

# STATE OF NEW YORK

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3009--B

## IN ASSEMBLY

January 20, 2021

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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 the tax law, in relation to extending the top state income tax rate (Part A); intentionally omitted (Part B); to amend the tax law and the state finance law, in relation to the imposition of a pass-through entity tax (Part C); to amend the economic development law and the tax law, in relation to child care services expenditures under the excelsior jobs program and the employer provided child care credit (Part D); to amend the tax law, in relation to reforming and simplifying various business tax provisions thereof; and to repeal certain provisions of such law related thereto (Part E); to amend the tax law, in relation to the empire state film production credit and the empire state film post production credit (Part F); to amend the tax law, in relation to wage filer reporting and reconciliation (Part G); intentionally omitted (Part H); intentionally omitted (Part I); to amend the tax law, in relation to imposing sales tax on such admissions to race tracks and simulcast facilities; and to repeal section 227, section 306, section 406, subparagraph (ii) of paragraph b of subdivision 4 of section 1008 and paragraph b of subdivision 5 of section 1009 of the racing, pari-mutuel, wagering and breeding law, relating to certain taxes on admissions to race tracks and simulcast facilities (Part J); to amend the tax law, in relation to the interest free period for certain sales tax refunds (Part K); intentionally omitted (Part L); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property or services (Part M); to amend the tax law, in relation to increasing the total dollar amount for vendors' gross receipts necessary for registration filing (Part N); to amend the tax law, in relation to imposing liability for real estate transfer taxes on responsible persons, prohibiting grantors from passing real estate transfer tax to grantees, and exempting certain organizations from the LLC disclosure requirement (Part O); to amend the tax law, in relation to restrictions on certain retail dealers whose registrations have been revoked or who have been forbidden

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

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from selling cigarettes or tobacco products (Part P); to amend the tax law, in relation to the timing and method for filing certain returns (Part Q); to amend the tax law, in relation to determining liability for the collection of taxes on medallion taxicab trips and congestion surcharges (Part R); to amend the tax law, in relation to increasing tax return preparer penalties for failure to register and requiring the display of certain documents by tax return preparers (Part S); intentionally omitted (Part T); intentionally omitted (Part U); intentionally omitted (Subpart A); intentionally omitted (Subpart B); intentionally omitted (Subpart C); intentionally omitted (Subpart D); and to amend the real property law and the real property tax law, in relation to exemptions for manufactured home park owners or operators and mobile home owners; and to repeal certain provisions relating thereto (Subpart E)(Part V); intentionally omitted (Part W); intentionally omitted (Part X); to amend the racing, pari-mutuel wagering and breeding law, in relation to regulation of sports betting (Part Y); intentionally omitted (Part Z); intentionally omitted (Part AA); to amend the tax law, in relation to restrictions on certain lottery draw game offerings; and providing for the repeal of such provisions upon the expiration thereof (Part BB); to amend the racing, pari-mutuel wagering and breeding law, in relation to the office of the gaming inspector general; and to repeal certain provisions of such law relating thereto (Part CC); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part DD); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions for five years (Part EE); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to extending the provisions of such credit through tax year 2024 (Part FF); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part GG); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof; and to amend the tax law in relation to increasing the aggregate cap on the amount of such credit (Part HH); to amend the tax law, in relation to extending hire a veteran credit for an additional year (Part II); to amend chapter 61 of the laws of 2011 amending the economic development law, the tax law and the real property tax law, relating to establishing the economic transformation and facility redevelopment program and providing tax benefits under that program and to amend the economic development law, in relation to extending the tax credits under the economic transformation and facility redevelopment program (Part JJ); intentionally omitted (Part KK); intentionally omitted (Part LL); to amend the tax

law, in relation to increasing the earned income tax credit (Part MM); to amend the tax law, in relation to extending the top state income tax rate by providing for an additional tax on capital gains (Part NN); to amend the tax law, in relation to business tax surcharges on certain corporations and providers of certain services; and providing for the repeal of such provisions upon expiration thereof (Part OO); to amend the tax law, in relation to reducing the burden on small businesses (Part PP); to amend the tax law, in relation to the rehabilitation of historic properties tax credit (Part QQ); to amend the economic development law, in relation to defining community significant projects and including such projects in the excelsior jobs program (Part RR); authorizing the commissioner of taxation and finance to waive employment location requirements for any business receiving a credit authorized under the tax law under certain circumstances (Part SS); to amend the tax law, in relation to computing the tax on the capital base for certain New York corporations (Part TT); to amend the tax law, in relation to certain Medicaid management; and to repeal certain provisions of such law relating thereto (Part UU); to amend the real property law and the uniform commercial code, in relation to requiring the recording of mezzanine debt and preferred equity investments; to amend the tax law, in relation to including mezzanine debt in the mortgage recording tax; and to repeal certain provisions of the tax law relating thereto (Part VV); to amend the tax law, in relation to a supplemental surcharge on owners of certain non-primary residence properties in a city with a population of one million or more (Part WW); to amend the tax law, in relation to the computation of estate tax (Part XX); to amend the administrative code of the city of New York, in relation to establishing a tax credit for small businesses in certain sectors adversely impacted by the COVID-19 emergency (Part YY); to amend the tax law, in relation to exempting breast pump replacement parts and certain supplies from sales and compensating use taxes (Part ZZ); to amend the real property tax law, in relation to authorizing an exemption for class one capital improvements to residential buildings and certain new construction in a special assessing unit that is not a city (Part AAA); and to amend the agriculture and markets law, in relation to the Nourish New York program (Part BBB)

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 2021-2022  
 3 state fiscal year. Each component is wholly contained within a Part  
 4 identified as Parts A through BBB. The effective date for each partic-  
 5 ular provision contained within such Part is set forth in the last  
 6 section of such Part. Any provision in any section contained within a  
 7 Part, including the effective date of the Part, which makes a refer-  
 8 ence to a section "of this act", when used in connection with that particular  
 9 component, shall be deemed to mean and refer to the corresponding  
 10 section of the Part in which it is found. Section three of this act sets  
 11 forth the general effective date of this act.

1 Section 1. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph  
2 (B) of paragraph 1 of subsection (a) of section 601 of the tax law,  
3 clauses (iv), (v), (vi) and (vii) as amended by section 1 of part P of  
4 chapter 59 of the laws of 2019 and clause (viii) as added by section 1  
5 of part R of chapter 59 of the laws of 2017, are amended to read as  
6 follows:

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

9	If the New York taxable income is:	The tax is:
10	Not over \$17,150	4% of the New York taxable income
11	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
12		\$17,150
13	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
14		\$23,600
15	Over \$27,900 but not over \$43,000	\$1,202 plus 5.9% of excess over
16		\$27,900
17	Over \$43,000 but not over \$161,550	\$2,093 plus 5.97% of excess over
18		\$43,000
19	Over \$161,550 but not over \$323,200	\$9,170 plus 6.33% of excess over
20		\$161,550
21	Over \$323,200 but not over	\$19,403 plus 6.85% of excess
22	\$2,155,350	over \$323,200
23	<u>Over \$2,155,350 but not over</u>	<u>\$144,905 plus 9.85% of excess over</u>
24	<u>\$5,000,000</u>	<u>\$2,155,350</u>
25	<u>Over \$5,000,000 but not over</u>	<u>\$425,103 plus 10.85% of excess over</u>
26	<u>\$25,000,000</u>	<u>\$5,000,000</u>
27	<u>Over \$25,000,000</u>	<u>\$2,595,103 plus 11.85% of excess over</u>
28		<u>\$25,000,000</u>
29	<del>[ Over \$2,155,350</del>	<del>\$144,905 plus 8.82% of excess over</del>
30		<del>\$2,155,350 ]</del>

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

33	If the New York taxable income is:	The tax is:
34	Not over \$17,150	4% of the New York taxable income
35	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
36		\$17,150
37	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
38		\$23,600
39	Over \$27,900 but not over \$161,550	\$1,202 plus 5.85% of excess over
40		\$27,900
41	Over \$161,550 but not over \$323,200	\$9,021 plus 6.25% of excess over
42		\$161,550
43	Over \$323,200 but not over	\$19,124 plus
44	\$2,155,350	6.85% of excess over \$323,200
45	<u>Over \$2,155,350 but not over</u>	<u>\$144,626 plus 9.85% of excess over</u>
46	<u>\$5,000,000</u>	<u>\$2,155,350</u>
47	<u>Over \$5,000,000 but not over</u>	<u>\$424,824 plus 10.85% of excess over</u>
48	<u>\$25,000,000</u>	<u>\$5,000,000</u>
49	<u>Over \$25,000,000</u>	<u>\$2,594,824 plus 11.85% of excess over</u>
50		<u>\$25,000,000</u>
51	<del>[ Over \$2,155,350</del>	<del>\$144,626 plus 8.82% of excess over</del>
52		<del>\$2,155,350 ]</del>

53 (vi) For taxable years beginning in two thousand twenty-three the  
54 following 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 \$161,550	\$1,202 plus 5.73% of excess over
8		\$27,900
9	Over \$161,550 but not over \$323,200	\$8,860 plus 6.17% of excess over
10		\$161,550
11	Over \$323,200 but not over	\$18,834 plus 6.85% of
12	\$2,155,350	excess over \$323,200
13	<u>Over \$2,155,350 but not over</u>	<u>\$144,336 plus 9.85% of excess over</u>
14	<u>\$5,000,000</u>	<u>\$2,155,350</u>
15	<u>Over \$5,000,000 but not over</u>	<u>\$424,534 plus 10.85% of excess over</u>
16	<u>\$25,000,000</u>	<u>\$5,000,000</u>
17	<u>Over \$25,000,000</u>	<u>\$2,594,534 plus 11.85% of excess over</u>
18		<u>\$25,000,000</u>
19	<del>[Over \$2,155,350</del>	<del>\$144,336 plus 8.82% of excess over</del>
20		<del>\$2,155,350]</del>

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

23	If the New York taxable income is:	The tax is:
24	Not over \$17,150	4% of the New York taxable income
25	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
26		\$17,150
27	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
28		\$23,600
29	Over \$27,900 but not over \$161,550	\$1,202 plus 5.61% of excess over
30		\$27,900
31	Over \$161,550 but not over \$323,200	\$8,700 plus 6.09% of excess over
32		\$161,550
33	Over \$323,200 but not over	\$18,544 plus 6.85% of excess over
34	\$2,155,350	\$323,200
35	<u>Over \$2,155,350 but not over</u>	<u>\$144,046 plus 9.85% of excess over</u>
36	<u>\$5,000,000</u>	<u>\$2,155,350</u>
37	<u>Over \$5,000,000 but not over</u>	<u>\$424,244 plus 10.85% of excess over</u>
38	<u>\$25,000,000</u>	<u>\$5,000,000</u>
39	<u>Over \$25,000,000</u>	<u>\$2,594,244 plus 11.85% of excess over</u>
40		<u>\$25,000,000</u>
41	<del>[Over \$2,155,350</del>	<del>\$144,047 plus 8.82% of excess over</del>
42		<del>\$2,155,350]</del>

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

45	If the New York taxable income is:	The tax is:
46	Not over \$17,150	4% of the New York taxable income
47	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
48		\$17,150
49	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
50		\$23,600
51	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
52		\$27,900
53	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
54		\$161,550
55	Over \$323,200 <u>but not over</u>	\$18,252 plus 6.85% of excess over
56	<u>\$2,155,350</u>	\$323,200

1	<u>Over \$2,155,350 but not over</u>	<u>\$143,754 plus 9.85% of excess over</u>
2	<u>\$5,000,000</u>	<u>\$2,155,350</u>
3	<u>Over \$5,000,000 but not over</u>	<u>\$423,952 plus 10.85% of excess over</u>
4	<u>\$25,000,000</u>	<u>\$5,000,000</u>
5	<u>Over \$25,000,000</u>	<u>\$2,593,952 plus 11.85% of excess over</u>
6		<u>\$25,000,000</u>

7 § 2. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of  
8 paragraph 1 of subsection (b) of section 601 of the tax law, clauses  
9 (iv), (v), (vi) and (vii) as amended by section 2 of part P of chapter  
10 59 of the laws of 2019 and clause (viii) as added by section 2 of part R  
11 of chapter 59 of the laws of 2017, are amended to read as follows:

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

14	If the New York taxable income is:	The tax is:
15	Not over \$12,800	4% of the New York taxable income
16	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
17		\$12,800
18	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
19		\$17,650
20	Over \$20,900 but not over \$32,200	\$901 plus 5.9% of excess over
21		\$20,900
22	Over \$32,200 but not over \$107,650	\$1,568 plus 5.97% of excess over
23		\$32,200
24	Over \$107,650 but not over \$269,300	\$6,072 plus 6.33% of excess over
25		\$107,650
26	Over \$269,300 but not over	\$16,304 plus 6.85% of excess over
27	\$1,616,450	\$269,300
28	<u>Over \$1,616,450 but not over</u>	<u>\$108,584 plus 9.85% of excess over</u>
29	<u>\$5,000,000</u>	<u>\$1,616,450</u>
30	<u>Over \$5,000,000 but not over</u>	<u>\$441,864 plus 10.85% of excess over</u>
31	<u>\$25,000,000</u>	<u>\$5,000,000</u>
32	<u>Over \$25,000,000</u>	<u>\$2,611,864 plus 11.85% of excess over</u>
33		<u>\$25,000,000</u>

34 [~~Over \$1,616,450~~ ~~\$108,584 plus 8.82% of excess over~~  
35 ~~\$1,616,450~~]

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

38	If the New York taxable income is:	The tax is:
39	Not over \$12,800	4% of the New York taxable income
40	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
41		\$12,800
42	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
43		\$17,650
44	Over \$20,900 but not over \$107,650	\$901 plus 5.85% of excess over
45		\$20,900
46	Over \$107,650 but not over \$269,300	\$5,976 plus 6.25% of excess over
47		\$107,650
48	Over \$269,300 but not over	\$16,079 plus 6.85% of excess
49	\$1,616,450	over \$269,300
50	<u>Over \$1,616,450 but not over</u>	<u>\$108,359 plus 9.85% of excess over</u>
51	<u>\$5,000,000</u>	<u>\$1,616,450</u>
52	<u>Over \$5,000,000 but not over</u>	<u>\$441,638 plus 10.85% of excess over</u>
53	<u>\$25,000,000</u>	<u>\$5,000,000</u>
54	<u>Over \$25,000,000</u>	<u>\$2,611,638 plus 11.85% of excess over</u>
55		<u>\$25,000,000</u>
56	[ <del>Over \$1,616,450</del> <del>\$108,359 plus 8.82% of excess over</del>	

~~\$1,616,450]~~

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

If the New York taxable income is:

The tax is:

Not over \$12,800

4% of the New York taxable income

Over \$12,800 but not over \$17,650

\$512 plus 4.5% of excess over

Over \$17,650 but not over \$20,900

\$12,800

Over \$20,900 but not over \$107,650

\$730 plus 5.25% of excess over

Over \$107,650 but not over \$269,300

\$17,650

Over \$269,300 but not over \$1,616,450

\$901 plus 5.73% of excess over

Over \$1,616,450 but not over \$5,000,000

\$20,900

Over \$5,000,000 but not over \$25,000,000

\$5,872 plus 6.17% of excess over

Over \$25,000,000

\$107,650

Over \$1,616,450 but not over \$5,000,000

\$15,845 plus 6.85% of excess

Over \$5,000,000 but not over \$25,000,000

over \$269,300

Over \$25,000,000

\$108,125 plus 9.85% of excess over

~~Over \$1,616,450~~

\$1,616,450

~~Over \$1,616,450~~

\$441,404 plus 10.85% of excess over

~~Over \$1,616,450~~

\$5,000,000

~~Over \$1,616,450~~

\$2,611,404 plus 11.85% of excess over

~~Over \$1,616,450~~

\$25,000,000

~~Over \$1,616,450~~

~~\$108,125 plus 8.82% of excess over~~

~~Over \$1,616,450~~

~~\$1,616,450]~~

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

If the New York taxable income is:

The tax is:

Not over \$12,800

4% of the New York taxable income

Over \$12,800 but not over \$17,650

\$512 plus 4.5% of excess over

Over \$17,650 but not over \$20,900

\$12,800

Over \$20,900 but not over \$107,650

\$730 plus 5.25% of excess over

Over \$107,650 but not over \$269,300

\$17,650

Over \$269,300 but not over \$1,616,450

\$901 plus 5.61% of excess over

Over \$1,616,450 but not over \$5,000,000

\$20,900

Over \$5,000,000 but not over \$25,000,000

\$5,768 plus 6.09% of excess over

Over \$25,000,000

\$107,650

Over \$1,616,450 but not over \$5,000,000

\$15,612 plus 6.85% of excess

Over \$5,000,000 but not over \$25,000,000

over \$269,300

Over \$25,000,000

\$107,892 plus 9.85% of excess over

~~Over \$1,616,450~~

\$1,616,450

~~Over \$1,616,450~~

\$441,171 plus 10.85% of excess over

~~Over \$1,616,450~~

\$5,000,000

~~Over \$1,616,450~~

\$2,611,171 plus 11.85% of excess over

~~Over \$1,616,450~~

\$25,000,000

~~Over \$1,616,450~~

~~\$107,892 plus 8.82% of excess over~~

~~Over \$1,616,450~~

~~\$1,616,450]~~

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

If the New York taxable income is:

The tax is:

Not over \$12,800

4% of the New York taxable income

Over \$12,800 but not over \$17,650

\$512 plus 4.5% of excess over

Over \$17,650 but not over \$20,900

\$12,800

Over \$20,900 but not over \$107,650

\$730 plus 5.25% of excess over

Over \$107,650 but not over \$269,300

\$17,650

Over \$269,300 but not over \$1,616,450

\$901 plus 5.5% of excess over

Over \$1,616,450 but not over \$5,000,000

\$20,900

Over \$5,000,000 but not over \$25,000,000

\$5,672 plus 6.00% of excess over

Over \$25,000,000

\$107,650



1		\$107,650
2	Over \$269,300 <u>but not over</u>	\$15,371 plus 6.85% of excess over
3	<u>\$1,616,450</u>	\$269,300
4	<u>Over \$1,616,450 but not over</u>	<u>\$107,651 plus 9.85% of excess over</u>
5	<u>\$5,000,000</u>	<u>\$1,616,450</u>
6	<u>Over \$5,000,000 but not over</u>	<u>\$440,930 plus 10.85% of excess over</u>
7	<u>\$25,000,000</u>	<u>\$5,000,000</u>
8	<u>Over \$25,000,000</u>	<u>\$2,610,930 plus 11.85% of excess over</u>
9		<u>\$25,000,000</u>

10 § 3. Clauses (iv), (v), (vi), (vii) and (viii) of subparagraph (B) of  
 11 paragraph 1 of subsection (c) of section 601 of the tax law, clauses  
 12 (iv), (v), (vi) and (vii) as amended by section 3 of part P of chapter  
 13 59 of the laws of 2019 and clause (viii) as added by section 3 of part R  
 14 of chapter 59 of the laws of 2017, are amended to read as follows:

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

17	If the New York taxable income is:	The tax is:
18	Not over \$8,500	4% of the New York taxable income
19	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
20		\$8,500
21	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
22		\$11,700
23	Over \$13,900 but not over \$21,400	\$600 plus 5.9% of excess over
24		\$13,900
25	Over \$21,400 but not over \$80,650	\$1,042 plus 5.97% of excess over
26		\$21,400
27	Over \$80,650 but not over \$215,400	\$4,579 plus 6.33% of excess over
28		\$80,650
29	Over \$215,400 but not over	\$13,109 plus 6.85% of excess
30	\$1,077,550	over \$215,400
31	<u>Over \$1,077,550 but not over</u>	<u>\$72,166 plus 9.85% of excess over</u>
32	<u>\$5,000,000</u>	<u>\$1,077,550</u>
33	<u>Over \$5,000,000 but not over</u>	<u>\$437,739 plus 10.85% of excess over</u>
34	<u>\$25,000,000</u>	<u>\$5,000,000</u>
35	<u>Over \$25,000,000</u>	<u>\$2,607,739 plus 11.85% of excess over</u>
36		<u>\$25,000,000</u>
37	<del>Over \$1,077,550</del>	<del>\$72,166 plus 8.82% of excess over</del>
38		<del>\$1,077,550</del>

