paragraph one of subsection
 48 (b) of this section not subject to the 8.82 percent rate of tax for the
 49 taxable year multiplied by such rate and (ii) the dollar denominated tax
 50 for such amount of taxable income set forth in the tax table applicable
 51 to the taxable year in paragraph one of subsection (b) of this section
 52 less the sum of the tax table benefits in subparagraphs (A) and (B) of
 53 this paragraph. The fraction for this subparagraph is computed as
 54 follows: the numerator is the lesser of fifty thousand dollars or the
 55 excess of New York adjusted gross income for the taxable year over one
 56 million five hundred thousand dollars and the denominator is fifty thou-

1 sand dollars. This subparagraph shall apply only to taxable years begin-
2 ning on or after January first, two thousand twelve and [~~before January~~
3 ~~first, two thousand twenty~~] thereafter.

4 § 6. Subparagraph (C) of paragraph 3 of subsection (d-1) of section
5 601 of the tax law, as amended by section 6 of part R of chapter 59 of
6 the laws of 2017, is amended to read as follows:

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

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

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

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

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

49 (B) The tax table benefit is the difference between (i) the amount of
50 taxable income set forth in the tax table in paragraph one of subsection
51 (a) of this section not subject to the 9.82 percent rate of tax for the
52 taxable year multiplied by such rate and (ii) the dollar denominated tax
53 for such amount of taxable income set forth in the tax table applicable
54 to the taxable year in paragraph one of subsection (a) of this section
55 less the sum of the tax table benefits in subparagraphs (A), (B) and (C)
56 of paragraph one of subsection (d-1) of this section and such tax table

1 benefits in subparagraph (A) of this paragraph. The fraction for this
2 subparagraph is computed as follows: the numerator is the lesser of
3 fifty thousand dollars or the excess of New York adjusted gross income
4 for the taxable year over ten million dollars and the denominator is
5 fifty thousand dollars. Provided, however, this subparagraph shall not
6 apply to taxpayers who are not subject to the 9.82 percent tax rate.

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

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

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

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

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

54 (C) The tax table benefit is the difference between (i) the amount of
55 taxable income set forth in the tax table in paragraph one of subsection
56 (b) of this section not subject to the 10.32 percent rate of tax for the

1 taxable year multiplied by such rate and (ii) the dollar denominated tax
2 for such amount of taxable income set forth in the tax table applicable
3 to the taxable year in paragraph one of subsection (b) of this section
4 less the sum of the tax table benefits in subparagraphs (A) and (B) of
5 paragraph two of subsection (d-1) of this section and such tax table
6 benefits in subparagraphs (A) and (B) of this paragraph. The fraction
7 for this subparagraph is computed as follows: the numerator is the less-
8 er of fifty thousand dollars or the excess of New York adjusted gross
9 income for the taxable year over one hundred million dollars and the
10 denominator is fifty thousand dollars.

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

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

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

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

46 (C) The tax table benefit is the difference between (i) the amount of
47 taxable income set forth in the tax table in paragraph one of subsection
48 (c) of this section not subject to the 10.32 percent rate of tax for the
49 taxable year multiplied by such rate and (ii) the dollar denominated tax
50 for such amount of taxable income set forth in the tax table applicable
51 to the taxable year in paragraph one of subsection (c) of this section
52 less the sum of the tax table benefits in subparagraphs (A) and (B) of
53 paragraph three of subsection (d-1) of this section and such tax table
54 benefits in subparagraphs (A) and (B) of this paragraph. The fraction
55 for this subparagraph is computed as follows: the numerator is the less-
56 er of fifty thousand dollars or the excess of New York adjusted gross

1 income for the taxable year over one hundred million dollars and the
 2 denominator is fifty thousand dollars.

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

7 § 8. Subsection (f) of section 614 of the tax law, as amended by
 8 section 11 of part FF of chapter 59 of the laws of 2013, is amended to
 9 read as follows:

10 (f) Adjusted standard deduction. For taxable years beginning after two
 11 thousand seventeen, the standard deductions set forth in this section
 12 shall be the amounts set forth in this section adjusted by the cost of
 13 living adjustment prescribed in section six hundred one-a of this [part]
 14 article for tax years two thousand thirteen [~~through two thousand seven-~~
 15 ~~teen~~] and thereafter.

16 § 9. This act shall take effect immediately and shall apply to taxable
 17 years beginning on or after January 1, 2020.

18 PART Q

19 Section 1. Subsection (g) of section 615 of the tax law, as amended by
 20 section 1 of part S of chapter 59 of the laws of 2017, is amended to
 21 read as follows:

22 (g) Notwithstanding subsection (a) of this section, the New York item-
 23 ized deduction for charitable contributions shall be the amount allowed
 24 under section one hundred seventy of the internal revenue code, as modi-
 25 fied by paragraph nine of subsection (c) of this section and as limited
 26 by this subsection. (1) With respect to an individual whose New York

27 adjusted gross income is over one million dollars and no more than ten
 28 million dollars, the New York itemized deduction shall be an amount
 29 equal to fifty percent of any charitable contribution deduction allowed
 30 under section one hundred seventy of the internal revenue code for taxa-
 31 ble years beginning after two thousand nine and before two thousand
 32 [~~twenty~~] twenty-five. With respect to an individual whose New York
 33 adjusted gross income is over one million dollars, the New York itemized
 34 deduction shall be an amount equal to fifty percent of any charitable
 35 contribution deduction allowed under section one hundred seventy of the
 36 internal revenue code for taxable years beginning in two thousand nine
 37 or after two thousand [~~nineteen~~] twenty-four.

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

44 § 2. Subdivision (g) of section 11-1715 of the administrative code of
 45 the city of New York, as amended by section 2 of part S of chapter 59 of
 46 the laws of 2017, is amended to read as follows:

47 (g) Notwithstanding subdivision (a) of this section, the city itemized
 48 deduction for charitable contributions shall be the amount allowed under
 49 section one hundred seventy of the internal revenue code, as limited by
 50 this subdivision. (1) With respect to an individual whose New York

51 adjusted gross income is over one million dollars but no more than ten
 52 million dollars, the New York itemized deduction shall be an amount
 53 equal to fifty percent of any charitable contribution deduction allowed
 54 under section one hundred seventy of the internal revenue code for taxa-

1 ble years beginning after two thousand nine and before two thousand
2 [~~twenty~~ twenty-five. With respect to an individual whose New York
3 adjusted gross income is over one million dollars, the New York itemized
4 deduction shall be an amount equal to fifty percent of any charitable
5 contribution deduction allowed under section one hundred seventy of the
6 internal revenue code for taxable years beginning in two thousand nine
7 or after two thousand [~~nineteen~~ twenty-four.

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

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

16

PART R

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

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

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

33 (1) A taxpayer shall be allowed a credit against the tax imposed by
34 this article. Such credit, to be computed as hereinafter provided, shall
35 be allowed for bioheating fuel, used for space heating or hot water
36 production for residential purposes within this state and purchased on
37 or after July first, two thousand six and before July first, two thou-
38 sand seven and on or after January first, two thousand eight and before
39 January first, two thousand [~~twenty~~ twenty-three. Such credit shall be
40 \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to
41 exceed twenty cents per gallon, purchased by such taxpayer. Provided,
42 however, that on or after January first, two thousand seventeen, this
43 credit shall not apply to bioheating fuel that is less than six percent
44 biodiesel per gallon of bioheating fuel.

45 § 3. This act shall take effect immediately.

46

PART S

47 Section 1. Paragraph (e) of section 23 of part U of chapter 61 of the
48 laws of 2011 amending the real property tax law and other laws relating
49 to establishing standards for electronic tax administration, as amended
50 by section 5 of part G of chapter 60 of the laws of 2016, is amended to
51 read as follows:

1 (e) sections twenty-one and twenty-one-a of this act shall expire and
2 be deemed repealed December 31, [~~2019~~] 2024.

3 § 2. This act shall take effect immediately.

4 PART T

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

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

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

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

35 § 3. This act shall take effect immediately.

36 PART U

37 Section 1. Paragraph (e) of subdivision 26 of section 210-B of the tax
38 law, as amended by section 2 of part RR of chapter 59 of the laws of
39 2018, is amended to read as follows:

40 (e) [~~To~~] Except in the case of a qualified rehabilitation project
41 undertaken within a state park, state historic site, or other land owned
42 by the state, that is under the jurisdiction of the office of parks,
43 recreation and historic preservation, to be eligible for the credit
44 allowable under this subdivision, the rehabilitation project shall be in
45 whole or in part located within a census tract which is identified as
46 being at or below one hundred percent of the state median family income
47 as calculated as of April first of each year using the most recent five
48 year estimate from the American community survey published by the United
49 States Census bureau. If there is a change in the most recent five year
50 estimate, a census tract that qualified for eligibility under this
51 program before information about the change was released will remain

1 eligible for a credit under this subdivision for an additional two
2 calendar years.

3 § 2. Paragraph 5 of subsection (oo) of section 606 of the tax law, as
4 amended by section 1 of part RR of chapter 59 of the laws of 2018, is
5 amended to read as follows:

6 (5) [~~¶~~] Except in the case of a qualified rehabilitation project
7 undertaken within a state park, state historic site, or other land owned
8 by the state, that is under the jurisdiction of the office of parks,
9 recreation and historic preservation, to be eligible for the credit
10 allowable under this subsection the rehabilitation project shall be in
11 whole or in part located within a census tract which is identified as
12 being at or below one hundred percent of the state median family income
13 as calculated as of April first of each year using the most recent five
14 year estimate from the American community survey published by the United
15 States Census bureau. If there is a change in the most recent five year
16 estimate, a census tract that qualified for eligibility under this
17 program before information about the change was released will remain
18 eligible for a credit under this subsection for an additional two calen-
19 dar years.

20 § 3. Paragraph 5 of subdivision (y) of section 1511 of the tax law, as
21 amended by section 3 of part RR of chapter 59 of the laws of 2018, is
22 amended to read as follows:

23 (5) [~~¶~~] Except in the case of a qualified rehabilitation project
24 undertaken within a state park, state historic site, or other land owned
25 by the state, that is under the jurisdiction of the office of parks,
26 recreation and historic preservation, to be eligible for the credit
27 allowable under this subdivision, the rehabilitation project shall be in
28 whole or in part located within a census tract which is identified as
29 being at or below one hundred percent of the state median family income
30 as calculated as of April first of each year using the most recent five
31 year estimate from the American community survey published by the United
32 States Census bureau. If there is a change in the most recent five year
33 estimate, a census tract that qualified for eligibility under this
34 program before information about the change was released will remain
35 eligible for a credit under this subdivision for an additional two
36 calendar years.

37 § 4. Subparagraph (A) of paragraph 1 of subsection (oo) of section 606
38 of the tax law, as amended by section 1 of part RR of chapter 59 of the
39 laws of 2018, is amended and two new paragraphs 6 and 7 are added to
40 read as follows:

41 (A) For taxable years beginning on or after January first, two thou-
42 sand ten and before January first, two thousand twenty-five, a taxpayer
43 shall be allowed a credit as hereinafter provided, against the tax
44 imposed by this article, in an amount equal to one hundred percent of
45 the amount of credit allowed the taxpayer with respect to a certified
46 historic structure, and one hundred fifty percent of the amount of cred-
47 it allowed the taxpayer with respect to a certified historic structure
48 that is a small project, under internal revenue code section 47(c)(3),
49 determined without regard to ratably allocating the credit over a five
50 year period as required by subsection (a) of such section 47, with
51 respect to a certified historic structure located within the state.
52 Provided, however, the credit shall not exceed five million dollars. For
53 taxable years beginning on or after January first, two thousand twenty-
54 five, a taxpayer shall be allowed a credit as hereinafter provided,
55 against the tax imposed by this article, in an amount equal to thirty
56 percent of the amount of credit allowed the taxpayer with respect to a

1 certified historic structure under internal revenue code section
2 47(c)(3), determined without regard to ratably allocating the credit
3 over a five year period as required by subsection (a) of such section
4 47, with respect to a certified historic structure located within the
5 state; provided, however, the credit shall not exceed one hundred thou-
6 sand dollars.