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

41	If the New York taxable income is:	The tax is:
42	Not over \$8,500	4% of the New York taxable income
43	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
44		\$8,500
45	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
46		\$11,700
47	Over \$13,900 but not over \$80,650	\$600 plus 5.85% of excess over
48		\$13,900
49	Over \$80,650 but not over \$215,400	\$4,504 plus 6.25% of excess over
50		\$80,650
51	Over \$215,400 but not over	\$12,926 plus 6.85% of excess
52	\$1,077,550	over \$215,400
53	<u>Over \$1,077,550 but not over</u>	<u>\$7,983 plus 9.85% of excess over</u>
54	<u>\$5,000,000</u>	<u>\$1,077,550</u>
55	<u>Over \$5,000,000 but not over</u>	<u>\$458,345 plus 10.85% of excess over</u>



1	<u>\$25,000,000</u>	<u>\$5,000,000</u>
2	<u>Over \$25,000,000</u>	<u>\$2,628,345 plus 11.85% of excess over</u>
3		<u>\$25,000,000</u>
4	<del>[Over \$1,077,550</del>	<del>\$71,984 plus 8.82% of excess over</del>
5		<del>\$1,077,550]</del>
6	(vi) For taxable years beginning in two thousand twenty-three the	
7	following rates shall apply:	
8	If the New York taxable income is:	The tax is:
9	Not over \$8,500	4% of the New York taxable income
10	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
11		\$8,500
12	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
13		\$11,700
14	Over \$13,900 but not over \$80,650	\$600 plus 5.73% of excess over
15		\$13,900
16	Over \$80,650 but not over \$215,400	\$4,424 plus 6.17% of excess over
17		\$80,650
18	Over \$215,400 but not over	\$12,738 plus 6.85% of excess
19	\$1,077,550	over \$215,400
20	<u>Over \$1,077,550 but not over</u>	<u>\$71,975 plus 9.85% of excess over</u>
21	<u>\$5,000,000</u>	<u>\$1,077,550</u>
22	<u>Over \$5,000,000 but not over</u>	<u>\$458,157 plus 10.85% of excess over</u>
23	<u>\$25,000,000</u>	<u>\$5,000,000</u>
24	<u>Over \$25,000,000</u>	<u>\$2,628,157 plus 11.85% of excess over</u>
25		<u>\$25,000,000</u>
26	<del>[Over \$1,077,550</del>	<del>\$71,796 plus 8.82% of excess over</del>
27		<del>\$1,077,550]</del>

28	(vii) For taxable years beginning in two thousand twenty-four the	
29	following rates shall apply:	
30	If the New York taxable income is:	The tax is:
31	Not over \$8,500	4% of the New York taxable income
32	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
33		\$8,500
34	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
35		\$11,700
36	Over \$13,900 but not over \$80,650	\$600 plus 5.61% of excess over
37		\$13,900
38	Over \$80,650 but not over \$215,400	\$4,344 plus 6.09% of excess over
39		\$80,650
40	Over \$215,400 but not over	\$12,550 plus 6.85% of excess
41	\$1,077,550	over \$215,400
42	<u>Over \$1,077,550 but not over</u>	<u>\$71,607 plus 9.85% of excess over</u>
43	<u>\$5,000,000</u>	<u>\$1,077,550</u>
44	<u>Over \$5,000,000 but not over</u>	<u>\$457,969 plus 10.85% of excess over</u>
45	<u>\$25,000,000</u>	<u>\$5,000,000</u>
46	<u>Over \$25,000,000</u>	<u>\$2,627,969 plus 11.85% of excess over</u>
47		<u>\$25,000,000</u>
48	<del>[Over \$1,077,550</del>	<del>\$71,608 plus 8.82% of excess over</del>
49		<del>\$1,077,550]</del>

50	(viii) For taxable years beginning after two thousand twenty-four the	
51	following rates shall apply:	
52	If the New York taxable income is:	The tax is:
53	Not over \$8,500	4% of the New York taxable income
54	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
55		\$8,500
56	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 5.50% of excess over
3		\$13,900
4	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over
5		\$80,650
6	Over \$215,400 <u>but not over</u>	\$12,356 plus 6.85% of excess over
7	<u>\$1,077,550</u>	\$215,400
8	<u>Over \$1,077,550 but not over</u>	<u>\$71,413 plus 9.85% 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>\$457,775 plus 10.85% of excess over</u>
11	<u>\$25,000,000</u>	<u>\$5,000,000</u>
12	<u>Over \$25,000,000</u>	<u>\$2,627,775 plus 11.85% of excess over</u>
13		<u>\$25,000,000</u>

14 § 4. Subparagraphs (D) and (E) of paragraph 1 of subsection (d-1) of  
 15 section 601 of the tax law, subparagraph (D) as amended by section 4 of  
 16 part P of chapter 59 of the laws of 2019 and subparagraph (E) as added  
 17 by section 7 of part A of chapter 56 of the laws of 2011, are amended to  
 18 read as follows:

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

33 (E) 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 (a) of this section not subject to the 9.85 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 (a) of this section  
 39 less the sum of the tax table benefits in subparagraphs (A), (B), and  
 40 (C) of this paragraph. The fraction for this subparagraph is computed as  
 41 follows: the numerator is the lesser of fifty thousand dollars or excess  
 42 of New York adjusted gross income for the taxable year over two million  
 43 dollars and the denominator is fifty thousand dollars. This subparagraph  
 44 shall apply only to the taxable years beginning on or after January  
 45 first, two thousand twenty-one and thereafter.

46 (F) 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 (a) of this section not subject to the 10.85 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 (a) of this section  
 52 less the sum of the tax table benefits in subparagraphs (A), (B), (C)  
 53 and (E) of this paragraph. The fraction for this subparagraph is  
 54 computed as follows: the numerator is the lesser of fifty thousand  
 55 dollars or excess of New York adjusted gross income for the taxable year  
 56 over five million dollars and the denominator is fifty thousand dollars.

1 This subparagraph shall apply only to the taxable years beginning on or  
2 after January first, two thousand twenty-one and thereafter.

3 (G) The tax table benefit is the difference between (i) the amount of  
4 taxable income set forth in the tax table in paragraph one of subsection  
5 (a) of this section not subject to the 11.85 percent rate of tax for the  
6 taxable year multiplied by such rate and (ii) the dollar denominated tax  
7 for such amount of taxable income set forth in the tax table applicable  
8 to the taxable year in paragraph one of subsection (a) of this section  
9 less the sum of the tax table benefits in subparagraphs (A), (B), (C),  
10 (E) and (F) of this paragraph. The fraction for this subparagraph is  
11 computed as follows: the numerator is the lesser of fifty thousand  
12 dollars or excess of New York adjusted gross income for the taxable year  
13 over twenty-five million dollars and the denominator is fifty thousand  
14 dollars. This subparagraph shall apply only to the taxable years begin-  
15 ning on or after January first, two thousand twenty-one and thereafter.

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

20 § 5. Subparagraphs (C) and (D) of paragraph 2 of subsection (d-1) of  
21 section 601 of the tax law, subparagraph (C) as amended by section 5 of  
22 part P of chapter 59 of the laws of 2019 and subparagraph (D) as added  
23 by section 7 of part A of chapter 56 of the laws of 2011, are amended to  
24 read as follows:

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

39 (D) The tax table benefit is the difference between (i) the amount of  
40 taxable income set forth in the tax table in paragraph one of subsection  
41 (a) of this section not subject to the 9.85 percent rate of tax for the  
42 taxable year multiplied by such rate and (ii) the dollar denominated tax  
43 for such amount of taxable income set forth in the tax table applicable  
44 to the taxable year in paragraph one of subsection (a) of this section  
45 less the sum of the tax table benefits in subparagraphs (A) and (B)  
46 of this paragraph. The fraction for this subparagraph is computed as  
47 follows: the numerator is the lesser of fifty thousand dollars or excess  
48 of New York adjusted gross income for the taxable year over one million  
49 five hundred thousand dollars and the denominator is fifty thousand  
50 dollars. This subparagraph shall apply only to the taxable years  
51 beginning on or after January first, two thousand twenty-one and there-  
52 after.

53 (E) The tax table benefit is the difference between (i) the amount of  
54 taxable income set forth in the tax table in paragraph one of subsection  
55 (a) of this section not subject to the 10.85 percent rate of tax for the  
56 taxable year multiplied by such rate and (ii) the dollar denominated tax

1 for such amount of taxable income set forth in the tax table applicable  
2 to the taxable year in paragraph one of subsection (a) of this section  
3 less the sum of the tax table benefits in subparagraphs (A), (B) and (D)  
4 of this paragraph. The fraction for this subparagraph is computed as  
5 follows: the numerator is the lesser of fifty thousand dollars or  
6 excess of New York adjusted gross income for the taxable year over five  
7 million dollars and the denominator is fifty thousand dollars. This  
8 subparagraph shall apply only to the taxable years beginning on or after  
9 January first, two thousand twenty-one and thereafter.

10 (F) The tax table benefit is the difference between (i) the amount of  
11 taxable income set forth in the tax table in paragraph one of subsection  
12 (a) of this section not subject to the 11.85 percent rate of tax for the  
13 taxable year multiplied by such rate and (ii) the dollar denominated tax  
14 for such amount of taxable income set forth in the tax table applicable  
15 to the taxable year in paragraph one of subsection (a) of this section  
16 less the sum of the tax table benefits in subparagraphs (A), (B), (D)  
17 and (E) of this paragraph. The fraction for this subparagraph is  
18 computed as follows: the numerator is the lesser of fifty thousand  
19 dollars or excess of New York adjusted gross income for the taxable year  
20 over twenty-five million dollars and the denominator is fifty thousand  
21 dollars. This subparagraph shall apply only to the taxable years begin-  
22 ning on or after January first, two thousand twenty-one and thereafter.

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

27 § 6. Subparagraphs (C) and (D) of paragraph 3 of subsection (d-1) of  
28 section 601 of the tax law, subparagraph (C) as amended by section 6 of  
29 part P of chapter 59 of the laws of 2019 and subparagraph (D) as added  
30 by section 7 of part A of chapter 56 of the laws of 2011, are amended to  
31 read as follows:

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

46 (D) 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 (a) of this section not subject to the 9.85 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 (a) of this section  
52 less the sum of the tax table benefits in subparagraphs (A) and (B)  
53 of this paragraph. The fraction for this subparagraph is computed as  
54 follows: the numerator is the lesser of fifty thousand dollars or excess  
55 of New York adjusted gross income for the taxable year over one million  
56 five hundred thousand dollars and the denominator is fifty thousand

1 dollars. This subparagraph shall apply only to the taxable years  
2 beginning on or after January first, two thousand twenty-one and there-  
3 after.

4 (E) The tax table benefit is the difference between (i) the amount of  
5 taxable income set forth in the tax table in paragraph one of subsection  
6 (a) of this section not subject to the 10.85 percent rate of tax for the  
7 taxable year multiplied by such rate and (ii) the dollar denominated tax  
8 for such amount of taxable income set forth in the tax table applicable  
9 to the taxable year in paragraph one of subsection (a) of this section  
10 less the sum of the tax table benefits in subparagraphs (A), (B) and (D)  
11 of this paragraph. The fraction for this subparagraph is computed as  
12 follows: the numerator is the lesser of fifty thousand dollars or  
13 excess of New York adjusted gross income for the taxable year over five  
14 million dollars and the denominator is fifty thousand dollars. This  
15 subparagraph shall apply only to the taxable years beginning on or after  
16 January first, two thousand twenty-one and thereafter.

17 (F) The tax table benefit is the difference between (i) the amount of  
18 taxable income set forth in the tax table in paragraph one of subsection  
19 (a) of this section not subject to the 11.85 percent rate of tax for the  
20 taxable year multiplied by such rate and (ii) the dollar denominated tax  
21 for such amount of taxable income set forth in the tax table applicable  
22 to the taxable year in paragraph one of subsection (a) of this section  
23 less the sum of the tax table benefits in subparagraphs (A), (B), (D)  
24 and (E) of this paragraph. The fraction for this subparagraph is  
25 computed as follows: the numerator is the lesser of fifty thousand  
26 dollars or excess of New York adjusted gross income for the taxable year  
27 over twenty-five million dollars and the denominator is fifty thousand  
28 dollars. This subparagraph shall apply only to the taxable years begin-  
29 ning on or after January first, two thousand twenty-one and thereafter.

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

34 § 7. Notwithstanding any provision of law to the contrary, the method  
35 of determining the amount to be deducted and withheld from wages on  
36 account of taxes imposed by or pursuant to the authority of article 22  
37 of the tax law in connection with the implementation of the provisions  
38 of this act shall be prescribed by regulations of the commissioner of  
39 taxation and finance with due consideration to the effect such withhold-  
40 ing tables and methods would have on the receipt and amount of revenue.  
41 The commissioner of taxation and finance shall adjust such withholding  
42 tables and methods in regard to taxable years beginning in 2021 and  
43 after in such manner as to result, so far as practicable, in withholding  
44 from an employee's wages an amount substantially equivalent to the tax  
45 reasonably estimated to be due for such taxable years as a result of the  
46 provisions of this act. Any such regulations to implement a change in  
47 withholding tables and methods for tax year 2021 shall be adopted and  
48 effective as soon as practicable and the commissioner of taxation and  
49 finance may adopt such regulations on an emergency basis notwithstanding  
50 anything to the contrary in section 202 of the state administrative  
51 procedure act.

52 § 8. This act shall take effect immediately and shall apply to taxable  
53 years beginning on and after January 1, 2021.



Intentionally Omitted

PART C

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

ARTICLE 24-A  
PASS-THROUGH ENTITY TAX

Section 860. Definitions.

861. Pass-through entity tax election.

862. Imposition and rate of tax.

863. Pass-through entity tax credit.

864. Payment of estimated tax.

865. Filing of return and payment of tax.

866. Accounting periods and methods.

867. Procedural provisions.

§ 860. Definitions. For purposes of this article:

(a) Eligible partnership. Eligible partnership means any partnership as provided for in section 7701(a)(2) of the Internal Revenue Code. An eligible partnership includes any limited liability company treated as a partnership for federal income tax purposes that otherwise meets the requirements of this subdivision.

(b) Eligible S corporation. Eligible S corporation means any New York S corporation as defined pursuant to this chapter. An eligible S corporation includes any limited liability company treated as an S corporation for federal income tax purposes that otherwise meets the requirements of this subdivision.

(c) Electing partnership. Electing partnership means any eligible partnership that made a valid, timely election pursuant to section eight hundred sixty-one of this article.

(d) Electing S corporation. Electing S corporation means any eligible S corporation that made a valid, timely election pursuant to section eight hundred sixty-one of this article.

(e) Taxpayer. Taxpayer means any electing partnership or electing S corporation.

(f) Pass-through entity tax. Pass-through entity tax means the total tax imposed by this article on electing partnerships and electing S corporations.

(g) Pass-through adjusted net income (not less than zero). Pass-through adjusted net income (not less than zero) means:

(1) In the case of an electing partnership, the sum of (i) federal taxable income (not less than zero), its separately and nonseparately computed items as described in section 702(a) of the Internal Revenue Code, to the extent earned directly by such partnership; (ii) taxes paid or incurred during the taxable year pursuant to this article by a partnership to the extent deducted in computing federal taxable income; (iii) taxes substantially similar to the tax imposed pursuant to this article paid or incurred during the taxable year to another state of the United States, a political subdivision of such state, or the District of Columbia to the extent deducted in computing federal taxable income; and (iv) guaranteed payments paid by the partnership to its partners as described in section 707(c) of the Internal Revenue Code.

(2) In the case of an electing S corporation, the sum of (i) federal separately and nonseparately computed income (not less than zero), as described in section 1366(a) of the Internal Revenue Code, whether earned by such S corporation or by a partnership of which the S corpo-

1 ration is a partner; (ii) taxes paid or incurred during the taxable year  
2 pursuant to this article by an S corporation to the extent deducted in  
3 computing federal ordinary income; and (iii) taxes substantially similar  
4 to the tax imposed pursuant to this article paid or incurred during the  
5 taxable year to another state of the United States, a political subdivi-  
6 sion of such state, or the District of Columbia to the extent deducted  
7 in computing federal taxable income.

8 (h) Partnership taxable income. Partnership taxable income of an  
9 electing partnership means the sum of (1) the electing partnership's  
10 pass-through adjusted net income (not less than zero), allocated to New  
11 York State pursuant to subdivision (b) of section eight hundred sixty-  
12 two of this article; and (2) the electing partnership's proportionate  
13 share of any pass-through adjusted net income (not less than zero) from  
14 a partnership of which it is a partner to the extent it was sourced to  
15 New York by such partnership pursuant to the principles of article twen-  
16 ty-two of this chapter. For purposes of determining partnership taxable  
17 income, an entity that is a disregarded entity as described in section  
18 301.7701-2(c)(2)(i) of internal revenue service regulations for federal  
19 income tax purposes is also disregarded in determining the profit  
20 percentage of the electing partnership that are owned by partners or  
21 members who are subject to tax pursuant to article twenty-two of this  
22 chapter or that are owned by partners or members who are residents of  
23 New York State.

24 (i) S corporation taxable income. S corporation taxable income of an  
25 electing S corporation means the electing S corporation's pass-through  
26 adjusted net income (not less than zero) allocated to New York State  
27 pursuant to subdivision (c) of section eight hundred sixty-two of this  
28 article. For purposes of determining S corporation taxable income, an  
29 entity that is a disregarded entity as described in regulation section  
30 301.7701-2(c)(2)(i) for federal income tax purposes is also disregarded  
31 in determining the profit percentage of the electing S corporation that  
32 are owned by shareholders who are subject to tax pursuant to article  
33 twenty-two of this chapter or that are owned by shareholders who are  
34 residents of New York State pursuant to the provisions of article twen-  
35 ty-two of this chapter.

36 § 861. Pass-through entity tax election. (a) Any eligible partnership  
37 or eligible S corporation doing business within this state shall be  
38 allowed to make an annual election to be taxed pursuant to this article.

39 (b) In order to be effective, the annual election must be made (1) if  
40 the entity is an S corporation, by any officer, manager or shareholder  
41 of the S corporation who is authorized under the law of the state where  
42 the corporation is incorporated or under the S corporation's organiza-  
43 tional documents to make the election and who represents to having such  
44 authorization under penalty of perjury; or (2) if the entity is not an S  
45 corporation, by any member, partner, owner, or other individual with  
46 authority to bind the entity or sign returns pursuant to section six  
47 hundred fifty-three of this chapter.

48 (c) The annual election must be made in such manner as the commission-  
49 er may prescribe by regulation. An election under this subsection may  
50 be effective for the eligible partnership or eligible S corporation for  
51 the taxable year for which the election is made. An election under  
52 subsection (a) of this section may be made at any time during the  
53 preceding taxable year of such entity or at any time during the taxable  
54 year of such entity and on or before the fifteenth day of the third  
55 month of such taxable year. If an election under subsection (a) of this  
56 section is made for any taxable year of such entity and such election is



1 made after the fifteenth day of the third month of such taxable year and  
2 on or before the fifteenth day of the third month of the following taxa-  
3 ble year, such election shall be treated as made for the following taxa-  
4 ble year. Provided, however, in a tax year beginning on or after Janu-  
5 ary first, two thousand twenty-one but before June fifteenth, two  
6 thousand twenty-one, the pass through entity may make the election at  
7 any time prior to June fifteenth, two thousand twenty-one.