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

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

27 (c) No transfer shall be effective unless the taxpayer allowed a cred-
28 it pursuant to this subsection and seeking to transfer the credit files
29 a transfer statement with the commissioner of parks, recreation and
30 historic preservation prior to the transfer and he or she approves such
31 transfer. The transfer statement shall provide the name and federal
32 identification numbers of the filing transferor and the taxpayer to whom
33 the filing transferor transferred the credit, and the amount of credit
34 transferred to each such person or entity. A copy of the transfer
35 contract shall be attached to the transfer statement. The statement
36 shall also contain such other information as the commissioner of parks,
37 recreation and historic preservation may require. After reviewing the
38 transfer contract and the transfer statement, the commissioner of parks,
39 recreation and historic preservation shall approve or deny the transfer
40 as provided in this subsection. If the commissioner of parks, recreation
41 and historic preservation approves the transfer, he or she shall issue
42 an approval statement that provides the name of the transferor and
43 transferee, the amount of credit being transferred and such other infor-
44 mation as the commissioner of parks, recreation and historic preserva-
45 tion and the commissioner deem necessary. A copy of the statement
46 approved by the commissioner of parks, recreation and historic preserva-
47 tion must be attached to the transferee's tax return. If the commission-
48 er of parks, recreation and historic preservation denies the transfer,
49 he or she shall provide the taxpayer a written determination for such
50 denial. The commissioner of parks, recreation and historic preservation,
51 in consultation with the commissioner, may establish such other proce-
52 dures and standards deemed necessary for the transferability of the
53 rehabilitation tax credit.

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

1 transfer is approved by the commissioner of parks, recreation and
2 historic preservation.

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

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

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

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

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

30 § 6. Subparagraph (i) of paragraph (a) of subdivision 26 of section
31 210-B of the tax law, as amended by section 2 of part RR of chapter 59
32 of the laws of 2018, is amended and two new paragraphs (f) and (g) are
33 added to read as follows:

34 (i) For taxable years beginning on or after January first, two thou-
35 sand ten, and before January first, two thousand twenty-five, a taxpayer
36 shall be allowed a credit as hereinafter provided, against the tax
37 imposed by this article, in an amount equal to one hundred percent of
38 the amount of credit allowed the taxpayer for the same taxable year with
39 respect to a certified historic structure, and one hundred fifty percent
40 of the amount of credit allowed the taxpayer with respect to a certified
41 historic structure that is a small project, under internal revenue code
42 section 47(c)(3), determined without regard to ratably allocating the
43 credit over a five year period as required by subsection (a) of such
44 section 47, with respect to a certified historic structure located with-
45 in the state. Provided, however, the credit shall not exceed five
46 million dollars.

47 (f)(1) A taxpayer allowed a credit pursuant to this subdivision may
48 transfer the credit, in whole or in part, to another person or entity,
49 who shall be referred to as the transferee, with respect to the rehabil-
50 itated historic building may be allocated and notwithstanding that such
51 other person or entity owns no interest in the rehabilitated historic
52 building or in an entity with an ownership interest in the rehabilitated
53 historic building. Transferees shall be entitled to apply transferred
54 credit to a tax imposed under article nine-A, twenty-two or thirty-three
55 of this chapter, provided all requirements for claiming the credit are

1 met. A transferee may not transfer any credit, or portion thereof,
2 acquired by transfer.

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

12 (3) No transfer shall be effective unless the taxpayer allowed a cred-
13 it pursuant to this subdivision and seeking to transfer the credit files
14 a transfer statement with the commissioner of parks, recreation and
15 historic preservation prior to the transfer and he or she approves such
16 transfer. The transfer statement shall provide the name and federal
17 identification numbers of the filing transferor and the taxpayer to whom
18 the filing transferor transferred the credit, and the amount of credit
19 transferred to each such person or entity. A copy of the transfer
20 contract shall be attached to the transfer statement. The statement
21 shall also contain such other information as the commissioner of parks,
22 recreation and historic preservation may require. After reviewing the
23 transfer contract and the transfer statement, the commissioner of parks,
24 recreation and historic preservation shall approve or deny the transfer
25 as provided in this subdivision. If the commissioner of parks, recre-
26 ation and historic preservation approves the transfer, he or she shall
27 issue an approval statement that provides the name of the transferor and
28 transferee, the amount of credit being transferred and such other infor-
29 mation as the commissioner of parks, recreation and historic preserva-
30 tion and the commissioner deem necessary. A copy of the statement
31 approved by the commissioner of parks, recreation and historic preserva-
32 tion must be attached to the transferee's tax return. If the commission-
33 er of parks, recreation and historic preservation denies the transfer,
34 he or she shall provide the taxpayer a written determination for such
35 denial. The commissioner of parks, recreation and historic preservation,
36 in consultation with the commissioner, may establish such other proce-
37 dures and standards deemed necessary for the transferability of the
38 rehabilitation tax credit.

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

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

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

50 § 7. Subparagraph (A) of paragraph 1 of subdivision (y) of section
51 1511 of the tax law, as amended by section 3 of part RR of chapter 59 of
52 the laws of 2018, is amended and two new paragraphs 6 and 7 are added to
53 read as follows:

54 (A) For taxable years beginning on or after January first, two thou-
55 sand ten and before January first, two thousand twenty-five, a taxpayer
56 shall be allowed a credit as hereinafter provided, against the tax

1 imposed by this article, in an amount equal to one hundred percent of
2 the amount of credit allowed the taxpayer with respect to a certified
3 historic structure, and one hundred fifty percent of the amount of cred-
4 it allowed the taxpayer with respect to a certified historic structure
5 that is a small project, under internal revenue code section 47(c)(3),
6 determined without regard to ratably allocating the credit over a five
7 year period as required by subsection (a) of such section 47, with
8 respect to a certified historic structure located within the state.
9 Provided, however, the credit shall not exceed five million dollars. For
10 taxable years beginning on or after January first, two thousand twenty-
11 five, a taxpayer shall be allowed a credit as hereinafter provided,
12 against the tax imposed by this article, in an amount equal to thirty
13 percent of the amount of credit allowed the taxpayer with respect to a
14 certified historic structure under internal revenue code section
15 47(c)(3), determined without regard to ratably allocating the credit
16 over a five year period as required by subsection (a) of such section 47
17 with respect to a certified historic structure located within the state.
18 Provided, however, the credit shall not exceed one hundred thousand
19 dollars.

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

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

40 (c) No transfer shall be effective unless the taxpayer allowed a cred-
41 it pursuant to this subdivision and seeking to transfer the credit files
42 a transfer statement with the commissioner of parks, recreation and
43 historic preservation prior to the transfer and he or she approves such
44 transfer. The transfer statement shall provide the name and federal
45 identification numbers of the filing transferor and the taxpayer to whom
46 the filing transferor transferred the credit, and the amount of credit
47 transferred to each such person or entity. A copy of the transfer
48 contract shall be attached to the transfer statement. The statement
49 shall also contain such other information as the commissioner of parks,
50 recreation and historic preservation may require. After reviewing the
51 transfer contract and the transfer statement, the commissioner of parks,
52 recreation and historic preservation shall approve or deny the transfer
53 as provided in this subdivision. If the commissioner of parks, recre-
54 ation and historic preservation approves the transfer, he or she shall
55 issue an approval statement that provides the name of the transferor and
56 transferee, the amount of credit being transferred and such other infor-

1 mation as the commissioner of parks, recreation and historic preserva-
2 tion and the commissioner deem necessary. A copy of the statement
3 approved by the commissioner of parks, recreation and historic preserva-
4 tion must be attached to the transferee's tax return. If the commission-
5 er of parks, recreation and historic preservation denies the transfer,
6 he or she shall provide the taxpayer a written determination for such
7 denial. The commissioner of parks, recreation and historic preservation,
8 in consultation with the commissioner, may establish such other proce-
9 dures and standards deemed necessary for the transferability of the
10 rehabilitation tax credit.

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

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

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

22 § 8. This act shall take effect immediately, and shall apply to taxa-
23 ble years beginning on or after January 1, 2020.

24 PART V

25 Section 1. Subdivision (jj) of section 1115 of the tax law, as added
26 by section 1 of part UU of chapter 59 of the laws of 2015, is amended to
27 read as follows:

28 (jj) Tangible personal property or services otherwise taxable under
29 this article sold to a related person shall not be subject to the taxes
30 imposed by section eleven hundred five of this article or the compensat-
31 ing use tax imposed under section eleven hundred ten of this article
32 where the purchaser can show that the following conditions have been met
33 to the extent they are applicable: (1)(i) the vendor and the purchaser
34 are referenced as either a "covered company" as described in section
35 243.2(f) or a "material entity" as described in section 243.2(l) of the
36 Code of Federal Regulations in a resolution plan that has been submitted
37 to an agency of the United States for the purpose of satisfying subpara-
38 graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-
39 Frank Wall Street Reform and Consumer Protection Act (the "Act") or any
40 successor law, or (ii) the vendor and the purchaser are separate legal
41 entities pursuant to a divestiture directed pursuant to subparagraph 5
42 of paragraph (d) of section one hundred sixty-five of such act or any
43 successor law; (2) the sale would not have occurred between such related
44 entities were it not for such resolution plan or divestiture; and (3) in
45 acquiring such property or services, the vendor did not claim an
46 exemption from the tax imposed by this state or another state based on
47 the vendor's intent to resell such services or property. A person is
48 related to another person for purposes of this subdivision if the person
49 bears a relationship to such person described in section two hundred
50 sixty-seven of the internal revenue code. The exemption provided by this
51 subdivision shall not apply to sales made, services rendered, or uses
52 occurring after June thirtieth, two thousand [~~nineteen~~] twenty-one,
53 except with respect to sales made, services rendered, or uses occurring
54 pursuant to binding contracts entered into on or before such date; but

1 in no case shall such exemption apply after June thirtieth, two thousand
2 twenty-four.

3 § 2. This act shall take effect immediately.

4 PART W

5 Section 1. The mental hygiene law is amended by adding a new section
6 32.38 to read as follows:

7 § 32.38 The recovery tax credit program.

8 (a) Authorization. The commissioner is authorized to and shall estab-
9 lish and administer the recovery tax credit program to provide tax
10 incentives to certified employers for employing eligible individuals in
11 recovery from a substance use disorder in part-time and full-time posi-
12 tions in the state. The commissioner is authorized to allocate up to two
13 million dollars of tax credits annually for the recovery tax credit
14 program beginning in the year two thousand twenty.

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

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

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

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

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

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

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

53 (iii) Demonstrate that the employer has satisfied program eligibility
54 requirements and provided all the information necessary, including the

1 number of hours worked by any eligible individual, for the commissioner
2 to compute an actual amount of credit allowed.

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

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

15 (d) Eligibility. A certified employer shall be entitled to a tax cred-
16 it equal to the product of one dollar and the number of hours worked by
17 each eligible individual during such eligible individual's period of
18 employment. The credit shall not be allowed unless the eligible indi-
19 vidual has worked in state for a minimum of five hundred hours for the
20 certified employer, and the credit cannot exceed two thousand dollars
21 per eligible individual employed by the certified employer in the state.
22 The certified employer may claim a credit for each eligible employee
23 starting on the day the employee is hired and ends on December thirty-
24 first of the immediately succeeding calendar year or the last day of the
25 employee's employment by the certified employer, whichever comes first.
26 If an employee has worked in excess of five hundred hours between the
27 date of hiring and December thirty-first of that year, an employer can
28 elect to compute and claim a credit for such employee in that year based
29 on the hours worked by December thirty-first. Alternatively, the employ-
30 er may elect to include such individual in the computation of the credit
31 in the year immediately succeeding the year in which the employee was
32 hired. In such case, the credit shall be computed on the basis of all
33 hours worked by such eligible individual from the date of hire to the
34 earlier of the last day of employment or December thirty-first of the
35 succeeding year. However, in no event may an employee generate credit
36 for hours worked in excess of two thousand hours. An employer may claim
37 credit only once with respect to any eligible individual and may not
38 aggregate hours of two or more employees to reach the minimum number of
39 hours.