8 (d) (1) Termination of election. An election pursuant to this section  
9 shall be terminated whenever, at any time during the taxable year, the  
10 taxpayer ceases to be an eligible partnership or eligible S corporation.

11 (2) Effective date of termination. The termination of an election is  
12 effective immediately upon the taxpayer ceasing to be an eligible part-  
13 nership or eligible S corporation and no tax will be due pursuant to  
14 this article for the taxable year.

15 (3) Abatement of penalties. If a termination occurs pursuant to this  
16 subdivision solely because a partner, member or shareholder of an other-  
17 wise eligible partnership or eligible S corporation died during the  
18 taxable year and the successor to the decedent's interest in the part-  
19 nership or S corporation is an entity that will result in the partner-  
20 ship or the S corporation not being an eligible partnership or S corpo-  
21 ration, no addition to tax will be imposed pursuant to subsection (c) of  
22 section six hundred eighty-five of this chapter on the partners, members  
23 and shareholders of such partnership or S corporation solely for under-  
24 payment of estimated personal income tax as a result of the termination  
25 of the election made pursuant to this article.

26 § 862. Imposition and rate of tax. (a) General. A tax is hereby  
27 imposed for each taxable year on the partnership taxable income of every  
28 electing partnership doing business within this state and on the S  
29 corporation taxable income of every electing S corporation doing busi-  
30 ness within this state. This tax shall be in addition to any other taxes  
31 imposed and shall be at the rate of six and eighty-five hundredths  
32 percent if the sum of an entity's partners, members or shareholders  
33 share of distributive proceeds attributed to the pass through entity is  
34 less than five million dollars, and eighty and eighty-two hundredths  
35 percent if the sum of an entity's partners, members or shareholders  
36 share of distributive proceeds attributed to the pass through entity is  
37 five million dollars or more for each taxable year beginning on or after  
38 January first, two thousand twenty-one.

39 (b) Allocation to New York by an electing partnership. In determining  
40 the amount of partnership taxable income, the adjusted net income of the  
41 electing partnership shall be allocated to this state pursuant to the  
42 principles of article twenty-two of this chapter.

43 (c) Allocation to New York by an electing S corporation. In determin-  
44 ing the amount of S corporation taxable income, the adjusted net income  
45 of the electing S corporation shall be allocated to this state by multi-  
46 plying the adjusted net income of the electing S corporation by the  
47 business apportionment factor of the electing S corporation as calcu-  
48 lated pursuant to section two hundred ten-A of this chapter.

49 § 863. Pass-through entity tax credit. A partner or member in an  
50 electing partnership or a shareholder of an electing S corporation  
51 subject to tax under this article which partner's, member's or share-  
52 holder's federal taxable income includes separately and non-separately  
53 computed items from the electing partnership as described in section  
54 702(a) of the Internal Revenue Code or from the electing S corporation  
55 as described in section 1366(a) of the Internal Revenue Code and is  
56 subject to tax under article twenty-two of this chapter, shall be

1 allowed a credit against the tax imposed pursuant to article twenty-two  
2 of this chapter, computed pursuant to the provisions of subsection (kkk)  
3 of section six hundred six of this chapter.

4 § 864. Payment of estimated tax. (a) Definition of estimated tax.  
5 Estimated tax means the amount that an electing partnership or electing  
6 S corporation estimates to be the tax imposed by section eight hundred  
7 sixty-two of this article for the current taxable year.

8 (b) General. The estimated tax shall be paid as follows for an elect-  
9 ing partnership and an electing S corporation that reports on a calendar  
10 year basis:

11 (1) The estimated tax shall be paid in four equal installments on  
12 March fifteenth, June fifteenth, September fifteenth and December  
13 fifteenth.

14 (2) The amount of any required installment shall be twenty-five  
15 percent of the required annual payment.

16 (3) The required annual payment is the lesser of: (A) ninety percent  
17 of the tax shown on the return for the taxable year; or (B) one hundred  
18 percent of the tax shown on the return of the electing partnership or  
19 electing S corporation for the preceding taxable year.

20 (c) Application to short taxable year. This section shall apply to a  
21 taxable year of less than twelve months in accordance with procedures  
22 established by the commissioner.

23 (d) Fiscal year. This section shall apply to a taxable year other than  
24 a calendar year by the substitution of the months of such fiscal year  
25 for the corresponding months specified in this section.

26 (e) Installments paid in advance. An electing partnership or electing  
27 S corporation may elect to pay any installment of its estimated tax  
28 prior to the date prescribed for the payment thereof.

29 § 865. Filing of return and payment of tax. (a) General. On or before  
30 the fifteenth day of the third month following the close of the taxable  
31 year, each electing partnership and each electing S corporation must  
32 file a return for the taxable year reporting the information required  
33 pursuant to this article.

34 (b) Certification of eligibility. Every return filed pursuant to  
35 subdivision (a) of this section shall include, in a format as prescribed  
36 by the commissioner, a certification by an individual authorized to act  
37 on behalf of the electing partnership or electing S corporation that the  
38 taxpayer:

39 (1) made a timely, valid election to be subject to tax pursuant to  
40 this article;

41 (2) was at all times during the taxable year eligible to make such an  
42 election, unless such return includes a notification of termination as  
43 provided for in subdivision (c) of this section; and

44 (3) that all statements contained therein are true.

45 (c) Notification of termination. If an election is terminated during  
46 the taxable year pursuant to subdivision (e) of section eight hundred  
47 sixty-one of this article, the electing partnership or electing S corpo-  
48 ration is required to file a return pursuant to subdivision (a) of this  
49 section notifying the commissioner of such termination. Such notifica-  
50 tion will be considered a claim for a credit or refund of an overpayment  
51 of pass-through entity tax of any estimated payments made pursuant to  
52 this article for the taxable year containing the date of termination.

53 (d) Information on return. Each electing partnership and electing S  
54 corporation shall report on such return:

55 (1) The balance of any tax shown on such return, not previously paid  
56 as installments of estimated tax, shall be paid with such return;

1 (2) Identifying information of all partners, members and/or shareholders  
2 eligible to receive a credit pursuant to section eight hundred sixty  
3 three and such partner's, member's and/or shareholder's distributive or  
4 pro rata share of the pass-through entity tax imposed on the electing  
5 partnership or S corporation; and

6 (3) Any other information as required by the commissioner.

7 (e) Information provided to partners. Each electing partnership  
8 subject to tax under this article shall report to each partner or member  
9 its distributive share of:

10 (1) the partnership taxable income of the electing partnership;

11 (2) the pass-through entity tax imposed on the electing partnership;  
12 and

13 (3) any other information as required by the commissioner.

14 (f) Information provided to shareholders. Each electing S corporation  
15 subject to tax under this article shall report to each shareholder its  
16 pro rata share of:

17 (1) the S corporation taxable income of the electing S corporation;

18 (2) the pass-through entity tax imposed on the electing S corporation;  
19 and

20 (3) any other information as required by the commissioner.

21 § 866. Accounting periods and methods. (a) Accounting periods. An  
22 electing partnership's or electing S corporation's taxable year pursuant  
23 to this article shall be the same as the electing partnership's or  
24 electing S corporation's taxable year for federal income tax purposes.

25 (b) Accounting methods. An electing partnership's or electing S corpo-  
26 ration's method of accounting pursuant to this article shall be the same  
27 as the electing partnership's or electing S corporation's method of  
28 accounting for federal income tax purposes.

29 (c) Change of accounting period or method. (1) If an electing partner-  
30 ship's or electing S corporation's taxable year or method of accounting  
31 is changed for federal income tax purposes, the taxable year or method  
32 of accounting for purposes of this article shall be similarly changed.

33 (2) If an electing partnership's or electing S corporation's method of  
34 accounting is changed, any additional tax that results from adjustments  
35 determined to be necessary solely by reason of such change shall not be  
36 greater than if such adjustments were ratably allocated and included for  
37 the taxable year of the change and the preceding taxable years, not in  
38 excess of two, during which the entity used the method of accounting  
39 from which the change is made.

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

50 (b) Cross Article filings. Notwithstanding any other provisions of  
51 this article:

52 (1) The commissioner may require the filing of one return which, in  
53 addition to the return provided for in section eight hundred sixty-five  
54 of this article, may also include any of the returns required to be  
55 filed by a taxpayer pursuant to the provisions of subsection (c) of  
56 section six hundred fifty-eight or article nine-A of this chapter.

1 (2) Where such return is required, the commissioner may also require  
2 the payment with it of a single amount which shall equal the total of  
3 the amounts (total taxes less any credits or refunds) that would have  
4 been required to be paid with the returns pursuant to the provisions of  
5 this article and the provisions of article twenty-two of this chapter or  
6 the provisions of article nine-A of this chapter, whichever is applica-  
7 ble.

8 (3) Notwithstanding any other law to the contrary, the commissioner  
9 may require that all forms or returns pursuant to this article must be  
10 filed electronically and all payments of tax must be paid electron-  
11 ically.

12 (c) Liability for tax. An electing partnership or electing S corpo-  
13 ration shall be liable for the tax due pursuant to this article. In  
14 addition, every individual eligible to claim a credit pursuant to  
15 subsection (kkk) of section six hundred six of this chapter because he  
16 or she is a partner or member in an electing partnership or a sharehold-  
17 er in an electing S corporation shall be jointly and severally liable  
18 for the tax imposed pursuant to this article on such electing partner-  
19 ship or electing S corporation.

20 (d) Deposit and disposition of revenue. All taxes, interest, penal-  
21 ties, and fees collected or received by the commissioner pursuant to  
22 this article shall be deposited and disposed of pursuant to the  
23 provisions of section one hundred seventy-one-a of this chapter.

24 (e) Secrecy provision. All the provisions of paragraphs one and two of  
25 subsection (e) of section six hundred ninety-seven of this chapter will  
26 apply to the provisions of this article. Notwithstanding any provisions  
27 of this chapter to the contrary, the commissioner may disclose informa-  
28 tion and returns regarding the calculation and payment of the tax  
29 imposed by this article and any credit calculated on taxes paid pursuant  
30 to this article by an electing partnership or electing S corporation to  
31 a partner, member or shareholder of such entity.

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

34 (kkk) Credit for pass-through entity tax. (1) A taxpayer partner or  
35 member of an electing partnership and a taxpayer shareholder of an  
36 electing S corporation subject to tax under article twenty-four-A of  
37 this chapter shall be entitled to a credit against the tax imposed by  
38 this article as provided in this subsection. For purposes of this  
39 subsection, the terms "electing partnership," "electing S corporation,"  
40 and "pass-through entity tax" shall have the same meanings as used in  
41 article twenty-four-A of this chapter.

42 (2) The credit shall be equal to the product of:

43 (i) the taxpayer's profit percentage of the electing partnership or  
44 pro rata share of the electing S corporation;

45 (ii) ninety-two percent; and

46 (iii) the pass-through entity tax paid by the electing partnership or  
47 S corporation for the taxable year.

48 (3) If a taxpayer is a partner, member or shareholder in multiple  
49 electing partnerships and/or electing S corporations subject to tax  
50 pursuant to article twenty-four-A of this chapter, the taxpayer's credit  
51 shall be the sum of such credits calculated pursuant to paragraph two of  
52 this subsection with regard to each entity in which the taxpayer has a  
53 direct ownership interest.

54 (4) If the amount of the credit allowable pursuant to this subsection  
55 for any taxable year exceeds the tax due for such year pursuant to this

1 article, the excess shall be treated as an overpayment, to be credited  
2 or refunded, without interest.

3 § 3. Section 620 of the tax law, as amended by chapter 2 of the laws  
4 of 1962, subsection (a) as amended and paragraph 3 of subsection (b) as  
5 added by chapter 274 of the laws of 1987, and subsection (d) as added by  
6 chapter 166 of the laws of 1991, is amended to read as follows:

7 § 620. Credit for income tax of another state. (a) General. A resident  
8 shall be allowed a credit against the tax otherwise due under this arti-  
9 cle for any income tax imposed on such individual for the taxable year  
10 by another state of the United States, a political subdivision of such  
11 state, the District of Columbia or a province of Canada, upon income  
12 both derived therefrom and subject to tax under this article. The term  
13 "income tax imposed" in the previous sentence shall not include the  
14 portion of such tax (determined in the manner provided for in section  
15 six hundred twenty-A) which is imposed upon the ordinary income portion  
16 (or part thereof) of a lump sum distribution which is subject to the  
17 separate tax imposed by section [~~six hundred one-C~~] six hundred three.

18 (b) Pass-through entity taxes. (1) A resident shall be allowed a cred-  
19 it against the tax otherwise due pursuant to this article for any pass-  
20 through entity tax substantially similar to the tax imposed pursuant to  
21 article twenty-four-A of this chapter imposed on the income of a part-  
22 nership or S corporation of which the resident is a partner, member or  
23 shareholder for the taxable year by another state of the United States,  
24 a political subdivision of such state, or the District of Columbia upon  
25 income both derived therefrom and subject to tax under this article.

26 (2) Such credit shall be equal to the product of:

27 (A) the taxpayer's profit percentage of the electing partnership or  
28 pro rata share of the electing S corporation;

29 (B) ninety-two percent; and

30 (C) the pass-through entity tax paid by the electing partnership or S  
31 corporation to such other state, political subdivision of such other  
32 state or the District of Columbia.

33 (3) However, such credit will be allowed on tax paid only if:

34 (A) the state of the United States, political subdivision of such  
35 state, or the District of Columbia imposing such tax also imposes an  
36 income tax substantially similar to the tax imposed under this article;  
37 and

38 (B) in the case of taxes paid by an S corporation, such S corporation  
39 was treated as a New York S corporation.

40 (c) Limitations. (1) The credit under this section shall not exceed  
41 the percentage of the tax otherwise due under this article determined by  
42 dividing the portion of the taxpayer's New York income subject to taxa-  
43 tion by such other jurisdiction by the total amount of the taxpayer's  
44 New York income.

45 (2) The credit under this section shall not reduce the tax otherwise  
46 due under this article to an amount less than would have been due if the  
47 income subject to taxation by such other jurisdiction were excluded from  
48 the taxpayer's New York income.

49 (3) In the case of a taxpayer who elects to claim the foreign tax  
50 credit for federal income tax purposes, the credit under this section  
51 for income tax imposed by a province of Canada shall be allowed for that  
52 portion of the provincial tax not claimed for federal purposes for the  
53 taxable year or a preceding taxable year, provided however, to the  
54 extent the provincial tax is claimed for federal purposes for a succeed-  
55 ing taxable year, the credit under this section must be added back in  
56 such succeeding taxable year. The provincial tax shall be deemed to be



1 claimed last for federal income tax purposes and for purposes of this  
2 subsection.

3 [~~(a)~~] (d) Definition. For purposes of this section New York income  
4 means:

5 (1) the New York adjusted gross income of an individual, or

6 (2) the amount of the income of an estate or trust, determined as if  
7 the estate or trust were an individual computing his New York adjusted  
8 gross income under section six hundred twelve.

9 [~~(d) S corporation shareholders. In the case of a shareholder of an S  
10 corporation, the term "income tax" in subsection (a) of this section  
11 shall not include any such tax imposed upon or payable by the corpo-  
12 ration, but shall include any such tax with respect to the income of the  
13 corporation imposed upon or payable by the shareholder, without regard  
14 to whether an election independent of the federal S election was  
15 required to effect such imposition upon the shareholder.]~~

16 § 4. Subdivision 1 of section 171-a of the tax law, as amended by  
17 section 3 of part XX of chapter 59 of the laws of 2019, is amended to  
18 read as follows:

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

1 section one hundred seventy-one-c of this article, (ii) and except that  
2 the comptroller shall pay to the New York state higher education  
3 services corporation and the state university of New York or the city  
4 university of New York respectively that amount of overpayments of tax  
5 imposed by article twenty-two of this chapter and the interest on such  
6 amount which is certified to the comptroller by the commissioner as the  
7 amount to be credited against the amount of defaults in repayment of  
8 guaranteed student loans and state university loans or city university  
9 loans pursuant to subdivision five of section one hundred seventy-one-d  
10 and subdivision six of section one hundred seventy-one-e of this arti-  
11 cle, (iii) and except further that, notwithstanding any law, the comp-  
12 troller shall credit to the revenue arrearage account, pursuant to  
13 section ninety-one-a of the state finance law, that amount of overpay-  
14 ment of tax imposed by article nine, nine-A, twenty-two, thirty, thir-  
15 ty-A, thirty-B or thirty-three of this chapter, and any interest there-  
16 on, which is certified to the comptroller by the commissioner as the  
17 amount to be credited against a past-due legally enforceable debt owed  
18 to a state agency pursuant to paragraph (a) of subdivision six of  
19 section one hundred seventy-one-f of this article, provided, however, he  
20 shall credit to the special offset fiduciary account, pursuant to  
21 section ninety-one-c of the state finance law, any such amount credita-  
22 ble as a liability as set forth in paragraph (b) of subdivision six of  
23 section one hundred seventy-one-f of this article, (iv) and except  
24 further that the comptroller shall pay to the city of New York that  
25 amount of overpayment of tax imposed by article nine, nine-A, twenty-  
26 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any  
27 interest thereon that is certified to the comptroller by the commission-  
28 er as the amount to be credited against city of New York tax warrant  
29 judgment debt pursuant to section one hundred seventy-one-l of this  
30 article, (v) and except further that the comptroller shall pay to a  
31 non-obligated spouse that amount of overpayment of tax imposed by arti-  
32 cle twenty-two of this chapter and the interest on such amount which has  
33 been credited pursuant to section one hundred seventy-one-c, one hundred  
34 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or  
35 one hundred seventy-one-l of this article and which is certified to the  
36 comptroller by the commissioner as the amount due such non-obligated  
37 spouse pursuant to paragraph six of subsection (b) of section six  
38 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct  
39 a like amount which the comptroller shall pay into the treasury to the  
40 credit of the general fund from amounts subsequently payable to the  
41 department of social services, the state university of New York, the  
42 city university of New York, or the higher education services corpo-  
43 ration, or the revenue arrearage account or special offset fiduciary  
44 account pursuant to section ninety-one-a or ninety-one-c of the state  
45 finance law, as the case may be, whichever had been credited the amount  
46 originally withheld from such overpayment, and (vii) with respect to  
47 amounts originally withheld from such overpayment pursuant to section  
48 one hundred seventy-one-l of this article and paid to the city of New  
49 York, the comptroller shall collect a like amount from the city of New  
50 York.

51 § 5. Subdivision 1 of section 171-a of the tax law, as amended by  
52 section 4 of part XX of chapter 59 of the laws of 2019, is amended to  
53 read as follows:

54 1. All taxes, interest, penalties and fees collected or received by  
55 the commissioner or the commissioner's duly authorized agent under arti-  
56 cles nine (except section one hundred eighty-two-a thereof and except as



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

1 ity as set forth in paragraph (b) of subdivision six of section one  
2 hundred seventy-one-f of this article, (iv) and except further that the  
3 comptroller shall pay to the city of New York that amount of overpayment  
4 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,  
5 thirty-B or thirty-three of this chapter and any interest thereon that  
6 is certified to the comptroller by the commissioner as the amount to be  
7 credited against city of New York tax warrant judgment debt pursuant to  
8 section one hundred seventy-one-l of this article, (v) and except  
9 further that the comptroller shall pay to a non-obligated spouse that  
10 amount of overpayment of tax imposed by article twenty-two of this chap-  
11 ter and the interest on such amount which has been credited pursuant to  
12 section one hundred seventy-one-c, one hundred seventy-one-d, one  
13 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-  
14 ty-one-l of this article and which is certified to the comptroller by  
15 the commissioner as the amount due such non-obligated spouse pursuant to  
16 paragraph six of subsection (b) of section six hundred fifty-one of this  
17 chapter; and (vi) the comptroller shall deduct a like amount which the  
18 comptroller shall pay into the treasury to the credit of the general  
19 fund from amounts subsequently payable to the department of social  
20 services, the state university of New York, the city university of New  
21 York, or the higher education services corporation, or the revenue  
22 arrearage account or special offset fiduciary account pursuant to  
23 section ninety-one-a or ninety-one-c of the state finance law, as the  
24 case may be, whichever had been credited the amount originally withheld  
25 from such overpayment, and (vii) with respect to amounts originally  
26 withheld from such overpayment pursuant to section one hundred seventy-  
27 one-l of this article and paid to the city of New York, the comptroller  
28 shall collect a like amount from the city of New York.