40 (e) Duties of the commissioner. The commissioner shall annually
41 provide to the commissioner of the department of taxation and finance
42 information about the program including, but not limited to, the number
43 of certified employers then participating in the program, unique identi-
44 fying information for each certified employer, the number of eligible
45 individuals employed by each certified employer, unique identifying
46 information for each eligible individual employed by the certified
47 employers, the number of hours worked by such eligible individuals, the
48 total dollar amount of claims for credit, and the dollar amount of cred-
49 it granted to each certified employer.

50 (f) Certified employer's taxable year. If the certified employer's
51 taxable year is a calendar year, the employer shall be entitled to claim
52 the credit as shown on the certificate of tax credit on the calendar
53 year return for which the certificate of tax credit was issued. If the
54 certified employer's taxable year is a fiscal year, the employer shall
55 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 subdivision 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:

<u>(xliv) Recovery tax credit under subsection (jjj)</u>	<u>Amount of credit under subdivision fifty-three of section two hundred ten-B</u>
--	--

§ 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

1 pro rata share of the credit earned by the partnership, limited liabil-
2 ity company or S corporation.

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

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

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

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

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

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

44 § 6. This act shall take effect immediately and shall apply to taxable
45 years beginning on and after January 1, 2020 and shall apply to those
46 eligible individuals hired after this act shall take effect.

47 PART X

48 Intentionally Omitted

49 PART Y

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34

PART Z

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

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

50 (2) "New business" means any business that qualifies as a new business
51 under either paragraph (f) of subdivision one of section two hundred
52 ten-B or paragraph ten of subsection ~~[one]~~ (a) of section six hundred
53 six of this chapter.

1 (5) "Related person" means a related person as defined in subparagraph
2 [~~(e)~~] (c) of paragraph three of subsection (b) of section 465 of the
3 internal revenue code. For this purpose, a "related person" shall
4 include an entity that would have qualified as a "related person" if it
5 had not been dissolved, liquidated, merged with another entity or other-
6 wise ceased to exist or operate.

7 § 2. Subdivision 5 of section 209 of the tax law, as amended by
8 section 5 of part A of chapter 59 of the laws of 2014, is amended to
9 read as follows:

10 5. For any taxable year of a real estate investment trust as defined
11 in section eight hundred fifty-six of the internal revenue code in which
12 such trust is subject to federal income taxation under section eight
13 hundred fifty-seven of such code, such trust shall be subject to a tax
14 computed under either paragraph (a) or (d) of subdivision one of section
15 two hundred ten of this chapter, whichever is greater, and shall not be
16 subject to any tax under article thirty-three of this chapter except for
17 a captive REIT required to file a combined return under subdivision (f)
18 of section fifteen hundred fifteen of this chapter. In the case of such
19 a real estate investment trust, including a captive REIT as defined in
20 section two of this chapter, the term "entire net income" means "real
21 estate investment trust taxable income" as defined in paragraph two of
22 subdivision (b) of section eight hundred fifty-seven (as modified by
23 section eight hundred fifty-eight) of the internal revenue code [~~plus~~
24 ~~the amount taxable under paragraph three of subdivision (b) of section~~
25 ~~eight hundred fifty-seven of such code~~], subject to the modifications
26 required by subdivision nine of section two hundred eight of this arti-
27 cle.

28 § 3. Paragraph (a) of subdivision 8 of section 211 of the tax law, as
29 amended by chapter 760 of the laws of 1992, is amended to read as
30 follows:

31 (a) Except in accordance with proper judicial order or as otherwise
32 provided by law, it shall be unlawful for any tax commissioner, any
33 officer or employee of the department [~~of taxation and finance~~], or any
34 person who, pursuant to this section, is permitted to inspect any
35 report, or to whom any information contained in any report is furnished,
36 or any person engaged or retained by such department on an independent
37 contract basis, or any person who in any manner may acquire knowledge of
38 the contents of a report filed pursuant to this article, to divulge or
39 make known in any manner the amount of income or any particulars set
40 forth or disclosed in any report under this article. The officers
41 charged with the custody of such reports shall not be required to
42 produce any of them or evidence of anything contained in them in any
43 action or proceeding in any court, except on behalf of the state or the
44 commissioner in an action or proceeding under the provisions of this
45 chapter or in any other action or proceeding involving the collection of
46 a tax due under this chapter to which the state or the commissioner is a
47 party or a claimant, or on behalf of any party to any action or proceed-
48 ing under the provisions of this article when the reports or facts shown
49 thereby are directly involved in such action or proceeding, in any of
50 which events the court may require the production of, and may admit in
51 evidence, so much of said reports or of the facts shown thereby as are
52 pertinent to the action or proceeding, and no more. The commissioner
53 may, nevertheless, publish a copy or a summary of any determination or
54 decision rendered after the formal hearing provided for in section one
55 thousand eighty-nine of this chapter. Nothing herein shall be construed
56 to prohibit the delivery to a corporation or its duly authorized repre-

1 tentative of a copy of any report filed by it, nor to prohibit the
2 publication of statistics so classified as to prevent the identification
3 of particular reports and the items thereof; or the publication of
4 delinquent lists showing the names of taxpayers who have failed to pay
5 their taxes at the time and in the manner provided by section two
6 hundred thirteen of this chapter together with any relevant information
7 which in the opinion of the commissioner may assist in the collection of
8 such delinquent taxes; or the inspection by the attorney general or
9 other legal representatives of the state of the report of any corpo-
10 ration which shall bring action to set aside or review the tax based
11 thereon, or against which an action or proceeding under this chapter has
12 been recommended by the commissioner of taxation and finance or the
13 attorney general or has been instituted; or the inspection of the
14 reports of any corporation by the comptroller or duly designated officer
15 or employee of the state department of audit and control, for purposes
16 of the audit of a refund of any tax paid by such corporation under this
17 article~~[, and nothing in this chapter shall be construed to prohibit the~~
18 ~~publication of the issuer's allocation percentage of any corporation, as~~
19 ~~such term "issuer's allocation percentage" is defined in subparagraph~~
20 ~~one of paragraph (b) of subdivision three of section two hundred ten of~~
21 ~~this article].~~

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

25 (a) First installments for certain taxpayers.--In privilege periods of
26 twelve months ending at any time during the calendar year nineteen
27 hundred seventy and thereafter, every taxpayer subject to the tax
28 imposed by section two hundred nine of this chapter must pay with the
29 report required to be filed for the preceding privilege period, or with
30 an application for extension of the time for filing the report, for
31 taxable years beginning before January first, two thousand sixteen, and
32 must pay on or before the fifteenth day of the third month of such priv-
33 ilege periods, for taxable years beginning on or after January first,
34 two thousand sixteen, an amount equal to (i) twenty-five percent of the
35 second preceding year's tax if the second preceding year's tax exceeded
36 one thousand dollars but was equal to or less than one hundred thousand
37 dollars, or (ii) forty percent of the second preceding year's tax if the
38 second preceding year's tax exceeded one hundred thousand dollars. If
39 the second preceding year's tax under section two hundred nine of this
40 chapter exceeded one thousand dollars and the taxpayer is subject to the
41 tax surcharge imposed by section two hundred nine-B of this chapter, the
42 taxpayer must also pay with the tax surcharge report required to be
43 filed for the second preceding privilege period, or with an application
44 for extension of the time for filing the report, for taxable years
45 beginning before January first, two thousand sixteen, and must pay on or
46 before the fifteenth day of the third month of such privilege periods,
47 for taxable years beginning on or after January first, two thousand
48 sixteen, an amount equal to (i) twenty-five percent of the tax surcharge
49 imposed for the second preceding year if the second preceding year's tax
50 was equal to or less than one hundred thousand dollars, or (ii) forty
51 percent of the tax surcharge imposed for the second preceding year if
52 the second preceding year's tax exceeded one hundred thousand dollars.
53 Provided, however, that every taxpayer that is ~~[an]~~ a New York S corpo-
54 ration must pay with the report required to be filed for the preceding
55 privilege period, or with an application for extension of the time for
56 filing the report, an amount equal to (i) twenty-five percent of the

1 preceding year's tax if the preceding year's tax exceeded one thousand
2 dollars but was equal to or less than one hundred thousand dollars, or
3 (ii) forty percent of the preceding year's tax if the preceding year's
4 tax exceeded one hundred thousand dollars. [~~If the preceding year's tax
5 under section two hundred nine of this article exceeded one thousand
6 dollars and such taxpayer that is an S corporation is subject to the tax
7 surcharge imposed by section two hundred nine B of this article, the
8 taxpayer must also pay with the tax surcharge report required to be
9 filed for the preceding privilege period, or with an application for
10 extension of the time for filing the report, an amount equal to (i)
11 twenty five percent of the tax surcharge imposed for the preceding year
12 if the preceding year's tax was equal equal to or less than one hundred
13 thousand dollars, or (ii) forty percent of the tax surcharge imposed for
14 the preceding year if the preceding year's tax exceeded one hundred
15 thousand dollars.~~]

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

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

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

40 (a) The entire net income of a taxpayer shall be its total net income
41 from all sources which shall be presumably the same as the life insur-
42 ance company taxable income (which shall include, in the case of a stock
43 life insurance company [~~which~~ that has a balance, as determined as of
44 the close of such company's last taxable year beginning before January
45 first, two thousand eighteen, in an existing policyholders surplus
46 account, as such term is defined in section 815 of the internal revenue
47 code as such section was in effect for taxable years beginning before
48 January first, two thousand eighteen, the amount of [~~direct and indirect
49 distributions during the taxable year to shareholders from such account~~]
50 one-eighth of such balance), taxable income of a partnership or taxable
51 income, but not alternative minimum taxable income, as the case may be,
52 which the taxpayer is required to report to the United States treasury
53 department, for the taxable year or, in the case of a corporation exempt
54 from federal income tax (other than the tax on unrelated business taxa-
55 ble income imposed under section 511 of the internal revenue code) but
56 not exempt from tax under section fifteen hundred one, the taxable

1 income which such taxpayer would have been required to report but for
2 such exemption, except as hereinafter provided.

3 § 7. Intentionally omitted.

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

7 § 2. This act shall take effect immediately and shall apply to [~~taxa-~~
8 ~~ble years beginning~~] amounts paid or incurred on and after January 1,
9 2018.

10 § 9. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-
11 trative code of the city of New York is amended by adding a new subpara-
12 graph 20 to read as follows:

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

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

21 (i) In the case of an issuer or obligor subject to tax under this
22 subchapter, subchapter three-A or subchapter four of this chapter, or
23 subject to tax as a utility corporation under chapter eleven of this
24 title, the issuer's allocation percentage shall be the percentage of the
25 appropriate measure (as defined hereinafter) which is required to be
26 allocated within the city on the report or reports, if any, required of
27 the issuer or obligor under this title for the preceding year. The
28 appropriate measure referred to in the preceding sentence shall be: in
29 the case of an issuer or obligor subject to this subchapter or subchap-
30 ter three-A, entire capital; in the case of an issuer or obligor subject
31 to subchapter four of this chapter, issued capital stock; in the case of
32 an issuer or obligor subject to chapter eleven of this title as a utili-
33 ty corporation, gross income.

34 § 11. This act shall take effect immediately, provided, however, that:
35 (i) section one of this act shall be deemed to have been in full force
36 and effect on and after the effective date of part K of chapter 59 of
37 the laws of 2017;

38 (ii) sections two and six of this act shall be deemed to have been in
39 full force and effect on and after the effective date of part KK of
40 chapter 59 of the laws of 2018; provided, however, that section six of
41 this act shall apply to taxable years beginning on or after January 1,
42 2018 through taxable years beginning on or before January 1, 2025;

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

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

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

52 (vi) section nine of this act shall apply to taxable years beginning
53 on and after January 1, 2018.

1 Intentionally Omitted

2 PART BB

3 Intentionally Omitted

4 PART CC

5 Intentionally Omitted

6 PART DD

7 Section 1. This Part enacts into law legislation relating to the
8 office of gaming inspector general, the thoroughbred breeding and devel-
9 opment fund, the Harry M. Zweig memorial fund and prize payment amounts
10 and revenue distributions of lottery game sales. Each component is whol-
11 ly contained within a Subpart identified as Subparts A through D. The
12 effective date for each particular provision contained within such
13 Subpart is set forth in the last section of such Subpart. Any provision
14 in any section contained within a Subpart, including the effective date
15 of the Subpart, which makes a reference to a section "of this act", when
16 used in connection with that particular component, shall be deemed to
17 mean and refer to the corresponding section of the Subpart in which it
18 is found. Section three of this Part sets forth the general effective
19 date of this Part.

20 SUBPART A

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

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

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

29 § 130. Establishment of the office of gaming inspector general. 1.
30 There is hereby created within the commission the office of gaming
31 inspector general. The head of the office shall be the gaming inspector
32 general who shall be appointed by the governor by and with the advice
33 and consent of the senate. The gaming inspector general shall serve at
34 the pleasure of the governor. The gaming inspector general shall report
35 directly to the governor. The person appointed as gaming inspector
36 general shall, upon his or her appointment, have not less than ten years
37 professional experience in law, investigation, or auditing. The gaming
38 inspector general shall be compensated within the limits of funds avail-
39 able therefor, provided, however, such salary shall be no less than the
40 salaries of certain state officers holding the positions indicated in
41 paragraph (a) of subdivision one of section one hundred sixty-nine of
42 the executive law.

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

46 § 3-a. Subdivision 1 of section 131 of the racing, pari-mutuel wager-
47 ing and breeding law, such section as renumbered by section one of this
48 act, is renumbered subdivision 1-a.

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

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

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

13 6. recommend remedial action to prevent or eliminate corruption,
14 fraud, criminal activity, conflicts of interest or abuse in the commis-
15 sion; [~~and~~]

16 7. establish programs for training commission officers and employees
17 [~~regarding~~] in regard to the prevention and elimination of corruption,
18 fraud, criminal activity, conflicts of interest or abuse in the commis-
19 sion[]; and

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

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

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

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

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

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

50 § 7. This act shall take effect immediately.

51 SUBPART B

52 Intentionally Omitted

53 SUBPART C

1 Intentionally Omitted

2 SUBPART D

3 Intentionally Omitted

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

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

16 PART EE

17 Section 1. Subparagraphs (ii) and (iii) of paragraph 1 of subdivision
18 b of section 1612 of the tax law, subparagraph (ii) as amended by chap-
19 ter 174 of the laws of 2013, the opening paragraph of subparagraph (ii)
20 as separately amended by section 30 of chapter 174 of the laws of 2013,
21 clause (F) of subparagraph (ii) as amended by section 1 of part PP of
22 chapter 59 of the laws of 2017, clause (G) as amended by section 2 of
23 part HH and clause (G-2) of subparagraph (ii) as added by section 1 of
24 part DD of chapter 60 of the laws of 2016, clauses (G-1) and (I) of
25 subparagraph (ii) as amended by chapter 175 of the laws of 2013, clause
26 (H) of subparagraph (ii) as amended by section 1 of part TT of chapter
27 59 of the laws of 2018, clause (J) of subparagraph (ii) as added by
28 section 2 of part I of chapter 61 of the laws of 2017 and subparagraph
29 (iii) as separately amended by chapters 174 and 175 of the laws of 2013,
30 are amended to read as follows:

31 ~~(ii) [less a vendor's fee the amount of which is to be paid for serv-~~
32 ~~ing as a lottery agent to the track operator of a vendor track or the~~
33 ~~operator of a resort facility or the operator of any other video lottery~~
34 ~~gaming facility authorized pursuant to section one thousand six hundred~~
35 ~~seventeen a of this article.]~~

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

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

47 ~~Notwithstanding the foregoing, not later than April first, two thou-~~
48 ~~sand twelve, the vendor fee shall become thirty one percent and remain~~
49 ~~at that level thereafter, and except for Aqueduct racetrack, in which~~
50 ~~case the vendor fee shall be thirty eight percent of the total revenue~~

1 ~~wagered at the vendor track after payout for prizes pursuant to this~~
2 ~~chapter;~~

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

10 ~~(D) notwithstanding clauses (A), (B) and (C) of this subparagraph,~~
11 ~~when the vendor track is located within fifteen miles of a Native Ameri-~~
12 ~~can class III gaming facility at a rate of forty one percent of the~~
13 ~~total revenue wagered at the vendor track after payout for prizes pursu-~~
14 ~~ant to this chapter;~~

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

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

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

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

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

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

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

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

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

54 (4) fifty-six percent for a vendor track located within fifteen miles
55 of a Native American class III gaming facility as defined in 25 U.S.C
56 §2703(8);

1 (C) when a video lottery facility is located at Aqueduct racetrack, at
2 a rate of fifty percent of the total revenue wagered at the video
3 lottery gaming facility after payout for prizes pursuant to this chap-
4 ter;

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

11 (iii) (A) Notwithstanding any provision to the contrary, when a vendor
12 track is located within regions one, two, or five of development zone
13 two as defined by section thirteen hundred ten of the racing, pari-mutu-
14 el wagering and breeding law, such vendor track shall receive an addi-
15 tional commission at a rate equal to the percentage of revenue wagered
16 at the vendor track after payout for prizes pursuant to this chapter,
17 which percentage shall be one hundred, less the sum of the percentages
18 of net revenue wagered at the vendor track retained by the commission
19 for operation, administration, and procurement purposes; and the
20 vendor's fee, marketing allowance and capital award paid to the vendor
21 track pursuant to this chapter; and the effective tax rate paid on all
22 gross gaming revenue paid by a gaming facility within the same region
23 pursuant to section thirteen hundred fifty-one of the racing, pari-mutu-
24 el wagering and breeding law, provided, however, such additional commis-
25 sion shall be applied to revenue wagered at the vendor track after
26 payout for prizes only while a gaming facility in the same region is
27 open and operational pursuant to an operation certificate issued pursu-
28 ant to section thirteen hundred thirty-one of the racing, pari-mutuel
29 wagering and breeding law. The additional commission set forth in this
30 clause shall be paid to the vendor track within sixty days after the
31 conclusion of the state fiscal year based on the calculated percentage
32 during the previous fiscal year.

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

39 (C-2) (B) Notwithstanding any provision to the contrary, when a
40 vendor track is located within region six of development zone two as
41 defined by section thirteen hundred ten of the racing, pari-mutuel
42 wagering and breeding law and is located within Ontario county, such
43 vendor track shall receive an additional commission at a rate equal to
44 the percentage of revenue wagered at the vendor track after payout for
45 prizes pursuant to this chapter, which percentage shall be one hundred,
46 less the sum of the percentages of net revenue wagered at the vendor
47 track retained by the commission for operation, administration, and
48 procurement purposes; and the vendor's fee, marketing allowance and
49 capital award paid to the vendor track pursuant to this chapter; and the
50 effective tax rate paid on all gross gaming revenue paid by a gaming
51 facility within Seneca or Wayne counties pursuant to section thirteen
52 hundred fifty-one of the racing, pari-mutuel wagering and breeding law,
53 provided, however, such additional commission shall be applied to reven-
54 ue wagered at the vendor track after payout for prizes only while a
55 gaming facility in Seneca or Wayne counties is open and operational
56 pursuant to an operation certificate issued pursuant to section thirteen

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 ~~[(H) 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 general-
ly 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 oper-
ations 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 addi-
tional vendor's marketing allowance; provided, however, except for a
vendor track located west of State Route 14 from Sedus Point to the
Pennsylvania border within New York shall continue to receive a market-
ing 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 (C-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:

1 1-a. (i) Notwithstanding any provision of law to the contrary, any
2 operators of a vendor track or the operators of any other video lottery
3 gaming facility eligible to receive a capital award as of December thir-
4 ty-first, two thousand eighteen shall deposit from their vendor fee into
5 a segregated account an amount equal to four percent of the first
6 sixty-two million five hundred thousand dollars of revenue wagered at
7 the vendor track after payout for prizes pursuant to this chapter to be
8 used exclusively for capital investments, except for Aqueduct, which
9 shall deposit into a segregated account an amount equal to one percent
10 of all revenue wagered at the video lottery gaming facility after payout
11 for prizes pursuant to this chapter until the earlier of the designation
12 of one thousand video lottery devices as hosted pursuant to paragraph
13 four of subdivision a of section sixteen hundred seventeen-a of this
14 article or April first, two thousand nineteen, when at such time four
15 percent of all revenue wagered at the video lottery gaming facility
16 after payout for prizes pursuant to this chapter shall be deposited into
17 a segregated account for capital investments.

18 (ii) Vendor tracks and video lottery gaming facilities shall be
19 permitted to withdraw funds for projects approved by the commission to
20 improve the facilities of the vendor track or video lottery gaming
21 facility which enhance or maintain the video lottery gaming facility
22 including, but not limited to hotels, other lodging facilities, enter-
23 tainment facilities, retail facilities, dining facilities, events
24 arenas, parking garages and other improvements and amenities customary
25 to a gaming facility, provided, however, the vendor tracks and video
26 lottery gaming facilities shall be permitted to withdraw funds for unre-
27 imbursed capital awards approved prior to the effective date of this
28 subparagraph.

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

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

47 (v) The comptroller or his legally authorized representative is
48 authorized to audit any and all expenditures made out of these segre-
49 gated capital accounts.

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

54 (vii) Any balance remaining in the capital award account of a vendor
55 track or operator or any other video lottery gaming facility as of March

1 thirty-first, two thousand nineteen shall be transferred for deposit
2 into a segregated account established by this subparagraph.

3 1-b. Notwithstanding any provision of law to the contrary, free play
4 allowance credits authorized by the division pursuant to subdivision i
5 of section sixteen hundred seventeen-a of this article shall not be
6 included in the calculation of the total amount wagered on video lottery
7 games, the total amount wagered after payout of prizes, the vendor fees
8 payable to the operators of video lottery gaming facilities, fees paya-
9 ble to the division's video lottery gaming equipment contractors, or
10 racing support payments.

11 1-c. Notwithstanding any provision of law to the contrary, the opera-
12 tor of a vendor track or the operator of any other video lottery gaming
13 facility shall fund a marketing and promotion program out of the
14 vendor's fee. Each operator shall submit an annual marketing plan for
15 the review and approval of the commission and any other required docu-
16 ments detailing promotional activities as prescribed by the commission.
17 The commission shall have the right to reject any advertisement or
18 promotion that does not properly represent the mission or interests of
19 the lottery or its programs.

20 § 3. This act shall take effect immediately.

21 PART FF

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

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

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

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

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

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

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

51 (b) For purposes of paragraph (a) of this subdivision, "base taxable
52 gross gaming revenue amount" means that portion of gross gaming revenue
53 not attributable to deductible promotional credit.

1 (c) Any tax due on promotional credits deducted during the fiscal year
2 in excess of the allowable deduction shall be paid within thirty days
3 from the end of the fiscal year.

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

11 § 3. This act shall take effect immediately.

12 PART GG

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

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

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

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

34 d. Staff of the corporation shall prepare and submit to the board on a
35 quarterly basis a report of summarized budget data depicting overall
36 trends, by major category within funds, of actual revenues and budget
37 expenditures for the entire budget rather than individual line items, as
38 well as updated quarterly cash flow projections of receipts and
39 disbursements. Such reports shall compare revenue estimates and appro-
40 riations as set forth in such budget and in the quarterly revenue and
41 expenditure projections submitted therewith, with the actual revenues
42 and expenditures made to date. Such reports shall also compare actual
43 receipts and disbursements with the estimates contained in the cash flow
44 projections, together with variances and their explanation. All quarter-
45 ly reports shall be accompanied by recommendations from the president
46 setting forth any remedial action necessary to resolve any unfavorable
47 budget variance including the overestimation of revenues and the under-
48 estimation of appropriations. These reports shall be completed within
49 thirty days after the end of each quarter and shall be submitted to the
50 board by the corporation comptroller.