29 § 6. Subdivisions 2 and 3 and paragraph (a) of subdivision 5 of  
30 section 92-z of the state finance law, as amended by section 5 of part  
31 MM of chapter 59 of the laws of 2018, are amended to read as follows:

32 2. Such fund shall consist of (a) fifty percent of receipts from the  
33 imposition of personal income taxes pursuant to article twenty-two of  
34 the tax law, less such amounts as the commissioner of taxation and  
35 finance may determine to be necessary for refunds, ~~and~~ (b) fifty  
36 percent of receipts from the imposition of employer compensation expense  
37 taxes pursuant to article twenty-four of the tax law, less such amounts  
38 as the commissioner of taxation and finance may determine to be neces-  
39 sary for refunds, and (c) fifty percent of receipts from the imposition  
40 of the pass-through entity taxes pursuant to article twenty-four-A of  
41 the tax law, less such amounts as the commission of taxation and finance  
42 may determine to be necessary for refunds.

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

1 (b) Beginning on the first day of each month, the comptroller shall  
2 deposit all of the receipts collected pursuant to section eight hundred  
3 fifty-four of the tax law in the revenue bond tax fund until the amount  
4 of monthly receipts anticipated to be deposited pursuant to the certifi-  
5 cate required in paragraph (b) of subdivision five of this section are  
6 met. On or before the twelfth day of each month, the commissioner of  
7 taxation and finance shall certify to the state comptroller the amounts  
8 specified in paragraph (b) of subdivision two of this section relating  
9 to the preceding month and, in addition, no later than March thirty-  
10 first of each fiscal year the commissioner of taxation and finance shall  
11 certify such amounts relating to the last month of such fiscal year. The  
12 amounts so certified shall be deposited by the state comptroller in the  
13 revenue bond tax fund.

14 (c) Beginning on the first day of each month, the comptroller shall  
15 deposit all of the receipts collected pursuant to sections eight hundred  
16 sixty-four and eight hundred sixty-five of the tax law in the revenue  
17 bond tax fund until the amount of monthly receipts anticipated to be  
18 deposited pursuant to the certificate required in paragraph (b) of  
19 subdivision five of this section are met. On or before the twelfth day  
20 of each month, the commissioner of taxation and finance shall certify to  
21 the state comptroller the amounts specified in paragraph (c) of subdivi-  
22 sion two of this section relating to the preceding month and, in addi-  
23 tion, no later than March thirty-first of each fiscal year the commis-  
24 sioner of taxation and finance shall certify such amounts relating to  
25 the last month of such fiscal year. The amounts so certified shall be  
26 deposited by the state comptroller in the revenue bond tax fund.

27 (a) The state comptroller shall from time to time, but in no event  
28 later than the fifteenth day of each month (other than the last month of  
29 the fiscal year) and no later than the thirty-first day of the last  
30 month of each fiscal year, pay over and distribute to the credit of the  
31 general fund of the state treasury all moneys in the revenue bond tax  
32 fund, if any, in excess of the aggregate amount required to be set aside  
33 for the payment of cash requirements pursuant to paragraph (b) of this  
34 subdivision, provided that an appropriation has been made to pay all  
35 amounts specified in any certificate or certificates delivered by the  
36 director of the budget pursuant to paragraph (b) of this subdivision as  
37 being required by each authorized issuer as such term is defined in  
38 section sixty-eight-a of this chapter for the payment of cash require-  
39 ments of such issuers for such fiscal year. Subject to the rights of  
40 holders of debt of the state, in no event shall the state comptroller  
41 pay over and distribute any moneys on deposit in the revenue bond tax  
42 fund to any person other than an authorized issuer pursuant to such  
43 certificate or certificates (i) unless and until the aggregate of all  
44 cash requirements certified to the state comptroller as required by such  
45 authorized issuers to be set aside pursuant to paragraph (b) of this  
46 subdivision for such fiscal year shall have been appropriated to such  
47 authorized issuers in accordance with the schedule specified in the  
48 certificate or certificates filed by the director of the budget or (ii)  
49 if, after having been so certified and appropriated, any payment  
50 required to be made pursuant to paragraph (b) of this subdivision has  
51 not been made to the authorized issuers which was required to have been  
52 made pursuant to such certificate or certificates; provided, however,  
53 that no person, including such authorized issuers or the holders of  
54 revenue bonds, shall have any lien on moneys on deposit in the revenue  
55 bond tax fund. Any agreement entered into pursuant to section sixty-  
56 eight-c of this chapter related to any payment authorized by this

1 section shall be executory only to the extent of such revenues available  
2 to the state in such fund. Notwithstanding subdivisions two and three of  
3 this section, in the event the aggregate of all cash requirements certi-  
4 fied to the state comptroller as required by such authorized issuers to  
5 be set aside pursuant to paragraph (b) of this subdivision for the  
6 fiscal year beginning on April first shall not have been appropriated to  
7 such authorized issuers in accordance with the schedule specified in the  
8 certificate or certificates filed by the director of the budget or, (ii)  
9 if, having been so certified and appropriated, any payment required to  
10 be made pursuant to paragraph (b) of this subdivision has not been made  
11 pursuant to such certificate or certificates, all receipts collected  
12 pursuant to section six hundred seventy-one of the tax law, ~~and~~  
13 section eight hundred fifty-four of the tax law, section eight hundred  
14 sixty-four of the tax law, and section eight hundred sixty-five of the  
15 tax law shall be deposited in the revenue bond tax fund until the great-  
16 er of forty percent of the aggregate of the receipts from the imposition  
17 of (A) the personal income tax imposed by article twenty-two of the tax  
18 law, ~~and~~ (B) the employer compensation expense tax imposed by article  
19 twenty-four of the tax law, and (C) the pass-through entity tax imposed  
20 by article twenty-four-A of the tax law for the fiscal year beginning on  
21 April first and as specified in the certificate or certificates filed by  
22 the director of the budget pursuant to this paragraph or a total of  
23 twelve billion dollars has been deposited in the revenue bond tax fund.  
24 Notwithstanding any other provision of law, if the state has appropri-  
25 ated and paid to the authorized issuers the amounts necessary for the  
26 authorized issuers to meet their requirements for the current fiscal  
27 year pursuant to the certificate or certificates submitted by the direc-  
28 tor of the budget pursuant to paragraph (b) of this section, the state  
29 comptroller shall, on the last day of each fiscal year, pay to the  
30 general fund of the state all sums remaining in the revenue bond tax  
31 fund on such date except such amounts as the director of the budget may  
32 certify are needed to meet the cash requirements of authorized issuers  
33 during the subsequent fiscal year.

34 § 7. Subdivision 5 of section 68-c of the state finance law, as  
35 amended by section 6 of part MM of chapter 59 of the laws of 2018, is  
36 amended to read as follows:

37 5. Nothing contained in this article shall be deemed to restrict the  
38 right of the state to amend, repeal, modify or otherwise alter statutes  
39 imposing or relating to the taxes imposed pursuant to article  
40 twenty-two, ~~and~~ article twenty-four, and article twenty-four-A of the  
41 tax law. The authorized issuers shall not include within any resolution,  
42 contract or agreement with holders of the revenue bonds issued under  
43 this article any provision which provides that a default occurs as a  
44 result of the state exercising its right to amend, repeal, modify or  
45 otherwise alter the taxes imposed pursuant to article twenty-two, ~~and~~  
46 article twenty-four, and article twenty-four-A of the tax law.

47 § 8. This act shall take effect immediately and shall apply to all  
48 taxable years beginning on or after January 1, 2021; provided, however,  
49 that the amendments to subdivision 1 of section 171-a of the tax law  
50 made by section four of this act shall not affect the expiration of such  
51 subdivision and shall expire therewith, when upon such date the  
52 provisions of section five of this act shall take effect.

1 Section 1. Section 352 of the economic development law is amended by  
2 adding two new subdivisions 5-a and 13-a to read as follows:

3 5-a. "Child care services" means those services undertaken or spon-  
4 sored by a participant in this program meeting the requirements of  
5 "child day care" as defined in paragraph (a) of subdivision one of  
6 section three hundred ninety of the social services law or any child  
7 care services in the city of New York whereby a permit to operate such  
8 child care services is required pursuant to the health code of the city  
9 of New York.

10 13-a. "Net new child care services expenditures" means the calculation  
11 of new, annual participant expenditures on child care services whether  
12 internal or provided by a third party (including coverage for full or  
13 partial discount of employee rates), minus any revenues received by the  
14 participant through a third-party operator (i.e. rent paid to the  
15 participant by the child care provider) or employees and may be further  
16 defined by the commissioner in regulations. For the purposes of this  
17 definition, expenditures for child care services that a participant has  
18 incurred prior to admission to this program shall not be eligible for  
19 the credit.

20 § 2. Paragraphs (k) and (l) of subdivision 1 of section 353 of the  
21 economic development law, as amended by section 2 of part L of chapter  
22 59 of the laws of 2020, are amended and a new paragraph (m) is added to  
23 read as follows:

24 (k) as a life sciences company; [~~ex~~]

25 (l) as a company operating in one of the industries listed in para-  
26 graphs (b) through (e) of this subdivision and engaging in a green  
27 project as defined in section three hundred fifty-two of this  
28 article[~~+~~]; or

29 (m) as an employer operating or sponsoring child care services to its  
30 employees as defined in section three hundred fifty-two of this article.

31 § 2-a. Subdivision 3 of section 354 of the economic development law,  
32 as amended by section 3 of part G of chapter 61 of the laws of 2011, is  
33 amended to read as follows:

34 3. (i) After reviewing a business enterprise's completed application  
35 and determining that the business enterprise will meet the conditions  
36 set forth in subdivisions three and four of section three hundred  
37 fifty-three of this article, the department may admit the applicant into  
38 the program and provide the applicant with a certificate of eligibility  
39 and a preliminary schedule of benefits by year based on the applicant's  
40 projections as set forth in its application. This preliminary schedule  
41 of benefits delineates the maximum possible benefits an applicant may  
42 receive.

43 (ii) Notwithstanding paragraph (i) of this subdivision, however, a  
44 participant operating or sponsoring child care services to its employ-  
45 ees as defined in paragraph (m) of subdivision one of section three  
46 hundred fifty-three of this article that has been accepted into the  
47 program and received the certificate of credit shall not be subject to  
48 additional application, review, and approval process to the program  
49 required in this section and section three hundred fifty-three of this  
50 article if such a participant is applying the tax credit for excelsior  
51 investment tax credit on the basis of net new child care services  
52 expenditures as defined in subdivision thirteen-a of section three  
53 hundred fifty-two of this article. The commissioner shall issue the  
54 certificate of tax credit as soon as practicable so that the participant  
55 may claim the investment tax credit for child care service in the same  
56 taxable year.



1 § 3. Subdivisions 2 and 6 of section 355 of the economic development  
2 law, subdivision 2 as amended by section 4 of part L of chapter 59 of  
3 the laws of 2020 and subdivision 6 as amended by section 4 of part K of  
4 chapter 59 of the laws of 2015, are amended and a new subdivision 2-a is  
5 added to read as follows:

6 2. Excelsior investment tax credit component. A participant in the  
7 excelsior jobs program shall be eligible to claim a credit on qualified  
8 investments. In a project that is not a green project, the credit shall  
9 be equal to two percent of the cost or other basis for federal income  
10 tax purposes of the qualified investment. In a green project, the credit  
11 shall be equal to five percent of the cost or other basis for federal  
12 income tax purposes of the qualified investment. In a project for child  
13 care services, the credit shall be equal to five percent of the cost or  
14 other basis for federal income tax purposes of the qualified investment  
15 in child care services. A participant may not claim both the excelsior  
16 investment tax credit component and the investment tax credit set forth  
17 in subdivision one of section two hundred ten-B, subsection (a) of  
18 section six hundred six, the former subsection (i) of section fourteen  
19 hundred fifty-six, or subdivision (q) of section fifteen hundred eleven  
20 of the tax law for the same property in any taxable year, except that a  
21 participant may claim both the excelsior investment tax credit component  
22 and the investment tax credit for research and development property. In  
23 addition, a taxpayer who or which is qualified to claim the excelsior  
24 investment tax credit component and is also qualified to claim the  
25 brownfield tangible property credit component under section twenty-one  
26 of the tax law may claim either the excelsior investment tax credit  
27 component or such tangible property credit component, but not both with  
28 regard to a particular piece of property. A credit may not be claimed  
29 until a business enterprise has received a certificate of tax credit,  
30 provided that qualified investments made on or after the issuance of the  
31 certificate of eligibility but before the issuance of the certificate of  
32 tax credit to the business enterprise, may be claimed in the first taxa-  
33 ble year for which the business enterprise is allowed to claim the cred-  
34 it. Expenses incurred prior to the date the certificate of eligibility  
35 is issued are not eligible to be included in the calculation of the  
36 credit.

37 2-a. Excelsior child care services tax credit component. A participant  
38 shall be eligible to claim a credit on its net new child care services  
39 expenditures for its operation, sponsorship or direct financial support  
40 of a child care services program. The credit shall be equal to six  
41 percent of the net new child care services expenditures as defined in  
42 this chapter.

43 6. Claim of tax credit. The business enterprise shall be allowed to  
44 claim the credit as prescribed in section thirty-one of the tax law. No  
45 costs used by an entertainment company as the basis for the allowance of  
46 a tax credit described in this section shall be used by such enter-  
47 tainment company to claim any other credit allowed pursuant to the tax  
48 law. No costs or expenditures for child care services used by a partic-  
49 ipant to claim the credit as prescribed in section forty-four of the tax  
50 law shall be used for the allowance of a tax credit described in this  
51 section.

52 § 4. Subdivision (a) of section 31 of the tax law is amended by adding  
53 a new paragraph 2-a to read as follows:

54 (2-a) the excelsior child care services tax credit component;

1 § 5. Subdivision (a) of section 44 of the tax law, as added by section  
2 1 of part L of chapter 59 of the laws of 2019, is amended to read as  
3 follows:

4 (a) General. A taxpayer subject to tax under article nine-A, twenty-  
5 two, or thirty-three of this chapter shall be allowed a credit against  
6 such tax in an amount equal to two hundred percent of the portion of the  
7 credit that is allowed to the taxpayer under section 45F of the internal  
8 revenue code that is attributable to (i) qualified child care expendi-  
9 tures paid or incurred with respect to a qualified child care facility  
10 with a situs in the state, and to (ii) qualified child care resource and  
11 referral expenditures paid or incurred with respect to the taxpayer's  
12 employees working in the state. The credit allowable under this subdivi-  
13 sion for any taxable year shall not exceed [~~one hundred fifty~~] five  
14 hundred thousand dollars. If the entity operating the qualified child  
15 care facility is a partnership or a New York S corporation, then such  
16 cap shall be applied at the entity level, so the aggregate credit  
17 allowed to all the partners or shareholders of such entity in a taxable  
18 year does not exceed [~~one hundred fifty~~] five hundred thousand dollars.

19 § 6. This act shall take effect immediately; provided, however,  
20 section five of this act shall apply to taxable years beginning on or  
21 after January 1, 2021.

22 PART E

23 Section 1. Paragraph (b) of subdivision 2 of section 184 of the tax  
24 law, as added by chapter 485 of the laws of 1988, is amended to read as  
25 follows:

26 (b) (1) A corporation classed as a "taxicab" or "omnibus",  
27 (i) which is organized, incorporated or formed under the laws of any  
28 other state, country or sovereignty, and  
29 (ii) which neither owns nor leases property in this state in a corpo-  
30 rate or organized capacity, nor  
31 (iii) maintains an office in this state in a corporate or organized  
32 capacity, but  
33 (iv) which is doing business or employing capital in this state by  
34 conducting at least one but fewer than twelve trips into this state  
35 during the calendar year, shall [~~annually pay a tax equal to fifteen~~  
36 ~~dollars for each trip conducted into this state~~] not be taxed under the  
37 provisions of this article. If the only property a corporation owns or  
38 leases in this state is a vehicle or vehicles used to conduct trips, it  
39 shall not be considered, for purposes of clause (ii) of this subpara-  
40 graph, to be owning or leasing property in this state.

41 (2) [~~The commissioner of taxation and finance may prescribe such forms~~  
42 ~~as he may deem necessary to report such tax in a simplified manner.~~

43 ~~(3)]~~ For purposes of this subdivision, a corporation classed as a  
44 "taxicab" or "omnibus" shall be considered to be conducting a trip into  
45 New York state when one of its vehicles enters New York state and trans-  
46 ports passengers to, from, or to and from a location in New York state.  
47 A corporation shall not be considered to be conducting a trip into New  
48 York state if its vehicle only makes incidental stops at locations in  
49 the state while in transit from a location outside New York state to  
50 another location outside New York state. The number of trips a corpo-  
51 ration conducts into New York state shall be calculated by determining  
52 the number of trips each vehicle owned, leased or operated by the corpo-  
53 ration conducts into New York state and adding those numbers together.



1 ~~[(4) Provided, however, that the provisions of this paragraph shall~~  
 2 ~~not apply to any corporation which does not file its franchise tax~~  
 3 ~~report in a timely manner (determined with regard to any extension of~~  
 4 ~~time for filing).]~~

5 § 2. Subdivision 1-A of section 208 of the tax law, as amended by  
 6 section 4 of part A of chapter 59 of the laws of 2014, is amended to  
 7 read as follows:

8 1-A. The term "New York S corporation" means, with respect to any  
 9 taxable year, a corporation subject to tax under this article [~~for which~~  
 10 ~~an election is in effect pursuant to~~] and described in paragraph (i) or  
 11 (ii) of subsection (a) of section six hundred sixty of this chapter [~~for~~  
 12 ~~such year~~], and any such year shall be denominated a "New York S year" [~~r~~  
 13 ~~and such election shall be denominated a "New York S election"~~]. The  
 14 term "New York C corporation" means, with respect to any taxable year, a  
 15 corporation subject to tax under this article which is not a New York S  
 16 corporation, and any such year shall be denominated a "New York C year".  
 17 The term "termination year" means any taxable year of a corporation  
 18 during which the corporation's status as a New York S [~~election~~] corpo-  
 19 ration terminates on a day other than the first day of such year. The  
 20 portion of the taxable year ending before the first day for which such  
 21 termination is effective shall be denominated the "S short year", and  
 22 the portion of such year beginning on such first day shall be denomi-  
 23 nated the "C short year". The term "New York S termination year" means  
 24 any termination year which is [~~not~~] also an S termination year for  
 25 federal purposes.

26 § 3. Subdivision 1-B and subparagraph (ii) of the opening paragraph  
 27 and paragraph (k) of subdivision 9 of section 208 of the tax law are  
 28 REPEALED.