51 e. Revenue estimates and the financial plan shall be regularly reexam-
52 ined by the board and staff and shall provide a modified financial plan
53 in such detail and within such time periods as the board may require. In
54 the event of reductions in such revenue estimates, the board shall

1 consider and approve such adjustments in revenue estimates and
2 reductions in total expenditures as may be necessary to conform to such
3 revised revenue estimates or aggregate expenditure limitations.

4 § 2. Intentionally omitted.

5 § 3. Intentionally omitted.

6 § 4. This act shall take effect immediately.

7 PART HH

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

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

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

12 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
13 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
14 section 2 of part GG of chapter 59 of the laws of 2018, is amended to
15 read as follows:

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

28 § 3. The opening paragraph of subdivision 1 of section 1014 of the
29 racing, pari-mutuel wagering and breeding law, as amended by section 3
30 of part GG of chapter 59 of the laws of 2018, is amended to read as
31 follows:

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

50 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
51 and breeding law, as amended by section 4 of part GG of chapter 59 of
52 the laws of 2018, is amended to read as follows:

53 1. The provisions of this section shall govern the simulcasting of
54 races conducted at harness tracks located in another state or country
55 during the period July first, nineteen hundred ninety-four through June

1 thirtieth, two thousand [~~nineteen~~] twenty. This section shall supersede
2 all inconsistent provisions of this chapter.

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

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

24 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
25 wagering and breeding law, as amended by section 6 of part GG of chapter
26 59 of the laws of 2018, is amended to read as follows:

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

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

46 § 32. This act shall take effect immediately and the pari-mutuel tax
47 reductions in section six of this act shall expire and be deemed
48 repealed on July 1, [~~2019~~] 2020; provided, however, that nothing
49 contained herein shall be deemed to affect the application, qualifica-
50 tion, expiration, or repeal of any provision of law amended by any
51 section of this act, and such provisions shall be applied or qualified
52 or shall expire or be deemed repealed in the same manner, to the same
53 extent and on the same date as the case may be as otherwise provided by
54 law; provided further, however, that sections twenty-three and twenty-
55 five of this act shall remain in full force and effect only until May 1,
56 1997 and at such time shall be deemed to be repealed.

1 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
2 racing, pari-mutuel wagering and breeding law and other laws relating to
3 simulcasting and the imposition of certain taxes, as amended by section
4 8 of part GG of chapter 59 of the laws of 2018, is amended to read as
5 follows:

6 § 54. This act shall take effect immediately; provided, however,
7 sections three through twelve of this act shall take effect on January
8 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
9 ing law, as added by section thirty-eight of this act, shall expire and
10 be deemed repealed on July 1, [~~2019~~ 2020; and section eighteen of this
11 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
12 two of this act shall take effect as of the same date as chapter 772 of
13 the laws of 1989 took effect.

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

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

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

53 For the period June first, nineteen hundred ninety-five through
54 September ninth, nineteen hundred ninety-nine, such tax on regular
55 wagers shall be three per centum and such tax on multiple wagers shall
56 be two and one-half per centum, plus twenty per centum of the breaks.

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

17 § 10. This act shall take effect immediately.

18 PART II

19 Intentionally Omitted

20 PART JJ

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

26 § 2. An advisory committee shall be established within the New York
27 gaming commission comprised of individuals with demonstrated interest in
28 the performance of thoroughbred and standardbred race horses to review
29 the present structure, operations and funding of equine drug testing and
30 research conducted pursuant to article nine of the racing, pari-mutuel
31 wagering and breeding law. Members of the committee, who shall be
32 appointed by the governor, shall include but not be limited to a desig-
33 nee at the recommendation of each licensed or franchised thoroughbred
34 and standardbred racetrack, a designee at the recommendation of each
35 operating regional off-track betting corporation, a designee at the
36 recommendation of each recognized horsemen's organization at licensed or
37 franchised thoroughbred and standardbred racetracks, a designee at the
38 recommendation of both Morrisville State College and the Cornell Univer-
39 sity School of Veterinary Medicine, and two designees each at the recom-
40 mendation of the speaker of the assembly and temporary president of the
41 senate. The governor shall designate the chair from among the members
42 who shall serve as such at the pleasure of the governor. State agencies
43 shall cooperate with and assist the committee in the fulfillment of its
44 duties and may render informational, non-personnel services to the
45 committee within their respective functions as the committee may reason-
46 ably request. Recommendations shall be delivered to the temporary presi-
47 dent of the senate, speaker of the assembly and governor by December 1,
48 [~~2018~~] 2019 regarding the future of such research, testing and funding.
49 Members of the board shall not be considered policymakers.

50 § 2. Subdivision 1 of section 902 of the racing, pari-mutuel wagering
51 and breeding law, as amended by chapter 15 of the laws of 2010, is
52 amended to read as follows:

1 1. In order to assure the public's confidence and continue the high
 2 degree of integrity in racing at the pari-mutuel betting tracks, equine
 3 drug testing at race meetings shall be conducted by a state college
 4 within this state with an approved equine science program or a suitable
 5 laboratory in the state of New York. The [~~state racing and wagering~~
 6 ~~board~~] gaming commission shall promulgate any rules and regulations
 7 necessary to implement the provisions of this section, including admin-
 8 istrative penalties of loss of purse money, fines, or denial, suspen-
 9 sion[~~r~~] or revocation of a license for racing drugged horses.

10 § 3. This act shall take effect immediately.

11 PART KK

12 Intentionally Omitted

13 PART LL

14 Intentionally Omitted

15 PART MM

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

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

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

26 PART NN

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

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

33 If household gross income	Excess real property	The credit amount is
34 for the taxable year is:	taxes are the excess	the following
35	of real property tax	percentage of excess
36	equivalent or the	property taxes:
37	excess of qualifying	
38	real property taxes	
39	over the following	
40	percentage of	
41	household gross	
42	income:	
43 Less than \$100,000	4	4.5
44 \$100,000 to less than	5	3.0
45 \$150,000		
46 \$150,000 to less than	6	1.5
47 \$200,000		

1 Notwithstanding the foregoing provisions, the maximum credit deter-
2 mined under this subparagraph may not exceed five hundred dollars.

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

8 PART OO

9 Intentionally Omitted

10 PART PP

11 Intentionally Omitted

12 PART QQ

13 Intentionally Omitted

14 PART RR

15 Intentionally Omitted

16 PART SS

17 Section 1. Subdivision 6 of section 1306-a of the real property tax
18 law, as amended by section 3 of part TT of chapter 59 of the laws of
19 2017, is amended to read as follows:

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

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

41 § 2. This act shall take effect immediately.

42 PART TT

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

4 (a-2) Notwithstanding any provision of law to the contrary, where [~~a~~
5 ~~renewal~~] an application for the "enhanced" STAR exemption authorized by
6 subdivision four of this section has not been filed on or before the
7 taxable status date, and the owner believes that good cause existed for
8 the failure to file the [~~renewal~~] application by that date, the owner
9 may, no later than the last day for paying school taxes without incur-
10 ring interest or penalty, submit a written request to the commissioner
11 asking him or her to extend the filing deadline and grant the exemption.
12 Such request shall contain an explanation of why the deadline was
13 missed, and shall be accompanied by [~~a renewal~~] an application, reflect-
14 ing the facts and circumstances as they existed on the taxable status
15 date. After consulting with the assessor, the commissioner may extend
16 the filing deadline and grant the exemption if the commissioner is
17 satisfied that (i) good cause existed for the failure to file the
18 [~~renewal~~] application by the taxable status date, and that (ii) the
19 applicant is otherwise entitled to the exemption. The commissioner shall
20 mail notice of his or her determination to such owner and the assessor.
21 If the determination states that the commissioner has granted the
22 exemption, the assessor shall thereupon be authorized and directed to
23 correct the assessment roll accordingly, or, if another person has
24 custody or control of the assessment roll, to direct that person to make
25 the appropriate corrections. If the correction is not made before school
26 taxes are levied, the [~~failure to take the exemption into account in the~~
27 ~~computation of the tax shall be deemed a "clerical error" for purposes~~
28 ~~of title three of article five of this chapter, and shall be corrected~~
29 ~~accordingly~~] school district authorities shall be authorized and
30 directed to take account of the fact that the commissioner has granted
31 the exemption by correcting the applicant's tax bill and/or issuing a
32 refund accordingly.

33 § 2. Paragraph (d) of subdivision 2 of section 496 of the real proper-
34 ty tax law, as added by section 3 of part A of chapter 60 of the laws of
35 2016, is amended to read as follows:

36 (d) If the applicant is renouncing a STAR exemption in order to quali-
37 fy for the personal income tax credit authorized by subsection (eee) of
38 section six hundred six of the tax law, and no other exemptions are
39 being renounced on the same application, or if the applicant is renounc-
40 ing a STAR exemption before school taxes have been levied on the assess-
41 ment roll upon which that exemption appears, no processing fee shall be
42 applicable.

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

46 (a) For each assessment roll on which the renounced exemption appears,
47 the assessed value that was exempted shall be multiplied by the tax rate
48 or rates that were applied to that assessment roll, or in the case of a
49 renounced STAR exemption, the tax savings calculated pursuant to subdivi-
50 vision two of section thirteen hundred six-a of this chapter. Interest
51 shall then be added to each such product at the rate prescribed by
52 section nine hundred twenty-four-a of this chapter or such other law as
53 may be applicable for each month or portion thereon since the levy of
54 taxes upon such assessment roll.

1 § 4. Paragraph 5 of subsection (eee) of section 606 of the tax law, as
2 amended by section 8 of part A of chapter 73 of the laws of 2016, is
3 amended to read as follows:

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

15 § 5. This act shall take effect immediately.

16 PART UU

17 Section 1. Intentionally omitted.

18 § 2. Intentionally omitted.

19 § 3. Intentionally omitted.

20 § 4. Intentionally omitted.

21 § 5. Intentionally omitted.

22 § 6. Intentionally omitted.

23 § 7. Intentionally omitted.

24 § 8. Intentionally omitted.

25 § 9. Intentionally omitted.

26 § 10. Intentionally omitted.

27 § 11. Intentionally omitted.

28 § 12. Intentionally omitted.

29 § 13. Intentionally omitted.

30 § 14. Intentionally omitted.

31 § 15. Intentionally omitted.

32 § 16. Intentionally omitted.

33 § 17. The tax law is amended by adding a new article 28-C to read as
34 follows:

35 ARTICLE 28-C

36 SUPPLEMENTAL TAX ON VAPOR PRODUCTS

37 Section 1180. Definitions.

38 1181. Imposition of tax.

39 1182. Imposition of compensating use tax.

40 1183. Vapor products dealer registration and renewal.

41 1184. Administrative provisions.

42 1185. Criminal penalties.

43 1186. Deposit and disposition of revenue.

44 § 1180. Definitions. For the purposes of the taxes imposed by this
45 article, the following terms shall mean:

46 (a) "Vapor product" means any noncombustible liquid or gel, regardless
47 of the presence of nicotine therein, that is manufactured in to a
48 finished product for use in an electronic cigarette, electronic cigar,
49 electronic cigarillo, electronic pipe, vaping pen, hookah pen or other
50 similar device. "Vapor product" shall not include any product approved
51 by the United States food and drug administration as a drug or medical

1 device, or manufactured and dispensed pursuant to title five-A of arti-
2 cle thirty-three of the public health law.

3 (b) "Vapor products dealer" means a person licensed by the commission-
4 er to sell vapor products in this state.

5 § 1181. Imposition of Tax. In addition to any other tax imposed by
6 this chapter or other law, there is hereby imposed a tax of twenty
7 percent on receipts from the retail sale of vapor products sold in this
8 state. The tax is imposed on the purchaser and collected by the vapor
9 products dealer as defined in subdivision (b) of section eleven hundred
10 eighty of this article, in trust for and on account of the state.