29 § 4. Subparagraph (A) and the opening paragraph of subparagraph (B) of  
 30 paragraph 5 of subdivision (a) of section 292 of the tax law, as added  
 31 by section 48 of part A of chapter 389 of the laws of 1997, are amended  
 32 to read as follows:

33 (A) In the case of a shareholder of an S corporation,  
 34 (i) [~~where the election provided for in~~] subject to subsection (a) of  
 35 section six hundred sixty of this chapter [~~is in effect with respect to~~  
 36 ~~such corporation~~], there shall be added to federal unrelated business  
 37 taxable income an amount equal to the shareholder's pro rata share of  
 38 the corporation's reductions for taxes described in paragraphs two and  
 39 three of subsection (f) of section thirteen hundred sixty-six of the  
 40 internal revenue code, and

41 (ii) [~~where such election has not been made with respect to such~~  
 42 ~~corporation, there shall be subtracted from federal unrelated business~~  
 43 ~~taxable income any items of income of the corporation included therein,~~  
 44 ~~and there shall be added to federal unrelated business taxable income~~  
 45 ~~any items of loss or deduction included therein, and~~

46 ~~(iii)]~~ in the case of a New York S termination year, the amount of any  
 47 such items of S corporation income, loss, deduction and reductions for  
 48 taxes shall be adjusted in the manner provided in paragraph two or three  
 49 of subsection (s) of section six hundred twelve of this chapter.

50 In the case of a shareholder of a corporation which was, for any of  
 51 its taxable years beginning after nineteen hundred ninety-seven and  
 52 before two thousand twenty-two, a federal S corporation but a New York C  
 53 corporation:

54 § 5. Paragraph 18 of subsection (b) of section 612 of the tax law, as  
 55 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended

1 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by  
2 chapter 190 of the laws of 1990, is amended to read as follows:

3 (18) In the case of a shareholder of an S corporation as described in  
4 subsection (a) of section six hundred sixty

5 (A) [~~where the election provided for in subsection (a) of section six~~  
6 ~~hundred sixty is in effect with respect to such corporation,~~] an amount  
7 equal to his or her pro rata share of the corporation's reductions for  
8 taxes described in paragraphs two and three of subsection (f) of section  
9 thirteen hundred sixty-six of the internal revenue code, and

10 (B) in the case of a New York S termination year, subparagraph (A) of  
11 this paragraph shall apply to the amount of reductions for taxes deter-  
12 mined under subsection (s) of this section.

13 § 6. Paragraph 19 of subsection (b) of section 612 of the tax law is  
14 REPEALED.

15 § 7. Paragraphs 20 and 21 of subsection (b) of section 612 of the tax  
16 law, paragraph 20 as amended by chapter 606 of the laws of 1984 and  
17 paragraph 21 as amended by section 70 of part A of chapter 59 of the  
18 laws of 2014, are amended to read as follows:

19 (20) S corporation distributions to the extent not included in federal  
20 gross income for the taxable year because of the application of section  
21 thirteen hundred sixty-eight, subsection (e) of section thirteen hundred  
22 seventy-one or subsection (c) of section thirteen hundred seventy-nine  
23 of the internal revenue code which represent income not previously  
24 subject to tax under this article because the election provided for in  
25 subsection (a) of section six hundred sixty in effect for taxable years  
26 beginning before January first, two thousand twenty-two had not been  
27 made. Any such distribution treated in the manner described in paragraph  
28 two of subsection (b) of section thirteen hundred sixty-eight of the  
29 internal revenue code for federal income tax purposes shall be treated  
30 as ordinary income for purposes of this article.

31 (21) In relation to the disposition of stock or indebtedness of a  
32 corporation which elected under subchapter s of chapter one of the  
33 internal revenue code for any taxable year of such corporation begin-  
34 ning, in the case of a corporation taxable under article nine-A of this  
35 chapter, after December thirty-first, nineteen hundred eighty and before  
36 January first, two thousand twenty-two, the amount required to be added  
37 to federal adjusted gross income pursuant to subsection (n) of this  
38 section.

39 § 8. Paragraph 21 of subsection (c) of section 612 of the tax law, as  
40 amended by section 70 of part A of chapter 59 of the laws of 2014, is  
41 amended to read as follows:

42 (21) In relation to the disposition of stock or indebtedness of a  
43 corporation which elected under subchapter s of chapter one of the  
44 internal revenue code for any taxable year of such corporation begin-  
45 ning, in the case of a corporation taxable under article nine-A of this  
46 chapter, after December thirty-first, nineteen hundred eighty and before  
47 January first, two thousand twenty-two, the amounts required to be  
48 subtracted from federal adjusted gross income pursuant to subsection (n)  
49 of this section.

50 § 9. Paragraph 22 of subsection (c) of section 612 of the tax law is  
51 REPEALED.

52 § 10. Subsection (e) of section 612 of the tax law, as amended by  
53 chapter 166 of the laws of 1991, paragraph 3 as added by chapter 760 of  
54 the laws of 1992, is amended to read as follows:

55 (e) Modifications of partners and shareholders of S corporations. (1)  
56 Partners and shareholders of S corporations [~~which are not New York C~~

1 ~~corporations~~]. The amounts of modifications required to be made under  
2 this section by a partner or by a shareholder of an S corporation  
3 [~~(other than an S corporation which is a New York C corporation)~~], which  
4 relate to partnership or S corporation items of income, gain, loss or  
5 deduction shall be determined under section six hundred seventeen and,  
6 in the case of a partner of a partnership doing an insurance business as  
7 a member of the New York insurance exchange described in section six  
8 thousand two hundred one of the insurance law, under section six hundred  
9 seventeen-a of this article.

10 (2) [~~Shareholders of S corporations which are New York C corporations.~~  
11 ~~In the case of a shareholder of an S corporation which is a New York C~~  
12 ~~corporation, the modifications under this section which relate to the~~  
13 ~~corporation's items of income, loss and deduction shall not apply,~~  
14 ~~except for the modifications provided under paragraph nineteen of~~  
15 ~~subsection (b) and paragraph twenty two of subsection (c) of this~~  
16 ~~section.~~

17 ~~(3)~~] New York S termination year. In the case of a New York S termi-  
18 nation year, the amounts of the modifications required under this  
19 section which relate to the S corporation's items of income, loss,  
20 deduction and reductions for taxes (as described in paragraphs two and  
21 three of subsection (f) of section thirteen hundred sixty-six of the  
22 internal revenue code) shall be adjusted in the same manner that the S  
23 corporation's items are adjusted under subsection (s) of section six  
24 hundred twelve.

25 § 11. Subsection (n) of section 612 of the tax law, as amended by  
26 section 61 of part A of chapter 389 of the laws of 1997, is amended to  
27 read as follows:

28 (n) Where gain or loss is recognized for federal income tax purposes  
29 upon the disposition of stock or indebtedness of a corporation electing  
30 under subchapter s of chapter one of the internal revenue code

31 (1) There shall be added to federal adjusted gross income the amount  
32 of increase in basis with respect to such stock or indebtedness pursuant  
33 to subsection (a) of section thirteen hundred seventy-six of the inter-  
34 nal revenue code as such section was in effect for taxable years begin-  
35 ning before January first, nineteen hundred eighty-three and subpara-  
36 graphs (A) and (B) of paragraph one of subsection (a) of section  
37 thirteen hundred sixty-seven of such code, for each taxable year of the  
38 corporation beginning, in the case of a corporation taxable under arti-  
39 cle nine-A of this chapter, after December thirty-first, nineteen  
40 hundred eighty and before January first, two thousand twenty-two, and in  
41 the case of a corporation taxable under former article thirty-two of  
42 this chapter, after December thirty-first, nineteen hundred ninety-six  
43 and before January first, two thousand fifteen, for which the election  
44 provided for in subsection (a) of section six hundred sixty of this  
45 article was not in effect, and

46 (2) There shall be subtracted from federal adjusted gross income

47 (A) the amount of reduction in basis with respect to such stock or  
48 indebtedness pursuant to subsection (b) of section thirteen hundred  
49 seventy-six of the internal revenue code as such section was in effect  
50 for taxable years beginning before January first, nineteen hundred  
51 eighty-three and subparagraphs (B) and (C) of paragraph two of  
52 subsection (a) of section thirteen hundred sixty-seven of such code, for  
53 each taxable year of the corporation beginning, in the case of a corpo-  
54 ration taxable under article nine-A of this chapter, after December  
55 thirty-first, nineteen hundred eighty and before January first, two  
56 thousand twenty-two, and in the case of a corporation taxable under

1 former article thirty-two of this chapter, after December thirty-first,  
2 nineteen hundred ninety-six and before January first, two thousand  
3 fifteen, for which the election provided for in subsection (a) of  
4 section six hundred sixty of this article was not in effect and

5 (B) the amount of any modifications to federal gross income with  
6 respect to such stock pursuant to paragraph twenty of subsection (b) of  
7 this section.

8 § 12. Paragraph 6 of subsection (c) of section 615 of the tax law is  
9 REPEALED.

10 § 13. Subsection (e) of section 615 of the tax law, as amended by  
11 chapter 760 of the laws of 1992, is amended to read as follows:

12 (e) Modifications of partners and shareholders of S corporations. (1)  
13 Partners and shareholders of S corporations [~~which are not New York C~~  
14 ~~corporations~~]. The amounts of modifications under subsection (c) or  
15 under paragraph (2) or (3) of subsection (d) required to be made by a  
16 partner or by a shareholder of an S corporation [~~(other than an S corpo-~~  
17 ~~ration which is a New York C corporation)~~], with respect to items of  
18 deduction of a partnership or S corporation shall be determined under  
19 section six hundred seventeen.

20 (2) [~~Shareholders of S corporations which are New York C corporations.~~  
21 ~~In the case of a shareholder of an S corporation which is a New York C~~  
22 ~~corporation, the modifications under this section which relate to the~~  
23 ~~corporation's items of deduction shall not apply, except for the modifi-~~  
24 ~~cation provided under paragraph six of subsection (c).~~

25 (3)] New York S termination year. In the case of a New York S termi-  
26 nation year, the amounts of the modifications required under this  
27 section which relate to the S corporation's items of deduction shall be  
28 adjusted in the same manner that the S corporation's items are adjusted  
29 under subsection (s) of section six hundred twelve.

30 § 14. Subsection (a) of section 617 of the tax law, as amended by  
31 chapter 190 of the laws of 1990, is amended to read as follows:

32 (a) Partner's and shareholder's modifications. In determining New York  
33 adjusted gross income and New York taxable income of a resident partner  
34 or a resident shareholder of an S corporation [~~(other than an S corpo-~~  
35 ~~ration which is a New York C corporation)~~], any modification described  
36 in subsections (b), (c) or (d) of section six hundred twelve, subsection  
37 (c) of section six hundred fifteen or paragraphs (2) or (3) of  
38 subsection (d) of such section, which relates to an item of partnership  
39 or S corporation income, gain, loss or deduction shall be made in  
40 accordance with the partner's distributive share or the shareholder's  
41 pro rata share, for federal income tax purposes, of the item to which  
42 the modification relates. Where a partner's distributive share or a  
43 shareholder's pro rata share of any such item is not required to be  
44 taken into account separately for federal income tax purposes, the part-  
45 ner's or shareholder's share of such item shall be determined in accord-  
46 ance with his or her share, for federal income tax purposes, of partner-  
47 ship or S corporation taxable income or loss generally. In the case of a  
48 New York S termination year, his or her pro rata share of any such item  
49 shall be determined under subsection (s) of section six hundred twelve.

50 § 15. Subparagraph (E-1) of paragraph 1 of subsection (b) of section  
51 631 of the tax law, as added by section 3 of part C of chapter 57 of the  
52 laws of 2010, is amended to read as follows:

53 (E-1) in the case of an S corporation [~~for which an election is in~~  
54 ~~effect pursuant~~ subject to subsection (a) of section six hundred sixty  
55 of this article that terminates its taxable status in New York, any  
56 income or gain recognized on the receipt of payments from an installment

1 sale contract entered into when the S corporation was subject to tax in  
2 New York, allocated in a manner consistent with the applicable methods  
3 and rules for allocation under article nine-A or former article thirty-  
4 two of this chapter, in the year that the S corporation sold its assets.

5 § 16. The section heading and paragraph 2 of subsection (a) of section  
6 632 of the tax law, the section heading as amended by chapter 606 of the  
7 laws of 1984, and paragraph 2 of subsection (a) as amended by section 71  
8 of part A of chapter 59 of the laws of 2014, are amended to read as  
9 follows:

10 Nonresident partners and [~~electing~~] shareholders of S corporations.

11 (2) In determining New York source income of a nonresident shareholder  
12 of an S corporation [~~where the election provided for in~~] subject to  
13 subsection (a) of section six hundred sixty of this article [~~is in~~  
14 ~~effect~~], there shall be included only the portion derived from or  
15 connected with New York sources of such shareholder's pro rata share of  
16 items of S corporation income, loss and deduction entering into his or  
17 her federal adjusted gross income, increased by reductions for taxes  
18 described in paragraphs two and three of subsection (f) of section thir-  
19 teen hundred sixty-six of the internal revenue code, as such portion  
20 shall be determined under regulations of the commissioner consistent  
21 with the applicable methods and rules for allocation under article  
22 nine-A of this chapter [~~, regardless of whether or not such item or~~  
23 ~~reduction is included in entire net income under article nine-A for the~~  
24 ~~tax year~~]. If a nonresident is a shareholder in an S corporation [~~where~~  
25 ~~the election provided for in~~] subject to subsection (a) of section six  
26 hundred sixty of this article [~~is in effect~~], and the S corporation has  
27 distributed an installment obligation under section 453(h)(1)(A) of the  
28 Internal Revenue Code, then any gain recognized on the receipt of  
29 payments from the installment obligation for federal income tax purposes  
30 will be treated as New York source income allocated in a manner consist-  
31 ent with the applicable methods and rules for allocation under article  
32 nine-A of this chapter in the year that the assets were sold. In addi-  
33 tion, if the shareholders of the S corporation have made an election  
34 under section 338(h)(10) of the Internal Revenue Code, then any gain  
35 recognized on the deemed asset sale for federal income tax purposes will  
36 be treated as New York source income allocated in a manner consistent  
37 with the applicable methods and rules for allocation under article  
38 nine-A of this chapter in the year that the shareholder made the section  
39 338(h)(10) election. For purposes of a section 338(h)(10) election, when  
40 a nonresident shareholder exchanges his or her S corporation stock as  
41 part of the deemed liquidation, any gain or loss recognized shall be  
42 treated as the disposition of an intangible asset and will not increase  
43 or offset any gain recognized on the deemed assets sale as a result of  
44 the section 338(h)(10) election.

45 § 17. Subsection (a) of section 632-a of the tax law, as added by  
46 section 1 of part K of chapter 60 of the laws of 2007, is amended to  
47 read as follows:

48 (a) General. If (1) substantially all of the services of a personal  
49 service corporation or S corporation are performed for or on behalf of  
50 another corporation, partnership, or other entity and (2) the effect of  
51 forming or availing of such personal service corporation or S corpo-  
52 ration is the avoidance or evasion of New York income tax by reducing  
53 the income of, or in the case of a nonresident, reducing the New York  
54 source income of, or securing the benefit of any expense, deduction,  
55 credit, exclusion, or other allowance for, any employee-owner which  
56 would not otherwise be available, then the commissioner may allocate all



1 income, deductions, credits, exclusions, and other allowances between  
2 such personal service corporation or S corporation (even if such  
3 personal service corporation or S corporation [~~is taxed under article~~  
4 ~~nine-A of this chapter or~~] is not subject to tax in this state) and its  
5 employee-owners, provided such allocation is necessary to prevent avoid-  
6 ance or evasion of New York state income tax or to clearly reflect the  
7 source and the amount of the income of the personal service corporation  
8 or S corporation or any of its employee-owners.

9 § 18. Paragraph 2 and subparagraph (A) of paragraph 4 of subsection  
10 (c) of section 658 of the tax law, paragraph 2 as amended by chapter 190  
11 of the laws of 1990, and subparagraph (A) of paragraph 4 as amended by  
12 section 72 of part A of chapter 59 of the laws of 2014, are amended to  
13 read as follows:

14 (2) S corporations. Every S corporation [~~for which the election~~  
15 ~~provided for in~~] **subject to** subsection (a) of section six hundred sixty  
16 [~~is in effect~~] shall make a return for the taxable year setting forth  
17 all items of income, loss and deduction and such other pertinent infor-  
18 mation as the commissioner of taxation and finance may by regulations  
19 and instructions prescribe. Such return shall be filed on or before the  
20 fifteenth day of the third month following the close of each taxable  
21 year.

22 (A) General. Every entity which is a partnership, other than a public-  
23 ly traded partnership as defined in section 7704 of the federal Internal  
24 Revenue Code, subchapter K limited liability company or an S corporation  
25 [~~for which the election provided for in subsection (a) of section six~~  
26 ~~hundred sixty of this part is in effect~~], which has partners, members or  
27 shareholders who are nonresident individuals, as defined under  
28 subsection (b) of section six hundred five of this article, or C corpo-  
29 rations, and which has any income derived from New York sources, deter-  
30 mined in accordance with the applicable rules of section six hundred  
31 thirty-one of this article as in the case of a nonresident individual,  
32 shall pay estimated tax on such income on behalf of such partners,  
33 members or shareholders in the manner and at the times prescribed by  
34 subsection (c) of section six hundred eighty-five of this article. For  
35 purposes of this paragraph, the term "estimated tax" shall mean a part-  
36 ner's, member's or shareholder's distributive share or pro rata share of  
37 the entity income derived from New York sources, multiplied by the high-  
38 est rate of tax prescribed by section six hundred one of this article  
39 for the taxable year of any partner, member or shareholder who is an  
40 individual taxpayer, or paragraph (a) of subdivision one of section two  
41 hundred ten of this chapter for the taxable year of any partner, member  
42 or shareholder which is a C corporation, whether or not such C corpo-  
43 ration is subject to tax under article nine, nine-A or thirty-three of  
44 this chapter, and reduced by the distributive share or pro rata share of  
45 any credits determined under section one hundred eighty-seven, one  
46 hundred eighty-seven-a, six hundred six or fifteen hundred eleven of  
47 this chapter, whichever is applicable, derived from the entity.

48 § 19. Section 660 of the tax law, as amended by chapter 606 of the  
49 laws of 1984, subsections (a) and (h) as amended by section 73 of part A  
50 of chapter 59 of the laws of 2014, paragraph 3 of subsection (b) as  
51 amended by section 51, paragraphs 4 and 5 of subsection (b) as added and  
52 paragraph 6 of subsection (b) as renumbered by section 52 and  
53 subsections (e) and (f) as added and subsection (g) as relettered by  
54 section 53 of part A of chapter 389 of the laws of 1997, subsection (d)  
55 as added by chapter 760 of the laws of 1992, subsection (i) as added by  
56 section 1 of part L of chapter 60 of the laws of 2007 and paragraph 1 of

1 subsection (i) as amended by section 39 of part T of chapter 59 of the  
2 laws of 2015, is amended to read as follows:

3 § 660. [~~Election by shareholders of S corporations~~] Tax treatment of  
4 federal S corporations. (a) [~~Election.~~] If a corporation is an eligible  
5 S corporation, the shareholders of the corporation [~~may elect in the~~  
6 ~~manner set forth in subsection (b) of this section to~~] shall take into  
7 account, to the extent provided for in this article (or in article thir-  
8 teen of this chapter, in the case of a shareholder which is a taxpayer  
9 under such article), the S corporation items of income, loss, deduction  
10 and reductions for taxes described in paragraphs two and three of  
11 subsection (f) of section thirteen hundred sixty-six of the internal  
12 revenue code which are taken into account for federal income tax  
13 purposes for the taxable year. [~~No election under this subsection shall~~  
14 ~~be effective unless all shareholders of the corporation have so~~  
15 ~~elected.~~] An eligible S corporation is (i) [~~an S~~] a corporation that has  
16 elected to be an S corporation for federal income tax purposes pursuant  
17 to section thirteen hundred sixty-two of the internal revenue code which  
18 is subject to tax under article nine-A of this chapter, or (ii) [~~an S~~] a  
19 corporation that has elected to be an S corporation for federal income  
20 tax purposes pursuant to section thirteen hundred sixty-two of the  
21 internal revenue code which is the parent of a qualified subchapter S  
22 subsidiary as defined in subparagraph (B) of paragraph three of  
23 subsection (b) of section thirteen hundred sixty-one of the internal  
24 revenue code subject to tax under article nine-A[~~, where the sharehold-~~  
25 ~~ers of such parent corporation are entitled to make the election under~~  
26 ~~this subsection by reason of subparagraph three of paragraph (k) of~~  
27 ~~subdivision nine of section two hundred eight~~] of this chapter.

28 (b) [~~Requirements of election. An election under subsection (a) of~~  
29 ~~this section shall be made on such form and in such manner as the tax~~  
30 ~~commission may prescribe by regulation or instruction.~~

31 (1) ~~When made. An election under subsection (a) of this section may be~~  
32 ~~made at any time during the preceding taxable year of the corporation or~~  
33 ~~at any time during the taxable year of the corporation and on or before~~  
34 ~~the fifteenth day of the third month of such taxable year.~~

35 (2) ~~Certain elections made during first two and one-half months. If an~~  
36 ~~election made under subsection (a) of this section is made for any taxa-~~  
37 ~~ble year of the corporation during such year and on or before the~~  
38 ~~fifteenth day of the third month of such year, such election shall be~~  
39 ~~treated as made for the following taxable year if~~

40 (A) ~~on one or more days in such taxable year before the day on which~~  
41 ~~the election was made the corporation did not meet the requirements of~~  
42 ~~subsection (b) of section thirteen hundred sixty one of the internal~~  
43 ~~revenue code or~~

44 (B) ~~one or more of the shareholders who held stock in the corporation~~  
45 ~~during such taxable year and before the election was made did not~~  
46 ~~consent to the election.~~

47 (3) ~~Elections made after first two and one-half months. If an election~~  
48 ~~under subsection (a) of this section is made for any taxable year of the~~  
49 ~~corporation and such election is made after the fifteenth day of the~~  
50 ~~third month of such taxable year and on or before the fifteenth day of~~  
51 ~~the third month of the following taxable year, such election shall be~~  
52 ~~treated as made for the following taxable year.~~

53 (4) ~~Taxable years of two and one-half months or less. For purposes of~~  
54 ~~this subsection, an election for a taxable year made not later than two~~  
55 ~~months and fifteen days after the first day of the taxable year shall be~~  
56 ~~treated as timely made during such year.~~



1 ~~(5) Authority to treat late elections, etc., as timely. If (A) an~~  
2 ~~election under subsection (a) of this section is made for any taxable~~  
3 ~~year (determined without regard to paragraph three of this subsection)~~  
4 ~~after the date prescribed by this subsection for making such election~~  
5 ~~for such taxable year, or if no such election is made for any taxable~~  
6 ~~year, and~~

7 ~~(B) the commissioner determines that there was reasonable cause for~~  
8 ~~failure to timely make such election, then~~

9 ~~(C) the commissioner may treat such an election as timely made for~~  
10 ~~such taxable year (and paragraph three of this subsection shall not~~  
11 ~~apply).~~

12 ~~(6) Years for which effective. An election under subsection (a) of~~  
13 ~~this section shall be effective for the taxable year of the corporation~~  
14 ~~for which it is made and for all succeeding taxable years of the corpo-~~  
15 ~~ration until such election is terminated under subsection (c) of this~~  
16 ~~section.~~

17 ~~(e)] Termination. An [~~election under~~ eligible S corporation shall~~  
18 ~~cease to be subject to~~ subsection (a) of this section [~~shall cease to be~~  
19 ~~effective~~

20 ~~(1)] on the day an election to be an S corporation ceases to be effec-~~  
21 ~~tive for federal income tax purposes pursuant to subsection (d) of~~  
22 ~~section thirteen hundred sixty-two of the internal revenue code[, or~~

23 ~~(2) if shareholders holding more than one-half of the shares of stock~~  
24 ~~of the corporation on the day on which the revocation is made revoke~~  
25 ~~such election in the manner the tax commission may prescribe by regu-~~  
26 ~~lation,~~

27 ~~(A) on the first day of the taxable year of the corporation, if the~~  
28 ~~revocation is made during such taxable year and on or before the~~  
29 ~~fifteenth day of the third month thereof, or~~

30 ~~(B) on the first day of the following taxable year of the corporation,~~  
31 ~~if the revocation is made during the taxable year but after the~~  
32 ~~fifteenth day of the third month thereof, or~~

33 ~~(C) on and after the date so specified, if the revocation specifies a~~  
34 ~~date for revocation which is on or after the day on which the revocation~~  
35 ~~is made, or~~

36 ~~(3) if any person who was not a shareholder of the corporation on the~~  
37 ~~day on which the election is made becomes a shareholder in the corpo-~~  
38 ~~ration and affirmatively refuses to consent to such election in the~~  
39 ~~manner the tax commission may prescribe by regulation, on the day such~~  
40 ~~person becomes a shareholder].~~

41 [~~(d)] (c) New York S termination year. In the case of a New York S~~  
42 ~~termination year, the amount of any item of S corporation income, loss~~  
43 ~~and deduction and reductions for taxes (as described in paragraphs two~~  
44 ~~and three of subsection (f) of section thirteen hundred sixty-six of the~~  
45 ~~internal revenue code) required to be taken account of under this arti-~~  
46 ~~cle shall be adjusted in the same manner that the S corporation's items~~  
47 ~~which are included in the shareholder's federal adjusted gross income~~  
48 ~~are adjusted under subsection (s) of section six hundred twelve.~~

49 [~~(e) Inadvertent invalid elections. If (1) an election under~~  
50 ~~subsection (a) of this section was not effective for the taxable year~~  
51 ~~for which made (determined without regard to paragraph two of subsection~~  
52 ~~(b) of this section) by reason of a failure to obtain shareholder~~  
53 ~~consents,~~

54 ~~(2) the commissioner determines that the circumstances resulting in~~  
55 ~~such ineffectiveness were inadvertent,~~

~~(3) no later than a reasonable period of time after discovery of the circumstances resulting in such ineffectiveness, steps were taken to acquire the required shareholder consents, and~~

~~(4) the corporation, and each person who was a shareholder in the corporation at any time during the period specified pursuant to this subsection, agrees to make such adjustments (consistent with the treatment of the corporation as a New York S corporation) as may be required by the commissioner with respect to such period,~~

~~(5) then, notwithstanding the circumstances resulting in such ineffectiveness, such corporation shall be treated as a New York S corporation during the period specified by the commissioner.~~

~~(f)] (d) Qualified subchapter S subsidiaries. If an S corporation has elected to treat its wholly owned subsidiary as a qualified subchapter S subsidiary for federal income tax purposes under paragraph three of subsection (b) of section thirteen hundred sixty-one of the internal revenue code, such election shall be applicable for New York state tax purposes and~~

~~(1) the assets, liabilities, income, deductions, property, payroll, receipts, capital, credits, and all other tax attributes and elements of economic activity of the subsidiary shall be deemed to be those of the parent corporation,~~

~~(2) transactions between the parent corporation and the subsidiary, including the payment of interest and dividends, shall not be taken into account, and~~

~~(3) general executive officers of the subsidiary shall be deemed to be general executive officers of the parent corporation.~~

~~(e) Validated federal elections. If [(1) an election under subsection (a) of this section was made for a taxable year or years of a corporation, which years occur with or within the period for which] the federal S election of [such] an eligible S corporation has been validated pursuant to the provisions of subsection (f) of section thirteen hundred sixty-two of the internal revenue code, [and~~

~~(2) the corporation, and each person who was a shareholder in the corporation at any time during such taxable year or years agrees to make such adjustments (consistent with the treatment of the corporation as a New York S corporation) as may be required by the commissioner with respect to such year or years,~~

~~(3) then] such corporation shall be treated as [a New York] an eligible S corporation subject to subsection (a) of this section during [such] the year or years for which such election has been validated.~~

~~[(g) Transitional rule. Any election made under this section (as in effect for taxable years beginning before January first, nineteen hundred eighty-three) shall be treated as an election made under subsection (a) of this section.~~

~~(h) Cross reference. For definitions relating to S corporations, see subdivision one A of section two hundred eight of this chapter.~~

~~(i) Mandated New York S corporation election. (1) Notwithstanding the provisions in subsection (a) of this section, in the case of an eligible S corporation for which the election under subsection (a) of this section is not in effect for the current taxable year, the shareholders of an eligible S corporation are deemed to have made that election effective for the eligible S corporation's entire current taxable year, if the eligible S corporation's investment income for the current taxable year is more than fifty percent of its federal gross income for such year. In determining whether an eligible S corporation is deemed to have made that election, the income of a qualified subchapter S subsidiary~~

~~owned directly or indirectly by the eligible S corporation shall be included with the income of the eligible S corporation.~~

~~(2) For the purposes of this subsection, the term "eligible S corporation" has the same definition as in subsection (a) of this section.~~

~~(3) For the purposes of this subsection, the term "investment income" means the sum of an eligible S corporation's gross income from interest, dividends, royalties, annuities, rents and gains derived from dealings in property, including the corporation's share of such items from a partnership, estate or trust, to the extent such items would be includable in federal gross income for the taxable year.~~

~~(4) Estimated tax payments. When making estimated tax payments required to be made under this chapter in the current tax year, the eligible S corporation and its shareholders may rely on the eligible S corporation's filing status for the prior year. If the eligible S corporation's filing status changes from the prior tax year the corporation or the shareholders, as the case may be, which made the payments shall be entitled to a refund of such estimated tax payments. No additions to tax with respect to any required declarations or payments of estimated tax imposed under this chapter shall be imposed on the corporation or shareholders, whichever is the taxpayer for the current taxable year, if the corporation or the shareholders file such declarations and make such estimated tax payments by January fifteenth of the following calendar year, regardless of whether the taxpayer's tax year is a calendar or a fiscal year.]~~

§ 20. Transition rules. Any prior net operating loss conversion subtraction and net operating loss carryforward that otherwise would have been allowed under subparagraphs (viii) and (ix), respectively, of paragraph (a) of subdivision 1 of section 210 of the tax law for the taxable years beginning on or after January 1, 2022 to any taxpayer that was a New York C corporation for a taxable year beginning on or after January 1, 2021 and before January 1, 2022, and that becomes a New York S corporation for a taxable year beginning on or after January 1, 2022 as a result of the amendments made by this act, shall be held in abeyance and be available to such taxpayer if its election to be a federal S corporation is terminated. Further, any credit carryforwards allowed to such a taxpayer under section 210-B of the tax law shall be held in abeyance and be available to such taxpayer if its election to be a federal S corporation is terminated. However, the taxpayer's years as a New York S corporation shall be counted for purposes of computing any time period applicable to the allowance of the prior net operating loss conversion subtraction or carryforward, the net operating loss deduction, or any credit carryforward.

§ 21. This act shall take effect immediately, provided, however, that section one shall apply to taxable years beginning on or after January 1, 2021 and sections two through twenty shall apply to taxable years beginning on or after January 1, 2022.

#### PART F

Section 1. Paragraph 5 of subdivision (a) of section 24 of the tax law, as amended by section 5-a of part M of chapter 59 of the laws of 2020, is amended to read as follows:

(5) For the period two thousand fifteen through two thousand [~~twenty-five~~] **twenty-six**, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to the product (or pro rata share of the product, in the case of a

1 member of a partnership) of ten percent and the amount of wages or sala-  
2 ries paid to individuals directly employed (excluding those employed as  
3 writers, directors, music directors, producers and performers, including  
4 background actors with no scripted lines) by a qualified film production  
5 company or a qualified independent film production company for services  
6 performed by those individuals in one of the counties specified in this  
7 paragraph in connection with a qualified film with a minimum budget of  
8 five hundred thousand dollars. For purposes of this additional credit,  
9 the services must be performed in one or more of the following counties:  
10 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,  
11 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,  
12 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,  
13 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,  
14 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,  
15 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-  
16 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or  
17 Yates. The aggregate amount of tax credits allowed pursuant to the  
18 authority of this paragraph shall be five million dollars each year  
19 during the period two thousand fifteen through two thousand [~~twenty-~~  
20 ~~five~~] ~~twenty-six~~ of the annual allocation made available to the program  
21 pursuant to paragraph four of subdivision (e) of this section. Such  
22 aggregate amount of credits shall be allocated by the governor's office  
23 for motion picture and television development among taxpayers in order  
24 of priority based upon the date of filing an application for allocation  
25 of film production credit with such office. If the total amount of  
26 allocated credits applied for under this paragraph in any year exceeds  
27 the aggregate amount of tax credits allowed for such year under this  
28 paragraph, such excess shall be treated as having been applied for on  
29 the first day of the next year. If the total amount of allocated tax  
30 credits applied for under this paragraph at the conclusion of any year  
31 is less than five million dollars, the remainder shall be treated as  
32 part of the annual allocation made available to the program pursuant to  
33 paragraph four of subdivision (e) of this section. However, in no event  
34 may the total of the credits allocated under this paragraph and the  
35 credits allocated under paragraph five of subdivision (a) of section  
36 thirty-one of this article exceed five million dollars in any year  
37 during the period two thousand fifteen through two thousand [~~twenty-~~  
38 ~~five~~] ~~twenty-six~~.

39 § 2. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
40 amended by section 5-b of part M of chapter 59 of the laws of 2020, is  
41 amended to read as follows:

42 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
43 subdivision (a) of this section shall be increased by an additional four  
44 hundred twenty million dollars in each year starting in two thousand ten  
45 through two thousand [~~twenty-five~~] ~~twenty-six~~ provided however, seven  
46 million dollars of the annual allocation shall be available for the  
47 empire state film post production credit pursuant to section thirty-one  
48 of this article in two thousand thirteen and two thousand fourteen,  
49 twenty-five million dollars of the annual allocation shall be available  
50 for the empire state film post production credit pursuant to section  
51 thirty-one of this article in each year starting in two thousand fifteen  
52 through two thousand [~~twenty-five~~] ~~twenty-six~~ and five million dollars  
53 of the annual allocation shall be made available for the television  
54 writers' and directors' fees and salaries credit pursuant to section  
55 twenty-four-b of this article in each year starting in two thousand  
56 twenty through two thousand [~~twenty-five~~] ~~twenty-six~~. This amount shall

1 be allocated by the governor's office for motion picture and television  
2 development among taxpayers in accordance with subdivision (a) of this  
3 section. If the commissioner of economic development determines that the  
4 aggregate amount of tax credits available from additional pool 2 for the  
5 empire state film production tax credit have been previously allocated,  
6 and determines that the pending applications from eligible applicants  
7 for the empire state film post production tax credit pursuant to section  
8 thirty-one of this article is insufficient to utilize the balance of  
9 unallocated empire state film post production tax credits from such  
10 pool, the remainder, after such pending applications are considered,  
11 shall be made available for allocation in the empire state film tax  
12 credit pursuant to this section, subdivision twenty of section two  
13 hundred ten-B and subsection (gg) of section six hundred six of this  
14 chapter. Also, if the commissioner of economic development determines  
15 that the aggregate amount of tax credits available from additional pool  
16 2 for the empire state film post production tax credit have been previ-  
17 ously allocated, and determines that the pending applications from  
18 eligible applicants for the empire state film production tax credit  
19 pursuant to this section is insufficient to utilize the balance of unal-  
20 located film production tax credits from such pool, then all or part of  
21 the remainder, after such pending applications are considered, shall be  
22 made available for allocation for the empire state film post production  
23 credit pursuant to this section, subdivision thirty-two of section two  
24 hundred ten-B and subsection (qq) of section six hundred six of this  
25 chapter. The governor's office for motion picture and television devel-  
26 opment must notify taxpayers of their allocation year and include the  
27 allocation year on the certificate of tax credit. Taxpayers eligible to  
28 claim a credit must report the allocation year directly on their empire  
29 state film production credit tax form for each year a credit is claimed  
30 and include a copy of the certificate with their tax return. In the case  
31 of a qualified film that receives funds from additional pool 2, no  
32 empire state film production credit shall be claimed before the later of  
33 the taxable year the production of the qualified film is complete, or  
34 the taxable year immediately following the allocation year for which the  
35 film has been allocated credit by the governor's office for motion  
36 picture and television development.

37 § 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
38 amended by section 2 of part SSS of chapter 59 of the laws of 2019, is  
39 amended to read as follows:

40 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
41 subdivision (a) of this section shall be increased by an additional four  
42 hundred twenty million dollars in each year starting in two thousand ten  
43 through two thousand [~~twenty-four~~ twenty-six provided however, seven  
44 million dollars of the annual allocation shall be available for the  
45 empire state film post production credit pursuant to section thirty-one  
46 of this article in two thousand thirteen and two thousand fourteen and  
47 twenty-five million dollars of the annual allocation shall be available  
48 for the empire state film post production credit pursuant to section  
49 thirty-one of this article in each year starting in two thousand fifteen  
50 through two thousand [~~twenty-four~~ twenty-six. This amount shall be  
51 allocated by the governor's office for motion picture and television  
52 development among taxpayers in accordance with subdivision (a) of this  
53 section. If the commissioner of economic development determines that the  
54 aggregate amount of tax credits available from additional pool 2 for the  
55 empire state film production tax credit have been previously allocated,  
56 and determines that the pending applications from eligible applicants



1 for the empire state film post production tax credit pursuant to section  
2 thirty-one of this article is insufficient to utilize the balance of  
3 unallocated empire state film post production tax credits from such  
4 pool, the remainder, after such pending applications are considered,  
5 shall be made available for allocation in the empire state film tax  
6 credit pursuant to this section, subdivision twenty of section two  
7 hundred ten-B and subsection (gg) of section six hundred six of this  
8 chapter. Also, if the commissioner of economic development determines  
9 that the aggregate amount of tax credits available from additional pool  
10 2 for the empire state film post production tax credit have been previ-  
11 ously allocated, and determines that the pending applications from  
12 eligible applicants for the empire state film production tax credit  
13 pursuant to this section is insufficient to utilize the balance of unal-  
14 located film production tax credits from such pool, then all or part of  
15 the remainder, after such pending applications are considered, shall be  
16 made available for allocation for the empire state film post production  
17 credit pursuant to this section, subdivision thirty-two of section two  
18 hundred ten-B and subsection (qq) of section six hundred six of this  
19 chapter. The governor's office for motion picture and television devel-  
20 opment must notify taxpayers of their allocation year and include the  
21 allocation year on the certificate of tax credit. Taxpayers eligible to  
22 claim a credit must report the allocation year directly on their empire  
23 state film production credit tax form for each year a credit is claimed  
24 and include a copy of the certificate with their tax return. In the case  
25 of a qualified film that receives funds from additional pool 2, no  
26 empire state film production credit shall be claimed before the later of  
27 the taxable year the production of the qualified film is complete, or  
28 the taxable year immediately following the allocation year for which the  
29 film has been allocated credit by the governor's office for motion  
30 picture and television development.