11 § 1182. Imposition of compensating use tax. (a) Except to the extent
12 that vapor products have already been or will be subject to the tax
13 imposed by section eleven hundred eighty-one of this article, or are
14 otherwise exempt under this article, there is hereby imposed a use tax
15 on every use within the state of vapor products: (1) purchased at
16 retail; and (2) manufactured or processed by the user if items of the
17 same kind are sold by him or her in the regular course of his or her
18 business.

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

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

32 § 1183. Vapor products dealer registration and renewal. (a) Every
33 person who intends to sell vapor products in this state must receive
34 from the commissioner a certificate of registration prior to engaging in
35 business. Such person must electronically submit a properly completed
36 application for a certificate of registration for each location at which
37 vapor products will be sold in this state, on a form prescribed by the
38 commissioner, and shall be accompanied by a non-refundable application
39 fee of three hundred dollars.

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

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

54 (d) (1) The commissioner shall refuse to issue a certificate of regis-
55 tration to any applicant who does not possess a valid certificate of
56 authority under section eleven hundred thirty-four of this chapter. In

1 addition, the commissioner may refuse to issue a certificate of regis-
2 tration, or suspend, cancel or revoke a certificate of registration
3 issued to any person who: (A) has a past-due liability as that term is
4 defined in section one hundred seventy-one-v of this chapter; (B) has
5 had a certificate of registration under this article or any license or
6 registration provided for in this chapter revoked within one year from
7 the date on which such application was filed; (C) has been convicted of
8 a crime provided for in this chapter within one year from the date on
9 which such application was filed; (D) willfully fails to file a report
10 or return required by this article; (E) willfully files, causes to be
11 filed, gives or causes to be given a report, return, certificate or
12 affidavit required by this article which is false; (F) willfully fails
13 to collect or truthfully account for or pay over any tax imposed by this
14 article; or (G) whose place of business is at the same premises as that
15 of a person whose vapor products dealer registration has been revoked
16 and where such revocation is still in effect, unless the applicant or
17 vapor products dealer provides the commissioner with adequate documenta-
18 tion demonstrating that such applicant or vapor products dealer acquired
19 the premises or business through an arm's length transaction as defined
20 in paragraph (e) of subdivision one of section four hundred eighty-a of
21 this chapter.

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

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

50 (f) Every holder of a certificate of registration must notify the
51 commissioner of changes to any of the information stated on the certif-
52 icate or changes to any information contained in the application for the
53 certificate of registration. Such notification must be made on or before
54 the last day of the month in which a change occurs and must be made
55 electronically on a form prescribed by the commissioner.

1 (g) Every vapor products dealer who holds a certificate of registra-
2 tion under this article shall be required to reapply for a certificate
3 of registration for the following calendar year on or before the twenti-
4 eth day of September and such reapplication shall be subject to the same
5 requirements and conditions, including grounds for refusal, as an
6 initial registration under this article, including but not limited to
7 the payment of the three hundred dollar application fee for each retail
8 location.

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

23 § 1184. Administrative provisions. (a) Except as otherwise provided
24 for in this article, the taxes imposed by this article shall be adminis-
25 tered and collected in a like manner as and jointly with the taxes
26 imposed by sections eleven hundred five and eleven hundred ten of this
27 chapter. In addition, except as otherwise provided in this article, all
28 of the provisions of article twenty-eight of this chapter (except
29 sections eleven hundred seven, eleven hundred eight, eleven hundred
30 nine, and eleven hundred forty-eight) relating to or applicable to the
31 administration, collection and review of the taxes imposed by such
32 sections eleven hundred five and eleven hundred ten, including, but not
33 limited to, the provisions relating to definitions, returns, exemptions,
34 penalties, tax secrecy, personal liability for the tax, and collection
35 of tax from the customer, shall apply to the taxes imposed by this arti-
36 cle so far as such provisions can be made applicable to the taxes
37 imposed by this article with such limitations as set forth in this arti-
38 cle and such modifications as may be necessary in order to adapt such
39 language to the taxes so imposed. Such provisions shall apply with the
40 same force and effect as if the language of those provisions had been
41 set forth in full in this article except to the extent that any
42 provision is either inconsistent with a provision of this article or is
43 not relevant to the taxes imposed by this article.

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

50 (c) Notwithstanding the provisions of this section or section eleven
51 hundred forty-six of this chapter, the commissioner may, in his or her
52 discretion, permit the commissioner of health or his or her authorized
53 representative to inspect any return related to the tax imposed by this
54 article and may furnish to the commissioner of health any such return
55 or supply him or her with information concerning an item contained in

1 any such return, or disclosed by any investigation of a liability under
2 this article.

3 § 1185. Criminal penalties. The criminal penalties in sections eigh-
4 teen hundred one through eighteen hundred seven and eighteen hundred
5 seventeen of this chapter shall apply to this article with the same
6 force and effect as if the language of those provisions had been set
7 forth in full in this article except to the extent that any provision is
8 either inconsistent with a provision of this article or is not relevant
9 to the taxes imposed by this article.

10 § 1186. Deposit and disposition of revenue. The taxes, interest, and
11 penalties imposed by this article and collected or received by the
12 commissioner shall be deposited daily with such responsible banks, bank-
13 ing houses or trust companies, as may be designated by the comptroller,
14 to the credit of the comptroller in trust for the tobacco control and
15 insurance initiatives pool established by section ninety-two-dd of the
16 state finance law and distributed by the commissioner of health in
17 accordance with section twenty-eight hundred seven-v of the public
18 health law. Such deposits will be kept separate and apart from all other
19 money in the possession of the comptroller. The comptroller shall
20 require adequate security from all such depositories. Of the total
21 revenue collected or received under this article, the comptroller shall
22 retain such amount as the commissioner may determine to be necessary for
23 refunds under this article. Provided, however that the commissioner is
24 authorized and directed to deduct from the amounts he or she receives
25 from the registration fees under section eleven hundred eighty-three of
26 this article, before deposit into the tobacco control and insurance
27 initiatives pool, a reasonable amount necessary to effectuate refunds of
28 appropriations of the department to reimburse the department for the
29 costs incurred to administer, collect and distribute the taxes imposed
30 by this article.

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

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

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

1 § 20. This act shall take effect on the one hundred eightieth day
2 after it shall have become a law; provided, however that section seven-
3 teen of this act shall take effect on the first day of a quarterly peri-
4 od described in subdivision (b) of section 1136 of the tax law next
5 commencing at least one hundred eighty days after this act shall become
6 a law, and shall apply to sales and uses of vapor products on or after
7 such date.

8 PART VV

9 Intentionally Omitted

10 PART WW

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

13 § 1166-a. Special supplemental tax on passenger car rentals within the
14 metropolitan commuter transportation district. (a) In addition to the
15 tax imposed under section eleven hundred sixty of this article and in
16 addition to any tax imposed under any other article of this chapter,
17 there is hereby imposed and there shall be paid a tax at the rate of
18 [~~five~~] six percent upon the receipts from every rental of a passenger
19 car which is a retail sale of such passenger car within the metropolitan
20 commuter transportation district as defined in [~~subdivision~~] subsection
21 (a) of section eight hundred of this chapter.

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

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

42 § 1166-b. Special supplemental tax on passenger car rentals outside of
43 the metropolitan commuter transportation district. (a) In addition to
44 the tax imposed under section eleven hundred sixty of this article and
45 in addition to any tax imposed under any other article of this chapter,
46 there is hereby imposed and there shall be paid a tax at the rate of six
47 percent upon the receipts from every rental of a passenger car that is
48 not subject to the tax described in section eleven hundred sixty-six-a
49 of this article, but which is a retail sale of such passenger car within
50 the state.

51 (b) Except to the extent that a passenger car rental described in
52 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[~~7~~]: (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 metropolitan 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

1 establish the sums that are to be paid by all owners and trainers
2 licensed or required to be licensed under section two hundred twenty of
3 this article, to obtain the total funding amount required annually. In
4 order to provide that any sum required to be paid by an owner or trainer
5 is equitable, the fund shall establish payment schedules which reflect
6 such factors as are appropriate, including where applicable, the
7 geographic location of the racing corporation at which the owner or
8 trainer participates, the duration of such participation, the amount of
9 any purse earnings, the number of horses involved, or such other factors
10 as the fund shall determine to be fair, equitable and in the best inter-
11 ests of racing. In no event shall the amount deducted from an owner's
12 share of purses exceed two per centum; provided, however, for two thou-
13 sand [~~eighteen~~] nineteen through two thousand twenty-one the New York
14 Jockey Injury Compensation Fund, Inc. may use up to two million five
15 hundred thousand dollars from the account established pursuant to subdivi-
16 sion nine of section two hundred eight of this article to pay the
17 annual costs required by this section and the funds from such account
18 shall not count against the two per centum of purses deducted from an
19 owner's share of purses. The amount deducted from an owner's share of
20 purses shall not exceed one per centum after April first, two thousand
21 twenty. In the cases of multiple ownerships and limited racing appear-
22 ances, the fund shall equitably adjust the sum required.

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

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

36 § 3. This act shall take effect immediately.

37

PART ZZ

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

41 (1) The commissioner shall enter into a written agreement with the
42 commissioner of motor vehicles, which shall set forth the procedures for
43 the two departments to cooperate in a program to improve tax collection
44 through the suspension of drivers' licenses of taxpayers with past-due
45 tax liabilities equal to or in excess of ten thousand dollars multiplied
46 by the applicable inflation adjustment. For the purposes of this
47 section, the term "tax liabilities" shall mean any tax, surcharge, or
48 fee administered by the commissioner, or any penalty or interest due on
49 these amounts owed by an individual with a New York driver's license,
50 the term "driver's license" means any license issued by the department
51 of motor vehicles, except for a commercial driver's license as defined
52 in section five hundred one-a of the vehicle and traffic law, and the
53 term "past-due tax liabilities" means any tax liability or liabilities
54 which have become fixed and final such that the taxpayer no longer has

1 any right to administrative or judicial review, and the "applicable
2 inflation adjustment" for a calendar year shall be determined under the
3 principles of section 7345(f) of the Internal Revenue Code of 1986,
4 using the calendar year of the effective date of the chapter of the laws
5 of two thousand nineteen which amended this subdivision as the base
6 period. The ten thousand dollar limitation in this subdivision shall not
7 apply to a taxpayer that the commissioner determines has taken affirma-
8 tive steps to evade or avoid the collection of tax, such as by hiding
9 assets.

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

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

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

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

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

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

49 (5) Notwithstanding any other provision of law, and except as specif-
50 ically provided herein, the taxpayer shall have no right to commence a
51 court action or proceeding or to any other legal recourse against the
52 department or the department of motor vehicles regarding a notice issued
53 by the department pursuant to this section and the referral by the
54 department of any taxpayer with past-due tax liabilities to the depart-
55 ment of motor vehicles pursuant to this section for the purpose of
56 suspending the taxpayer's driver's license. A taxpayer may only chal-

1 lenge such suspension or referral on the grounds that (i) the individual
2 to whom the notice was provided is not the taxpayer at issue; (ii) the
3 past-due tax liabilities were satisfied; (iii) the taxpayer's wages are
4 being garnished by the department for the payment of the past-due tax
5 liabilities at issue or for past-due child support or combined child and
6 spousal support arrears; (iv) the taxpayer's wages are being garnished
7 for the payment of past-due child support or combined child and spousal
8 support arrears pursuant to an income execution issued pursuant to
9 section five thousand two hundred forty-one of the civil practice law
10 and rules; (v) the taxpayer's driver's license is a commercial driver's
11 license as defined in section five hundred one-a of the vehicle and
12 traffic law; [~~or~~] (vi) the department incorrectly found that the taxpay-
13 er has failed to comply with the terms of a payment arrangement made
14 with the commissioner more than once within a twelve month period for
15 the purposes of subdivision three of this section; (vii) the taxpayer
16 receives public assistance or supplemental security income; (viii) the
17 taxpayer's income does not exceed two hundred fifty percent of the
18 poverty level as reported by the federal Department of Health and Human
19 Services or any successor agency; or (ix) payment of the past due tax
20 liabilities will create a hardship for the taxpayer in meeting necessary
21 living expenses.

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

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

35 § 3. This act shall take effect immediately.

36 PART AAA

37 Intentionally Omitted

38 PART BBB

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

41 § 1402-b. Additional transfer tax on conveyances for consideration of
42 five million dollars or more. (a) In addition to the taxes imposed by
43 sections fourteen hundred two and fourteen hundred two-a of this arti-
44 cle, a tax is hereby imposed on each conveyance of real property or
45 interest therein when the consideration for the entire conveyance is
46 five million dollars or more. The rate of such tax shall be three-
47 tenths percent of the consideration or part thereof attributable to the
48 real property when such consideration for the entire conveyance is no
49 less than five million dollars but no more than ten million dollars. The
50 rate of such tax shall be one-half percent of the consideration or part
51 thereof attributable to the real property when such consideration for
52 the entire conveyance is no less than ten million dollars but no more

1 than fifty million dollars. The rate of such tax shall be seven-tenths
2 percent of the consideration or part thereof attributable to the real
3 property when such consideration for the entire conveyance is no less
4 than fifty million dollars but no more than one hundred million dollars.
5 The rate of such tax shall be nine-tenths percent of the consideration
6 or part thereof attributable to the real property when such consider-
7 ation for the entire conveyance is no less than one hundred million
8 dollars but no more than two hundred and fifty million dollars. The rate
9 of such tax shall be one and one-tenth percent of the consideration or
10 part thereof attributable to the real property when such consideration
11 for the entire conveyance is no less than two hundred fifty million
12 dollars but no more than five hundred million dollars. The rate of such
13 tax shall be one and three-tenths percent of the consideration or part
14 thereof attributable to the real property when such consideration for
15 the entire conveyance is no less than five hundred million dollars but
16 no more than one billion dollars. The rate of such tax shall be one and
17 one-half percent of the consideration or part thereof attributable to
18 the real property when such consideration for the entire conveyance is
19 no less than one billion dollars.

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

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

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

54 § 2. This act shall take effect April 1, 2019, and shall apply to
55 conveyances occurring on or after the thirtieth day after this act shall
56 have become a law.

PART CCC

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:

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

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.

1 6. Rules. The department of finance of any city enacting a local law
 2 pursuant to this section shall have, in addition to any other functions,
 3 powers and duties which have been or may be conferred on it by law, the
 4 power to make and promulgate rules to carry out the purposes of this
 5 section including, but not limited to, rules relating the timing, form
 6 and manner of any certification required to be submitted under this
 7 section.

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

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

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

34 § 2. This act shall take effect immediately.

35 PART DDD

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

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

44 § 2. Section 1224 of the tax law is amended by adding a new subdivi-
 45 sion (jj) to read as follows:

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

1 empowered to adopt pursuant to section twelve hundred ten of this arti-
2 cle.

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

5 § 1262-b. The Westchester county property tax stabilization and relief
6 act. (a) Notwithstanding any other provision of law to the contrary, if
7 the county of Westchester imposes sales and compensating use taxes
8 pursuant to [~~subdivision (a)~~] clause forty-two of subparagraph (i) of
9 the opening paragraph of section twelve hundred ten of this article at
10 the rate of [~~three~~] four percent:

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

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

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

28 (B) One-sixth of such net collections shall be allocated and paid
29 quarterly by the county commissioner of finance, in cash, to the several
30 school districts in such area of the county outside any such city impos-
31 ing sales and compensating use taxes. Such allocation and payment, to
32 such several school districts, shall be made on the basis of the ratio
33 which the population of each such school district bears to the aggregate
34 population of all of the school districts in such area. In the case of
35 school districts which are partially within and partially without the
36 county, or partially within or partially without the area of the county
37 outside a city imposing sales and compensating use taxes, the allocation
38 and payment to each such school district shall be made on the basis of
39 the population in such school district in the county, or in such area of
40 the county outside a city imposing sales and compensating use taxes, as
41 the case may be. Such populations shall be determined in accordance with
42 the latest federal census or special population census under section
43 twenty of the general municipal law completed and published prior to the
44 end of the quarter in which such allocation and payment are made, which
45 special population census shall include the entire area of the county;
46 provided that such special population census shall not be taken more
47 than once in every two years. A school district split between Westches-
48 ter county and another county shall apply such allocation and payment
49 solely to the benefit of the residents of the county in which the sales
50 and compensating use taxes are imposed.

51 (C) One-half of such net collections shall be allocated and paid quar-
52 terly by the county commissioner of finance, in cash, to the cities not
53 imposing sales and compensating use taxes and to the towns and villages
54 on which such additional one percent rate is imposed, on the basis of
55 the ratio which the population of each such city, town or village on
56 which such additional one percent rate is imposed bears to the entire

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

9 (D) The quarterly allocation and payment of cash to cities, towns,
10 villages and school districts provided for under this paragraph and
11 under paragraph three of this subdivision may be made after payment by
12 the state comptroller to the county of the net collections subject to
13 such allocation and receipt by the county commissioner of finance of the
14 quarterly settlement report issued by the department, and may include
15 adjustments for corrections applicable to such allocations. All ratios
16 established by the county commissioner of finance with respect to allo-
17 cations to cities, towns, villages and school districts under this
18 subdivision shall be carried to four decimal places. The allocation of
19 net collections and payment of cash provided for under this paragraph
20 and under paragraph three of this subdivision shall be made to a town
21 based upon the population of the town less the population of any village
22 therein, provided that a town/village or village/town shall be deemed a
23 village for the purpose of determining such allocation. The allocation
24 of net collections and payment of cash provided for under this paragraph
25 and under paragraph three of this subdivision shall be applied by the
26 cities, towns, villages and school districts receiving such allocation
27 and payment as a credit against the taxes upon real property imposed by
28 such municipalities and school districts, respectively. The allocation
29 and payment received by towns shall be credited against real property
30 taxes in either the general fund town-wide or the town outside village
31 fund or a combination thereof.

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

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

41 (B) Ten percent of such net collections shall be allocated and paid in
42 the manner set forth in subparagraph (B) of paragraph two of this subdi-
43 vision.

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

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

1 section shall be authorized or entitled to receive any cash allocation
2 under section twelve hundred sixty-two of this article.

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

9 e. "Spending limitation" means the maximum amount of county spending
10 established in county fiscal years 1992, 1993, 1994, 1995, 1996, 1997,
11 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009,
12 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 [~~and~~], 2020,
13 2021 and 2022.

14 § 5. Establishment of annual spending limitation. a. For county fiscal
15 years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002,
16 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014,
17 2015, 2016, 2017, 2018, 2019 [~~and~~], 2020, 2021 and 2022 there shall be
18 in effect an annual spending limitation. The spending limitation shall
19 be derived from a fixed percentage reflecting the ratio of base year
20 spending to county personal income. County personal income for such
21 calculation shall be for the period January 1, 1986 through December 31,
22 1986. Such percentage shall be applied to county personal income for the
23 period January 1, 1989 through December 31, 1989, to determine the
24 spending limitation for county fiscal year 1992; to determine the spend-
25 ing limitation for county fiscal year 1993, such percentage shall be
26 applied to county personal income for the period January 1, 1990 through
27 December 31, 1990; to determine the spending limitation for county
28 fiscal year 1994, such percentage shall be applied to county personal
29 income for the period January 1, 1991 through December 31, 1991; to
30 determine the spending limitation for county fiscal year 1995, such
31 percentage shall be applied to county personal income for the period
32 January 1, 1992 through December 31, 1992; to determine the spending
33 limitation for county fiscal year 1996, such percentage shall be applied
34 to county personal income for the period January 1, 1993 through Decem-
35 ber 31, 1993; to determine the spending limitation for county fiscal
36 year 1997, such percentage shall be applied to county personal income
37 for the period January 1, 1994 through December 31, 1994; to determine
38 the spending limitation for county fiscal year 1998, such percentage
39 shall be applied to county personal income for the period January 1,
40 1995 through December 31, 1995; to determine the spending limitation for
41 county fiscal year 1999, such percentage shall be applied to county
42 personal income for the period January 1, 1996 through December 31,
43 1996; to determine the spending limitation for county fiscal year 2000,
44 such percentage shall be applied to county personal income for the peri-
45 od January 1, 1997 through December 31, 1997; to determine the spending
46 limitation for county fiscal year 2001, such percentage shall be applied
47 to county personal income for the period January 1, 1998 through Decem-
48 ber 31, 1998; to determine the spending limitation for county fiscal
49 year 2002, such percentage shall be applied to county personal income
50 for the period January 1, 1999 through December 31, 1999; to determine
51 the spending limitation for county fiscal year 2003, such percentage
52 shall be applied to county personal income for the period January 1,
53 2000 through December 31, 2000; to determine the spending limitation for
54 county fiscal year 2004, such percentage shall be applied to county
55 personal income for the period January 1, 2001 through December 31,
56 2001; to determine the spending limitation for county fiscal year 2005,

1 such percentage shall be applied to county personal income for the peri-
2 od January 1, 2002 through December 31, 2002; to determine the spending
3 limitation for county fiscal year 2006, such percentage shall be applied
4 to county personal income for the period January 1, 2003 through Decem-
5 ber 31, 2003; to determine the spending limitation for the county fiscal
6 year 2007, such percentage shall be applied to county personal income
7 for the period January 1, 2004 through December 31, 2004; to determine
8 the spending limitation for the county fiscal year 2008, such percentage
9 shall be applied to county personal income for the period January 1,
10 2005 through December 31, 2005; to determine the spending limitation for
11 the county fiscal year 2009, such percentage shall be applied to county
12 personal income for the period January 1, 2006 through December 31,
13 2006; to determine the spending limitation for the county fiscal year
14 2010, such percentage shall be applied to county personal income for the
15 period January 1, 2007 through December 31, 2007; to determine the
16 spending limitation for the county fiscal year 2011, such percentage
17 shall be applied to county personal income for the period January 1,
18 2008 through December 31, 2008; to determine the spending limitation for
19 the county fiscal year 2012, such percentage shall be applied to county
20 personal income for the period January 1, 2009 through December 31,
21 2009; to determine the spending limitation for the county fiscal year
22 2013, such percentage shall be applied to county personal income for the
23 period January 1, 2010 through December 31, 2010; to determine the
24 spending limitation for the county fiscal year 2014, such percentage
25 shall be applied to county personal income for the period January 1,
26 2011 through December 31, 2011; to determine the spending limitation for
27 the county fiscal year 2015, such percentage shall be applied to county
28 personal income for the period January 1, 2012 through December 31,
29 2012; to determine the spending limitation for county fiscal year 2016,
30 such percentage shall be applied to the county personal income for the
31 period January 1, 2013 through December 31, 2013; to determine the
32 spending limitation for the county fiscal year 2017, such percentage
33 shall be applied to county personal income for the period January 1,
34 2014 through December 31, 2014; and to determine the spending limitation
35 for county fiscal year 2018, such percentage shall be applied to the
36 county personal income for the period January 1, 2015 through December
37 31, 2015; to determine the spending limitation for the county fiscal
38 year 2019, such percentage shall be applied to county personal income
39 for the period January 1, 2016 through December 31, 2016; and to deter-
40 mine the spending limitation for county fiscal year 2020, such percent-
41 age shall be applied to the county personal income for the period Janu-
42 ary 1, 2017 through December 31, 2017; and to determine the spending
43 limitation for the county fiscal year 2021, such percentage shall be
44 applied to county personal income for the period January 1, 2018 through
45 December 31, 2018; and to determine the spending limitation for the
46 county fiscal year 2022, such percentage shall be applied to county
47 personal income for the period January 1, 2019 through December 31,
48 2019.