31 § 4. Paragraph 6 of subdivision (a) of section 31 of the tax law, as  
32 amended by section 5-c of part M of chapter 59 of the laws of 2020, is  
33 amended to read as follows:

34 (6) For the period two thousand fifteen through two thousand [~~twenty-~~  
35 ~~five~~] twenty-six, in addition to the amount of credit established in  
36 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
37 equal to the product (or pro rata share of the product, in the case of a  
38 member of a partnership) of ten percent and the amount of wages or sala-  
39 ries paid to individuals directly employed (excluding those employed as  
40 writers, directors, music directors, producers and performers, including  
41 background actors with no scripted lines) for services performed by  
42 those individuals in one of the counties specified in this paragraph in  
43 connection with the post production work on a qualified film with a  
44 minimum budget of five hundred thousand dollars at a qualified post  
45 production facility in one of the counties listed in this paragraph. For  
46 purposes of this additional credit, the services must be performed in  
47 one or more of the following counties: Albany, Allegany, Broome, Catta-  
48 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-  
49 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,  
50 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,  
51 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,  
52 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,  
53 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,  
54 Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate  
55 amount of tax credits allowed pursuant to the authority of this para-  
56 graph shall be five million dollars each year during the period two



1 thousand fifteen through two thousand [~~twenty-five~~] ~~twenty-six~~ of the  
2 annual allocation made available to the empire state film post  
3 production credit pursuant to paragraph four of subdivision (e) of  
4 section twenty-four of this article. Such aggregate amount of credits  
5 shall be allocated by the governor's office for motion picture and tele-  
6 vision development among taxpayers in order of priority based upon the  
7 date of filing an application for allocation of post production credit  
8 with such office. If the total amount of allocated credits applied for  
9 under this paragraph in any year exceeds the aggregate amount of tax  
10 credits allowed for such year under this paragraph, such excess shall be  
11 treated as having been applied for on the first day of the next year. If  
12 the total amount of allocated tax credits applied for under this para-  
13 graph at the conclusion of any year is less than five million dollars,  
14 the remainder shall be treated as part of the annual allocation for two  
15 thousand seventeen made available to the empire state film post  
16 production credit pursuant to paragraph four of subdivision (e) of  
17 section twenty-four of this article. However, in no event may the total  
18 of the credits allocated under this paragraph and the credits allocated  
19 under paragraph five of subdivision (a) of section twenty-four of this  
20 article exceed five million dollars in any year during the period two  
21 thousand fifteen through two thousand [~~twenty-five~~] ~~twenty-six~~.

22 § 5. Paragraph 3 of subdivision (b) of section 24 of the tax law, as  
23 separately amended by sections 3 and 4 of part M of chapter 59 of the  
24 laws of 2020, is amended to read as follow:

25 (3) "Qualified film" means a feature-length film, television film,  
26 relocated television production, television pilot or television series,  
27 regardless of the medium by means of which the film, pilot or series is  
28 created or conveyed. For the purposes of the credit provided by this  
29 section only, a "qualified film" [~~with the exception of a television~~  
30 ~~pilot,~~] whose majority of principal photography shooting days in the  
31 production of the qualified film are shot in Westchester, Rockland,  
32 Nassau, or Suffolk county or any of the five New York City boroughs  
33 shall have a minimum budget of one million dollars. A "qualified film",  
34 [~~with the exception of a television pilot,~~] whose majority of principal  
35 photography shooting days in the production of the qualified film are  
36 shot in any other county of the state than those listed in the preceding  
37 sentence shall have a minimum budget of two hundred fifty thousand  
38 dollars. "Qualified film" shall not include: (i) a documentary film,  
39 news or current affairs program, interview or talk program, "how-to"  
40 (i.e., instructional) film or program, film or program consisting prima-  
41 rily of stock footage, sporting event or sporting program, game show,  
42 award ceremony, film or program intended primarily for industrial,  
43 corporate or institutional end-users, fundraising film or program,  
44 daytime drama (i.e., daytime "soap opera"), commercials, music videos or  
45 "reality" program; (ii) a production for which records are required  
46 under section 2257 of title 18, United States code, to be maintained  
47 with respect to any performer in such production (reporting of books,  
48 films, etc. with respect to sexually explicit conduct); or (iii) other  
49 than a relocated television production, a television series commonly  
50 known as variety entertainment, variety sketch and variety talk, i.e., a  
51 program with components of improvisational or scripted content (mono-  
52 logues, sketches, interviews), either exclusively or in combination with  
53 other entertainment elements such as musical performances, dancing,  
54 cooking, crafts, pranks, stunts, and games and which may be further  
55 defined in regulations of the commissioner of economic development.  
56 However, a qualified film shall include a television series as described

1 in subparagraph (iii) of this paragraph only if an application for such  
2 series has been deemed conditionally eligible for the tax credit under  
3 this section prior to April first, two thousand twenty, such series  
4 remains in continuous production for each season, and an annual applica-  
5 tion for each season of such series is continually submitted for such  
6 series after April first, two thousand twenty.

7 § 6. This act shall take effect immediately; provided, however, that  
8 the amendments made by section five of this act shall apply to applica-  
9 tions that are filed with the governor's office for motion picture and  
10 television development on or after April 1, 2021; provided, further,  
11 however that the amendments to paragraph 4 of subdivision (e) of section  
12 24 of the tax law made by section two of this act shall take effect on  
13 the same date and in the same manner as section 5 of chapter 683 of the  
14 laws of 2019, as amended, takes effect.

15 PART G

16 Section 1. Paragraph 3 of subsection (v) of section 685 of the tax  
17 law, as amended by section 3 of part I of chapter 59 of the laws of  
18 2018, is amended to read as follows:

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

35 § 2. This act shall take effect immediately and apply to returns filed  
36 on or after June 1, 2021.

37 PART H

38 Intentionally Omitted

39 PART I

40 Intentionally Omitted

41 PART J

42 Section 1. Sections 227, 306 and 406, subparagraph (ii) of paragraph b  
43 of subdivision 4 of section 1008 and paragraph b of subdivision 5 of  
44 section 1009 of the racing, pari-mutuel, wagering and breeding law are  
45 REPEALED.

46 § 2. Paragraph 1 of subdivision (f) of section 1105 of the tax law, as  
47 amended by chapter 32 of the laws of 2016, is amended to read as  
48 follows:

1 (1) Any admission charge where such admission charge is in excess of  
2 ten cents to or for the use of any place of amusement in the state,  
3 except charges for admission to [~~race tracks or~~] combative sports which  
4 charges are taxed under any other law of this state, or dramatic or  
5 musical arts performances, or live circus performances, or motion  
6 picture theaters, and except charges to a patron for admission to, or  
7 use of, facilities for sporting activities in which such patron is to be  
8 a participant, such as bowling alleys and swimming pools. For any person  
9 having the permanent use or possession of a box or seat or a lease or a  
10 license, other than a season ticket, for the use of a box or seat at a  
11 place of amusement, the tax shall be upon the amount for which a similar  
12 box or seat is sold for each performance or exhibition at which the box  
13 or seat is used or reserved by the holder, licensee or lessee, and shall  
14 be paid by the holder, licensee or lessee.

15 § 3. Subdivision (a) of section 1109 of the tax law, as amended by  
16 section 1 of part BB of chapter 61 of the laws of 2005, is amended to  
17 read as follows:

18 (a) General. In addition to the taxes imposed by sections eleven  
19 hundred five and eleven hundred ten of this article, there is hereby  
20 imposed within the territorial limits of the metropolitan commuter  
21 transportation district created and established pursuant to section  
22 twelve hundred sixty-two of the public authorities law, and there shall  
23 be paid, additional taxes, at the rate of three-eighths of one percent,  
24 which shall be identical to the taxes imposed by sections eleven hundred  
25 five and eleven hundred ten of this article. Such sections and the other  
26 sections of this article, including the definition and exemption  
27 provisions, shall apply for purposes of the taxes imposed by this  
28 section in the same manner and with the same force and effect as if the  
29 language of those sections had been incorporated in full into this  
30 section and had expressly referred to the taxes imposed by this section.  
31 Notwithstanding the foregoing, the tax imposed by this section shall not  
32 apply to admissions to race tracks or simulcast facilities.

33 § 4. Intentionally omitted.

34 § 5. Paragraph 1 of subdivision (a) of section 1210 of the tax law, as  
35 amended by section 2 of part WW, subparagraph (i) as separately amended  
36 by section 5 of part Z of chapter 60 of the laws of 2016, is amended to  
37 read as follows:

38 (1) Either, all of the taxes described in article twenty-eight of this  
39 chapter, at the same uniform rate, as to which taxes all provisions of  
40 the local laws, ordinances or resolutions imposing such taxes shall be  
41 identical, except as to rate and except as otherwise provided, with the  
42 corresponding provisions in such article twenty-eight, including the  
43 definition and exemption provisions of such article, so far as the  
44 provisions of such article twenty-eight can be made applicable to the  
45 taxes imposed by such city or county and with such limitations and  
46 special provisions as are set forth in this article. The taxes author-  
47 ized under this subdivision may not be imposed by a city or county  
48 unless the local law, ordinance or resolution imposes such taxes so as  
49 to include all portions and all types of receipts, charges or rents,  
50 subject to state tax under sections eleven hundred five and eleven  
51 hundred ten of this chapter, except as otherwise provided. Notwith-  
52 standing the foregoing, a tax imposed by a city or county authorized  
53 under this subdivision shall not include the tax imposed on charges for  
54 admission to race tracks and simulcast facilities under subdivision (f)  
55 of section eleven hundred five of this chapter. (i) Any local law, ordi-  
56 nance or resolution enacted by any city of less than one million or by

1 any county or school district, imposing the taxes authorized by this  
2 subdivision, shall, notwithstanding any provision of law to the contra-  
3 ry, exclude from the operation of such local taxes all sales of tangible  
4 personal property for use or consumption directly and predominantly in  
5 the production of tangible personal property, gas, electricity, refrig-  
6 eration or steam, for sale, by manufacturing, processing, generating,  
7 assembly, refining, mining or extracting; and all sales of tangible  
8 personal property for use or consumption predominantly either in the  
9 production of tangible personal property, for sale, by farming or in a  
10 commercial horse boarding operation, or in both; and all sales of fuel  
11 sold for use in commercial aircraft and general aviation aircraft; and,  
12 unless such city, county or school district elects otherwise, shall omit  
13 the provision for credit or refund contained in clause six of subdivi-  
14 sion (a) or subdivision (d) of section eleven hundred nineteen of this  
15 chapter. (ii) Any local law, ordinance or resolution enacted by any  
16 city, county or school district, imposing the taxes authorized by this  
17 subdivision, shall omit the residential solar energy systems equipment  
18 and electricity exemption provided for in subdivision (ee), the commer-  
19 cial solar energy systems equipment and electricity exemption provided  
20 for in subdivision (ii), the commercial fuel cell electricity generating  
21 systems equipment and electricity generated by such equipment exemption  
22 provided for in subdivision (kk) and the clothing and footwear exemption  
23 provided for in paragraph thirty of subdivision (a) of section eleven  
24 hundred fifteen of this chapter, unless such city, county or school  
25 district elects otherwise as to such residential solar energy systems  
26 equipment and electricity exemption, such commercial solar energy  
27 systems equipment and electricity exemption, commercial fuel cell elec-  
28 tricity generating systems equipment and electricity generated by such  
29 equipment exemption or such clothing and footwear exemption.

30 § 6. Paragraph 1 of subdivision (b) of section 1210 of the tax law,  
31 as amended by section 3 of part WW of chapter 60 of the laws of 2016, is  
32 amended to read as follows:

33 (1) Or, one or more of the taxes described in subdivisions (b), (d),  
34 (e) and (f) of section eleven hundred five of this chapter, at the same  
35 uniform rate, including the transitional provisions in section eleven  
36 hundred six of this chapter covering such taxes, but not the taxes  
37 described in subdivisions (a) and (c) of section eleven hundred five of  
38 this chapter. Provided, further, that where the tax described in subdivi-  
39 sion (b) of section eleven hundred five of this chapter is imposed,  
40 the compensating use taxes described in clauses (E), (G) and (H) of  
41 subdivision (a) of section eleven hundred ten of this chapter shall also  
42 be imposed. Provided, further, that where the taxes described in subdivi-  
43 sion (b) of section eleven hundred five of this chapter are imposed,  
44 such taxes shall omit: (A) the provision for refund or credit contained  
45 in subdivision (d) of section eleven hundred nineteen of this chapter  
46 with respect to such taxes described in such subdivision (b) of section  
47 eleven hundred five unless such city or county elects to provide such  
48 provision or, if so elected, to repeal such provision; (B) the exemption  
49 provided in paragraph two of subdivision (ee) of section eleven hundred  
50 fifteen of this chapter unless such county or city elects otherwise; (C)  
51 the exemption provided in paragraph two of subdivision (ii) of section  
52 eleven hundred fifteen of this chapter, unless such county or city  
53 elects otherwise; and (D) the exemption provided in paragraph two of  
54 subdivision (kk) of section eleven hundred fifteen of this chapter,  
55 unless such county or city elects otherwise; and provided further that  
56 where the tax described in subdivision (f) of such section eleven

1 hundred five is imposed, such tax shall not apply to charges for admis-  
2 sion to race tracks and simulcast facilities.

3 § 7. Notwithstanding any provisions of law to the contrary and  
4 notwithstanding the repeal of sections 227, 306 and 406, subparagraph  
5 (ii) of paragraph b of subdivision 4 of section 1008 and paragraph b of  
6 subdivision 5 of section 1009 of the racing, pari-mutuel, wagering and  
7 breeding law by section one of this act, all provisions of such sections  
8 227, 306 and 406, subparagraph (ii) of paragraph b of subdivision 4 of  
9 section 1008 and paragraph b of subdivision 5 of section 1009, in  
10 respect to the imposition, exemption, assessment, payment, payment over,  
11 determination, collection, and credit or refund of tax, interest and  
12 penalty imposed thereunder, the filing of forms and returns, the preser-  
13 vation of records for the purposes of such tax, the disposition of  
14 revenues, and any civil and criminal penalties applicable to the  
15 violation of the provisions of such sections 227, 306 and 406, subpara-  
16 graph (ii) of paragraph b of subdivision 4 of section 1008 and paragraph  
17 b of subdivision 5 of section 1009, shall continue in full force and  
18 effect with respect to all such tax accrued for periods prior to the  
19 effective date of this act in the same manner as they might if such  
20 provisions were not repealed.

21 § 8. This act shall take effect November 1, 2021 and shall apply to  
22 charges for admissions to race tracks and simulcast facilities on and  
23 after such date.

24

## PART K

25 Section 1. Subdivision (d) of section 1139 of the tax law, as amended  
26 by section 10 of subpart D of part VI of chapter 57 of the laws of 2009,  
27 is amended to read as follows:

28 (d) (1) Except in respect to an overpayment made on a return described  
29 in paragraph two of subdivision (a) of section eleven hundred thirty-six  
30 of this part [~~or on a return described in subdivision (c) of section~~  
31 ~~eleven hundred thirty-seven-A of this part~~], interest shall be allowed  
32 and paid upon any refund made or credit allowed pursuant to this section  
33 except as otherwise provided in paragraph two of this subdivision or  
34 subdivision (e) of this section and except that no interest shall be  
35 allowed or paid if the amount thereof would be less than one dollar.  
36 Such interest shall be at the overpayment rate set by the commissioner  
37 pursuant to section eleven hundred forty-two of this part, or if no rate  
38 is set, at the rate of six percent per annum from the date when the tax,  
39 penalty or interest refunded or credited was paid to a date preceding  
40 the date of the refund check by not more than thirty days, provided,  
41 however, that for the purposes of this subdivision any tax paid before  
42 the last day prescribed for its payment shall be deemed to have been  
43 paid on such last day. In the case of a refund or credit claimed on a  
44 return of tax which is filed after the last date prescribed for filing  
45 such return (determined with regard to extensions), or claimed on an  
46 application for refund or credit, no interest shall be allowed or paid  
47 for any day before the date on which the return or application is filed.  
48 For purposes of this subdivision, a return or application for refund or  
49 credit shall not be treated as filed until it is filed in processible  
50 form. A return or application is in a processible form if it is filed on  
51 a permitted form, and contains the taxpayer's name, address and identi-  
52 fying number and the required signatures, and sufficient required infor-  
53 mation (whether on the return or application or on required attachments)



1 to permit the mathematical verification of tax liability shown on the  
2 return or refund or credit claimed on the application.

3 (2) If a refund is made or a credit is allowed (i) within three months  
4 after the last date prescribed or permitted by extension of time for  
5 filing a return on which the refund or credit was claimed or within  
6 three months after the return was filed, whichever is later, or (ii)  
7 within three months after an application for refund or credit is filed  
8 on which that refund or credit was claimed, or (iii) within three months  
9 after the last date prescribed or permitted by extension of time for  
10 filing an application for a refund or credit on which that refund or  
11 credit was claimed, no interest will be allowed or paid on that refund  
12 or credit.

13 § 2. This act shall take effect immediately and shall apply to refund  
14 or credit claims submitted on or after March 1, 2022.

15 PART L

16 Intentionally Omitted

17 PART M

18 Section 1. Subdivision (jj) of section 1115 of the tax law, as amended  
19 by section 1 of part V of chapter 59 of the laws of 2019, is amended to  
20 read as follows:

21 (jj) Tangible personal property or services otherwise taxable under  
22 this article sold to a related person shall not be subject to the taxes  
23 imposed by section eleven hundred five of this article or the compensat-  
24 ing use tax imposed under section eleven hundred ten of this article  
25 where the purchaser can show that the following conditions have been met  
26 to the extent they are applicable: (1)(i) the vendor and the purchaser  
27 are referenced as either a "covered company" as described in section  
28 243.2(f) or a "material entity" as described in section 243.2(1) of the  
29 Code of Federal Regulations in a resolution plan that has been submitted  
30 to an agency of the United States for the purpose of satisfying subpara-  
31 graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-  
32 Frank Wall Street Reform and Consumer Protection Act (the "Act") or any  
33 successor law, or (ii) the vendor and the purchaser are separate legal  
34 entities pursuant to a divestiture directed pursuant to subparagraph 5  
35 of paragraph (d) of section one hundred sixty-five of such act or any  
36 successor law; (2) the sale would not have occurred between such related  
37 entities were it not for such resolution plan or divestiture; and (3) in  
38 acquiring such property or services, the vendor did not claim an  
39 exemption from the tax imposed by this state or another state based on  
40 the vendor's intent to resell such services or property. A person is  
41 related to another person for purposes of this subdivision if the person  
42 bears a relationship to such person described in section two hundred  
43 sixty-seven of the internal revenue code. The exemption provided by this  
44 subdivision shall not apply to sales made, services rendered, or uses  
45 occurring after June thirtieth, two thousand [~~twenty-one~~] twenty-four,  
46 except with respect to sales made, services rendered, or uses occurring  
47 pursuant to binding contracts entered into on or before such date; but  
48 in no case shall such exemption apply after June thirtieth, two thousand  
49 [~~twenty-four~~] twenty-seven.

50 § 2. This act shall take effect immediately.

51 PART N



1 Section 1. Subparagraph (vi) of paragraph 1 of subdivision (a) of  
2 section 1134 of the tax law, as amended by section 160 of part A of  
3 chapter 389 of the laws of 1997, is amended to read as follows:

4 (vi) every person described in subparagraph (i), (ii), (iii), (iv) or  
5 (v) of this paragraph or every person who is a vendor solely by reason  
6 of clause (D), (E) or (F) of subparagraph (i) of paragraph eight of  
7 subdivision (b) of section eleven hundred one of this article who or  
8 which has had its certificate of authority revoked under paragraph four  
9 of this subdivision, shall file with the commissioner a certificate of  
10 registration, in a form prescribed by the commissioner, at least twenty  
11 days prior to commencing business or opening a new place of business or  
12 such purchasing, selling or taking of possession or payment, whichever  
13 comes first. Every person who is a vendor solely by reason of clause (D)  
14 of subparagraph (i) of paragraph eight of subdivision (b) of section  
15 eleven hundred one of this article shall file with the commissioner a  
16 certificate of registration, in a form prescribed by such commissioner,  
17 within thirty days after the day on which the cumulative total number of  
18 occasions that such person came into the state to deliver property or  
19 services, for the immediately preceding four quarterly periods ending on  
20 the last day of February, May, August and November, exceeds twelve.  
21 Every person who is a vendor solely by reason of clause (E) of subpara-  
22 graph (i) of paragraph eight of subdivision (b) of section eleven  
23 hundred one of this article shall file with the commissioner a certif-  
24 icate of registration, in a form prescribed by such commissioner, within  
25 thirty days after the day on which the cumulative total, for the imme-  
26 diately preceding four quarterly periods ending on the last day of  
27 February, May, August and November, of such person's gross receipts from  
28 sales of property delivered in this state exceeds [~~three~~] **five** hundred  
29 thousand dollars and number of such sales exceeds one hundred. Every  
30 person who is a vendor solely by reason of clause (F) of subparagraph  
31 (i) of paragraph eight of subdivision (b) of section eleven hundred one  
32 of this article shall file with the commissioner a certificate of regis-  
33 tration, in a form prescribed by such commissioner, within thirty days  
34 after the day on which tangible personal property in which such person  
35 retains an ownership interest is brought into this state by the person  
36 to whom such property is sold, where the person to whom such property is  
37 sold becomes or is a resident or uses such property in any manner in  
38 carrying on in this state any employment, trade, business or profession.  
39 Information with respect to the notice requirements of a purchaser,  
40 transferee or assignee and such person's liability pursuant to the  
41 provisions of subdivision (c) of section eleven hundred forty-one of  
42 this chapter shall be included in or accompany the certificate of regis-  
43 tration form furnished the applicant. The commissioner shall also  
44 include with such information furnished to each applicant general infor-  
45 mation about the tax imposed under this article including information on  
46 records to be kept, returns and payments, notification requirements and  
47 forms. Such certificate of registration may be amended in accordance  
48 with rules promulgated by the commissioner.