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

52 § 7. Mandatory tax reduction. In the event that the county spending
53 subject to the spending limitation exceeds such limitation in the adop-
54 tive county budget for county fiscal year 1992, 1993, 1994, 1995, 1996,
55 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008,

1 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 [~~or~~],
 2 2020, 2021 or 2022 then section 1262-b of the tax law shall be repealed.

3 § 16. This act shall take effect immediately, provided, however, that
 4 sections one through seven of this act shall be in full force and effect
 5 until [~~May 31, 2020, provided, however, that if the county of Westches-~~
 6 ~~ter imposes the tax authorized by section 1210 of the tax law in excess~~
 7 ~~of three percent, then sections one through seven of this act shall be~~
 8 ~~deemed repealed; provided that the commissioner of taxation and finance~~
 9 ~~shall notify the legislative bill drafting commission upon the repeal of~~
 10 ~~section 1262-b of the tax law pursuant to section seven of the Westches-~~
 11 ~~ter county spending limitation act in order that the commission may~~
 12 ~~maintain an accurate and timely effective data base of the official text~~
 13 ~~of laws of the state of New York in furtherance of effecting the~~
 14 ~~provisions of section 44 of the legislative law and section 70-b of the~~
 15 ~~public officers law] November 30, 2022.~~

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

22 PART EEE

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

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

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

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

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

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

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

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

53 (4) "Eligible investment authority" means the amount stated on the
 54 notice issued under subparagraph (A) of paragraph six of subdivision (b)

1 of this section certifying the rural business growth fund. At least
2 sixty-five percent of a rural business growth fund's eligible investment
3 authority shall be comprised of credit-eligible capital contributions.

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

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

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

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

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

46 (A) The business's principal business operations are located in a
47 rural area in New York state and is an agricultural enterprise or is
48 related to the use of agricultural products or forest products, or is an
49 enterprise in one of the following industries: manufacturing, computer
50 hardware or software, tourism, agribusiness development to stimulate the
51 development and implementation of new and alternative production, proc-
52 essing, storage, distribution and marketing technology and improvements
53 for New York food, agriculture and forest products or if not engaged in
54 any of these industries, the department determines that the investment
55 will be beneficial to the qualified location and the economic growth of
56 New York state; or

1 (B) The business produces or provides any goods principally used by
2 farmers, ranchers, or producers and harvesters of aquatic products in
3 their business operations, or is involved in the processing and market-
4 ing of agricultural products, farm supply, and input suppliers, provided
5 that such business is located in a municipality, as defined in section
6 four hundred eighty-one of the executive law, in New York state with a
7 population of less than fifty thousand. For the purposes of this
8 section, "net income" means federal adjusted gross income as required to
9 be reported under the Internal Revenue Code less federal and state taxes
10 imposed on or measured by income. Any business which is classified as a
11 rural business concern at the time of the initial investment in said
12 business by a rural business growth fund shall remain classified as a
13 rural business concern and may receive follow-on investments from any
14 rural business growth fund, and such follow-on investments shall qualify
15 as a rural growth investment provided it otherwise meets the definition
16 of rural business concern with the exception of the employee limitation
17 and net income limitation in such definition.

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

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

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

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

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

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

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

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

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

51 (C) An estimate of the number of (i) jobs that will be created in the
52 rural areas of New York state as a result of the applicant's rural
53 growth investments, (ii) jobs that will be retained in the rural areas
54 of New York state as a result of the applicants rural growth invest-
55 ments, and (iii) the anticipated average wage per job.

1 (D) A revenue impact assessment for the applicant's proposed rural
2 growth investments prepared by a nationally recognized third-party inde-
3 pendent economic forecasting firm using a dynamic economic forecasting
4 model. The revenue impact assessment shall analyze the applicant's
5 business plan over the ten years following the date the application is
6 submitted to the department.

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

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

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

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

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

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

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

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

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

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

45 (4) If the department denies an application under paragraph three of
46 this subdivision, the department shall send notice of its determination
47 of the applicant. The notice shall include the reasons that the applica-
48 tion was denied. If the application was denied for any reason other than
49 the reason specified in subparagraph (F) of paragraph three of this
50 subdivision, the applicant may provide additional information to the
51 department to complete, clarify, or cure defects in the application.
52 The additional information must be submitted within thirty days after
53 the date the notice of denial was sent by the department. If the person
54 or entity submits additional information within thirty days, the depart-
55 ment shall reconsider the application within thirty days after receiving
56 such additional information. If after submission of additional informa-

1 tion, the application is approved, then the submission date shall be the
2 date of the original submission of the application. If the person or
3 entity does not submit additional information within thirty days after
4 the notice of denial was sent, the applicant may submit a new applica-
5 tion with a new submission date at any time.

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

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

26 (7) A rural business growth fund shall complete all of the following
27 within sixty days of receiving the written notice issued under paragraph
28 six of this subdivision:

29 (A) Collect the credit-eligible capital contributions from each inves-
30 tor whose credit-eligible capital contributions are described in affida-
31 vidits submitted pursuant to subparagraph (E) of paragraph one of this
32 subdivision.

33 (B) Collect one or more investments of cash, which shall purchase an
34 equity interest in the rural growth fund or a debt instrument issued by
35 the rural growth fund at par value or premium, with a maturity date of
36 at least five years from the closing date that, when added to the
37 contributions collected under subparagraph (A) of this paragraph, equal
38 the fund's eligible investment authority. At least ten percent of the
39 fund's eligible investment authority shall be comprised of equity
40 investments contributed by affiliates of the rural business growth fund,
41 including employees, officers, and directors of such affiliates.

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

46 (8) Eligible investment authority and corresponding credit-eligible
47 capital contributions that lapse under paragraph seven of this subdivi-
48 sion do not count toward limits on total eligible investment authority
49 and credit-eligible capital contributions prescribed in paragraph two of
50 this subdivision. Once eligible investment authority has lapsed, the
51 department shall first award lapsed authority pro rata to each rural
52 business growth fund that was awarded less than the requested eligible
53 investment authority under paragraph five of this subdivision. Any
54 remaining eligible investment authority may be awarded by the department
55 to new applicants.

1 (9) Application fees submitted to the department pursuant to subpara-
2 graph (F) of paragraph one of this subdivision shall be credited to the
3 New York agriculture and rural jobs fund, created in section ninety-
4 nine-ff of the state finance law.

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

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

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

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

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

49 (2) Before taking action under paragraph one of this subdivision, the
50 department shall notify the rural business growth fund of the reasons
51 for the pending action. If the rural business growth fund corrects the
52 violations, other than violations of subparagraph (D) of paragraph one
53 of this subdivision, outlined in the notice to the satisfaction of the
54 department within one hundred eighty days of the date of the notice was
55 sent, the department shall not revoke the tax credit certificates or
56 levy a fine.

1 (3) If the department revokes a tax credit certificate under paragraph
2 one of this subdivision, it shall notify the commissioner, who shall
3 make an assessment for the amount of the credit claimed by the certifi-
4 cate holder before the certificate was revoked. The commissioner shall
5 make the assessment within one year after the certificate has been
6 revoked.

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

17 (5) (A) On or after the seventh anniversary of the closing date, a
18 rural business growth fund that has not committed any of the acts
19 described in paragraph one of this subdivision may apply to the depart-
20 ment to exit the program as a rural business growth fund and no longer
21 be subject to regulation under this section. The department shall
22 respond to the application within thirty days after receiving such
23 application. In evaluating such request the fact that no tax credit
24 certificates have been revoked with respect to the rural business growth
25 fund shall be sufficient evidence to prove that the fund is eligible to
26 exit the program. The department shall not unreasonably deny an applica-
27 tion submitted under this subdivision.

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

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

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

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

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

50 (7) The amount of the penalty pursuant to paragraph six of this subdivi-
51 vision shall be equal to the amount of the tax credit certificate issued
52 under subparagraph (B) of paragraph six of subdivision (b) of this
53 section multiplied by a fraction:

54 (A) the numerator of which is the number of jobs created and jobs
55 retained set forth in the rural business growth fund's notice of
56 approval under subparagraph (A) of paragraph six of subdivision (b) of

1 this section less the sum of jobs created and jobs retained reported to
2 the department annually pursuant to paragraph one of subdivision (d) of
3 this section; and

4 (B) the denominator of which is the number of jobs created and jobs
5 retained set forth in the rural business growth fund's notice of
6 approval under subparagraph (A) of paragraph six of subdivision (b) of
7 this section.

8 (8) Before making a distribution to the rural business growth fund's
9 equity holders, the rural business growth fund shall deduct the amount
10 of the penalty as calculated pursuant to paragraph seven of this subdivi-
11 vision from the amount otherwise authorized to be distributed to the
12 equity holders and pay the penalty to the department.

13 (9) A rural business growth fund shall, prior to making a rural growth
14 investment, request from the department a written determination as to
15 whether the business entity in which it proposes to invest qualifies as
16 a rural business concern. Such request shall be in a form prescribed by
17 the department. Rural business concern determination requests shall be
18 accepted, reviewed, and approved on a rolling basis. The department,
19 not later than the twentieth business day after the date of receipt of
20 such request, provided the request includes all of the required informa-
21 tion to perform such review, shall notify the rural business growth fund
22 of its determination. If the department fails to notify such fund of its
23 determination within such twenty business days, the business in which
24 the rural business growth fund proposes to invest shall be deemed to
25 qualify as a rural business concern.

26 (d) Reports. (1) A rural business growth fund shall submit a report to
27 the department on or before the fifth business day after each anniver-
28 sary of the closing date until the rural business growth fund has exited
29 the program in accordance with paragraph five of subdivision (c) of this
30 section. The report shall document the rural business growth fund's
31 growth investments and shall include, but shall not be limited to:

32 (A) A bank statement showing each rural growth investment;

33 (B) The name, location, and industry of each rural business concern
34 receiving a rural growth investment, including either the determination
35 notice described by paragraph nine of subdivision (c) of this section or
36 evidence that such determination was requested and no notice was
37 provided;

38 (C) The number of jobs created and jobs retained in the preceding
39 twelve month reporting period as a result of the rural business growth
40 fund's rural growth investments as of the last day of that period;

41 (D) The average annual salary of the jobs described by subparagraph
42 (C) of this paragraph; and

43 (E) Any other information deemed pertinent by the rural business
44 growth fund or required by the department.

45 (2) The department shall adopt rules necessary to implement this
46 subdivision.

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

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

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

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

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

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

14 § 187-q. Credit for certain investments to a rural business growth
15 fund. 1. There is hereby allowed a nonrefundable tax credit for taxpay-
16 ers that made a credit-eligible capital contribution to a rural business
17 growth fund and were issued a tax credit certificate under subparagraph
18 (B) of paragraph six of subdivision (b) of section forty-four of this
19 chapter. The credit may be claimed against the tax imposed by this arti-
20 cle. The credit may not be sold, transferred, or allocated to any entity
21 other than an affiliate of the taxpayer.

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

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

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

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

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

52 (3) Application of credit. The credit allowed under this subdivision
53 for any taxable year shall not reduce the tax due for such year to less
54 than the amount prescribed in paragraph (d) of subdivision one of
55 section two hundred ten of this article. Provided, however, that if the
56 amount of the credit allowable under this subdivision for any taxable

1 year reduces the tax to such amount or if the taxpayer otherwise pays
2 tax based on the fixed dollar minimum amount, the excess shall be treat-
3 ed as an overpayment of tax to be credited in accordance with the
4 provisions of section one thousand eighty-six of this chapter. Provided,
5 further, notwithstanding the provisions of subsection (c) of section one
6 thousand eighty-eight of this chapter, no interest shall be paid there-
7 on.

8 § 5. The state finance law is amended by adding a new section 99-ff to
9 read as follows:

10 § 99-ff. New York agriculture and rural jobs fund. 1. There is hereby
11 established in the joint custody of the state comptroller and the
12 commissioner of taxation and finance a special fund to be known as the
13 "New York agriculture and rural jobs fund".

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

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

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

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

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