49 § 2. This act shall take effect immediately.

50

#### PART O

51 Section 1. Subdivision (a) of section 1401 of the tax law, as amended  
52 by chapter 576 of the laws of 1994, is amended to read as follows:

53 (a) **(1)** "Person" means an individual, partnership, limited liability  
54 company, society, association, joint stock company, corporation, estate,

1 receiver, trustee, assignee, referee or any other person acting in a  
2 fiduciary or representative capacity, whether appointed by a court or  
3 otherwise, any combination of individuals, and any other form of unin-  
4 corporated enterprise owned or conducted by two or more persons.

5 (2) "Person" shall include any individual, corporation, partnership or  
6 limited liability company or an officer or employee of any corporation  
7 (including a dissolved corporation), or a member or employee of any  
8 partnership, or a member, manager or employee of a limited liability  
9 company, who as such officer, employee, manager or member is under a  
10 duty to act for such corporation, partnership, limited liability company  
11 or individual proprietorship in complying with any requirement of this  
12 article, or has so acted.

13 § 2. Subdivision (a) of section 1404 of the tax law, as amended by  
14 chapter 61 of the laws of 1989, is amended to read as follows:

15 (a) The real estate transfer tax imposed pursuant to section fourteen  
16 hundred two of this article shall be paid by the grantor and such tax  
17 shall not be payable, directly or indirectly, by the grantee except as  
18 provided in a contract between grantor and grantee or as otherwise  
19 provided in this section. If the grantor has failed to pay the tax  
20 imposed by this article at the time required by section fourteen hundred  
21 ten of this article or if the grantor is exempt from such tax, the gran-  
22 tee shall have the duty to pay the tax. Where the grantee has the duty  
23 to pay the tax because the grantor has failed to pay, such tax shall be  
24 the joint and several liability of the grantor and the grantee; provided  
25 that in the event of such failure, the grantee shall have a cause of  
26 action against the grantor for recovery of payment of such tax, interest  
27 and penalties by the grantee. In the case of a conveyance of residen-  
28 tial real property as defined in subdivision (a) of section fourteen  
29 hundred two-a of this article, if the tax imposed by this article is  
30 paid by the grantee pursuant to a contract between the grantor and the  
31 grantee, the amount of such tax shall be excluded from the calculation  
32 of consideration subject to tax under this article.

33 § 3. Subdivision (a) of section 1409 of the tax law, as amended

34 § 3. Subdivision (a) of section 1409 of the tax law, as amended by  
35 chapter 297 of the laws of 2019, is amended to read as follows:

36 (a) (1) A joint return shall be filed by both the grantor and the  
37 grantee for each conveyance whether or not a tax is due thereon other  
38 than a conveyance of an easement or license to a public utility as  
39 defined in subdivision two of section one hundred eighty-six-a of this  
40 chapter or to a public utility which is a provider of telecommunication  
41 services as defined in subdivision one of section one hundred eighty-  
42 six-e of this chapter, where the consideration is two dollars or less  
43 and is clearly stated as actual consideration in the instrument of  
44 conveyance.

45 (2) When the grantor or grantee of a deed for a building used as resi-  
46 dential real property containing [~~one to four~~] up to four family  
47 dwelling units is a limited liability company, the joint return shall  
48 not be accepted for filing unless it is accompanied by a document which  
49 identifies the names and business addresses of all members, managers,  
50 and any other authorized persons, if any, of such limited liability  
51 company and the names and business addresses or, if none, the business  
52 addresses of all shareholders, directors, officers, members, managers  
53 and partners of any limited liability company or other business entity  
54 that are to be the members, managers or authorized persons, if any, of  
55 such limited liability company. The identification of such names and  
56 addresses shall not be deemed an unwarranted invasion of personal priva-

1 cy pursuant to article six of the public officers law. If any such  
2 member, manager or authorized person of the limited liability company is  
3 itself a limited liability company or other business entity other than a  
4 publicly traded entity, a REIT, a UPREIT, or a mutual fund, the names  
5 and addresses of the shareholders, directors, officers, members, manag-  
6 ers and partners of the limited liability company or other business  
7 entity shall also be disclosed until full disclosure of ultimate owner-  
8 ship by natural persons is achieved. For purposes of this subdivision,  
9 the terms "members", "managers", "authorized person", "limited liability  
10 company" and "other business entity" shall have the same meaning as  
11 those terms are defined in section one hundred two of the limited  
12 liability company law.

13 (3) The return shall be filed with the recording officer before the  
14 instrument effecting the conveyance may be recorded. However, if the tax  
15 is paid to the commissioner pursuant to section fourteen hundred ten of  
16 this article, the return shall be filed with such commissioner at the  
17 time the tax is paid. In that instance, a receipt evidencing the filing  
18 of the return and the payment of tax shall be filed with the recording  
19 officer before the instrument effecting the conveyance may be recorded.  
20 The recording officer shall handle such receipt in the same manner as a  
21 return filed with the recording officer.

22 § 4. Subdivision (h) of section 1418 of the tax law, as added by  
23 section 7 of part X of chapter 56 of the laws of 2010 and as further  
24 amended by subdivision (c) of section 1 of part W of chapter 56 of the  
25 laws of 2010, is amended to read as follows:

26 (h) Notwithstanding the provisions of subdivision (a) of this section,  
27 the commissioner may furnish information relating to real property  
28 transfers obtained or derived from returns filed pursuant to this arti-  
29 cle in relation to the real estate transfer tax, to the extent that such  
30 information is also required to be reported to the commissioner by  
31 section three hundred thirty-three of the real property law and section  
32 five hundred seventy-four of the real property tax law and the rules  
33 adopted thereunder, provided such information was collected through a  
34 combined process established pursuant to an agreement entered into with  
35 the commissioner pursuant to paragraph viii of subdivision one-e of  
36 section three hundred thirty-three of the real property law. The commis-  
37 sioner may redisclose such information to the extent authorized by  
38 section five hundred seventy-four of the real property tax law. The  
39 commissioner may also disclose any information reported pursuant to  
40 paragraph two of subdivision (a) of section fourteen hundred nine of  
41 this article.

42 § 5. This act shall take effect immediately; provided however that  
43 sections one and two of this act shall take effect July 1, 2021, and  
44 shall apply to conveyances occurring on or after such date other than  
45 conveyances that are made pursuant to binding written contracts entered  
46 into on or before April 1, 2021, provided that the date of execution of  
47 such contract is confirmed by independent evidence, such as the record-  
48 ing of the contract, payment of a deposit or other facts and circum-  
49 stances as determined by the commissioner of taxation and finance.

50

## PART P

51 Section 1. Section 480-a of the tax law is amended by adding a new  
52 subdivision 6 to read as follows:

53 6. (a) No retail dealer who has its retail dealer registration  
54 cancelled, suspended or revoked pursuant to this section or has been

1 forbidden from selling cigarettes or tobacco products pursuant to para-  
 2 graph (j) of subdivision one of section four hundred eighty of this  
 3 article shall possess cigarettes or tobacco products in any place of  
 4 business, cart, stand, truck or other merchandising device in this state  
 5 beginning on the tenth day after such cancellation, suspension, revoca-  
 6 tion, or forbiddance and continuing for the duration of the same;  
 7 provided however, such retail dealer shall not be prohibited before the  
 8 tenth day after such cancellation, suspension, revocation, or forbid-  
 9 dance from selling or transferring its inventory of lawfully stamped  
 10 cigarettes or tobacco products on which the taxes imposed by this arti-  
 11 cle have been assumed or paid to a properly registered retail dealer  
 12 whose registration is not cancelled, suspended, or revoked or who has  
 13 not been forbidden from selling cigarettes or tobacco products.

14 (b) No retail dealer shall possess cigarettes or tobacco products in  
 15 any place of business, cart, stand, truck or other merchandising device  
 16 in this state unless it has obtained a valid retail dealer registration  
 17 from the commissioner.

18 § 2. Intentionally omitted.

19 § 3. Intentionally omitted.

20 § 4. Any retail dealer who, prior to the effective date of this act,  
 21 had its retail dealer registration cancelled, suspended, or revoked  
 22 pursuant to section four hundred eighty-a of the tax law or was forbid-  
 23 den from selling cigarettes or tobacco products pursuant to paragraph  
 24 (j) of subdivision one of section four hundred eighty of the tax law and  
 25 such cancellation, suspension, revocation, or forbiddance remains in  
 26 effect as of the effective date of this act, shall be prohibited from  
 27 possessing cigarettes and tobacco products beginning on the tenth day  
 28 after the effective date of this act and continuing for as long as such  
 29 cancellation, suspension, revocation, or forbiddance shall remain in  
 30 effect; provided however, such retail dealer shall not be prohibited  
 31 before the tenth day after the effective date of this act from selling  
 32 or transferring its inventory of lawfully stamped cigarettes or tobacco  
 33 products on which the taxes imposed by this article have been assumed or  
 34 paid to a properly registered retail dealer whose registration is not  
 35 cancelled, suspended, or revoked or who has not been forbidden from  
 36 selling cigarettes or tobacco products.

37 § 5. This act shall take effect immediately.

38 PART Q

39 Section 1. Subdivision 1 of section 429 of the tax law, as amended by  
 40 chapter 433 of the laws of 1978, is amended to read as follows:

41 1. Every distributor, noncommercial importer or other person shall, on  
 42 or before the twentieth day of each month, file with the department of  
 43 taxation and finance a return, on forms to be prescribed by the [~~tax~~  
 44 ~~commission~~] commissioner and furnished by such department, stating sepa-  
 45 rately the number of gallons, or lesser quantity, of beers, and the  
 46 number of liters, or lesser quantity, of wines and liquors sold or used  
 47 by such distributor, noncommercial importer or other person in this  
 48 state during the preceding calendar month, except that the [~~tax-commis-~~  
 49 ~~sion~~] commissioner may, if [~~it~~] he or she deems it necessary [~~in order~~]  
 50 to [~~insure~~] facilitate the efficient reporting and payment of the tax  
 51 imposed by this article, require returns to be made at such times and  
 52 covering such periods as [~~it~~] he or she may deem necessary. Such return  
 53 shall contain such further information as the [~~tax-commission~~] commis-  
 54 sioner shall require. The fact that the name of the distributor, noncom-  
 55 mercial importer or other person is signed to a filed return shall be

1 prima facie evidence for all purposes that the return was actually  
2 signed by such distributor, noncommercial importer or other person.

3 § 2. Section 505 of the tax law, as amended by section 2 of part E of  
4 chapter 60 of the laws of 2007, is amended to read as follows:

5 § 505. Returns. Every carrier subject to this article and every carri-  
6 er to whom a certificate of registration was issued shall file on or  
7 before the last day of each month a return for the preceding calendar  
8 month where a carrier's total tax liability under this article for the  
9 preceding calendar year exceeded [~~four~~] twelve thousand dollars. Where a  
10 carrier's total tax liability under this article for the preceding  
11 calendar year did not exceed [~~four~~] twelve thousand dollars or where a  
12 carrier was not subject to such tax in the preceding calendar year,  
13 returns shall be filed quarterly, on or before the last day of the  
14 calendar month following each of the calendar quarters: January through  
15 March, April through June, July through September and October through  
16 December. Provided, however, if the commissioner consents thereto in  
17 writing, any carrier may file a return on or before the thirtieth day  
18 after the close of any different period, if the carrier's books are  
19 regularly kept on a periodic basis other than a calendar month or quar-  
20 ter. The commissioner may permit the filing of returns on an annual  
21 basis, provided the carrier was subject to the tax under this article  
22 during the entire preceding calendar year and the carrier's total tax  
23 liability under this article for such year did not exceed [~~two hundred~~  
24 ~~fifty~~] twelve hundred dollars. Such annual returns shall be filed on or  
25 before January thirty-first of the succeeding calendar year. Returns  
26 shall be filed with the commissioner on forms to be furnished by such  
27 commissioner for such purpose and shall contain such data, information  
28 or matter as the commissioner may require to be included therein. The  
29 fact that a carrier's name is signed to a filed return shall be prima  
30 facie evidence for all purposes that the return was actually signed by  
31 such carrier. The commissioner may grant a reasonable extension of time  
32 for filing returns whenever good cause exists and may waive the filing  
33 of returns if a carrier is not subject to the tax imposed by this arti-  
34 cle for the period covered by the return. Every return shall have  
35 annexed thereto a certification to the effect that the statements  
36 contained therein are true.

37 § 3. This act shall take effect immediately; provided, however, that  
38 section two of this act shall apply to tax returns for taxable periods  
39 beginning on or after January 1, 2022.

40 PART R

41 Section 1. Section 1280 of the tax law is amended by adding a new  
42 subdivision (v) to read as follows:

43 (v) "Technology service provider" or "TSP" means a person that acts by  
44 employment, contract or otherwise on behalf of one or more taxicab  
45 owners or HAIL vehicle owners to collect the trip record for a taxicab  
46 trip or HAIL vehicle trip.

47 § 2. Subdivision (b) of section 1283 of the tax law, as amended by  
48 chapter 9 of the laws of 2012, is amended to read as follows:

49 (b) (1) If the taxicab owner has designated an agent, then the agent  
50 shall be jointly liable with the taxicab owner for the tax on trips  
51 occurring during the period that such designation is in effect. Even if  
52 the TLC has specified that the taxicab owner's agent cannot operate as  
53 an agent, that agent shall be jointly liable with the taxicab owner if  
54 the agent has acted for the taxicab owner. During the period that a



1 taxicab owner's designation of an agent is in effect, the agent shall  
2 file the returns required by this article and pay any tax due with such  
3 return, but the taxicab owner shall not be relieved of liability for  
4 tax, penalty or interest due under this article, or for the filing of  
5 returns required to be filed, unless the agent has timely filed accurate  
6 returns and timely paid the tax required to be paid under this article.  
7 If a taxicab owner has designated an agent, then the agent must perform  
8 any act this article requires the taxicab owner to perform, but the  
9 failure of such agent to perform any such act shall not relieve the  
10 taxicab owner from the obligation to perform such act or from any  
11 liability that may arise from failure to perform the act.

12 (2) (A) Notwithstanding the foregoing, a TSP that collects the trip  
13 record and the trip fare on behalf of a taxicab owner or a HAIL vehicle  
14 owner shall be jointly liable with the taxicab owner or HAIL vehicle  
15 owner for the tax due on such trips. For any period that the TSP  
16 collects trip records on behalf of a taxicab owner or HAIL vehicle  
17 owner, the TSP shall file returns reporting all trip records and, after  
18 retaining any fees to which it is entitled pursuant to a contract with  
19 such taxicab owner or HAIL vehicle owner, shall remit the taxes due on  
20 all fares collected by the TSP.

21 (B) The TSP, after retaining the fees described in subparagraph (A) of  
22 this paragraph, shall also remit the taxes due on any taxicab trip or  
23 HAIL vehicle trip for which it maintained the trip record but did not  
24 collect the fare, from any fares it collected on behalf of any such  
25 taxicab owner or HAIL vehicle owner, before it releases any proceeds to  
26 the taxicab owner or HAIL vehicle owner. If the TSP fails to comply  
27 with the requirements of this subparagraph, such TSP shall be liable for  
28 the taxes due on such trips up to the amount it released to the taxicab  
29 owner or HAIL vehicle owner, or any person on behalf of such taxicab  
30 owner or HAIL vehicle owner. However, the taxicab owner, HAIL vehicle  
31 owner or their agents shall not be relieved of any liability for the  
32 tax, penalty or interest due under this article, or for filing of  
33 returns required to be filed, unless the TSP has timely filed accurate  
34 returns and timely paid the tax required to be paid under this article.

35 § 3. Subdivision (a) of section 1299-B of the tax law, as added by  
36 section 2 of part NNN of chapter 59 of the laws of 2018, is amended to  
37 read as follows:

38 (a) Notwithstanding any provision of law to the contrary, any person  
39 that dispatches a motor vehicle by any means that provides transporta-  
40 tion that is subject to a surcharge imposed by this article, including  
41 transportation network companies as defined in article forty-four-B of  
42 the vehicle and traffic law, shall be liable for the surcharge imposed  
43 by this article, except that in the case of taxicab trips and HAIL vehi-  
44 cle trips that are also subject to tax pursuant to article twenty-nine-A  
45 of this chapter[~~, only the taxicab owner or HAIL base liable for that~~  
46 ~~tax shall be the person liable for the surcharge imposed by this arti-~~  
47 ~~cle]; (1) the TSP shall be liable for the surcharge imposed by this  
48 article for all trips for which the TSP collected the trip record and  
49 the surcharge, and shall be responsible for filing returns; and, after  
50 retaining any fees to which it is entitled pursuant to a contract with  
51 such taxicab owner or HAIL vehicle owner, shall remit the surcharges on  
52 such trips to the department.~~

53 (2) the TSP, after retaining the fees described in paragraph one of  
54 this subdivision, shall also remit the surcharges due on any taxicab  
55 trip or HAIL vehicle trip for which it maintained the trip record but  
56 did not collect the fare, from any fares it collected on behalf of any

1 such taxicab owner or HAIL vehicle owner, before it releases any  
 2 proceeds to the taxicab owner or HAIL vehicle owner. Whenever the TSP  
 3 fails to comply with the requirements of the preceding sentence, the TSP  
 4 shall be liable for the surcharges due on such trips up to the amount it  
 5 released to the taxicab owner or HAIL vehicle owner, or any person on  
 6 behalf of such taxicab owner or HAIL vehicle owner. However, the taxi-  
 7 cab owner or HAIL base shall be jointly and severally liable with the  
 8 TSP for such surcharges. For purposes of this section, the terms "taxi-  
 9 cab trips," "HAIL vehicle trips," "taxicab owner," [~~and~~] "HAIL base",  
 10 and "TSP" shall have the same meaning as they do in section twelve  
 11 hundred eighty of this chapter.

12 § 4. Section 1299-F of the tax law is amended by adding a new subdivi-  
 13 sion (e) to read as follows:

14 (e) Notwithstanding the provisions of subdivision (a) of this section,  
 15 the commissioner may, in his or her discretion, permit the proper offi-  
 16 cer of the taxi and limousine commission of the city of New York (TLC)  
 17 or the duly authorized representative of such officer, to inspect any  
 18 return filed under this article, or may furnish to such officer or such  
 19 officer's authorized representative an abstract of any such return or  
 20 supply such person with information concerning an item contained in any  
 21 such return, or disclosed by any investigation of tax liability under  
 22 this article; but such permission shall be granted or such information  
 23 furnished only if the TLC shall have furnished the commissioner with all  
 24 information requested by the commissioner pursuant to this article and  
 25 shall have permitted the commissioner or the commissioner's authorized  
 26 representative to make any inspection of any records or reports concern-  
 27 ing for-hire transportation trips subject to the surcharge imposed by  
 28 this article, and any persons required to collect such surcharge, filed  
 29 with or possessed by the TLC that the commissioner may have requested  
 30 from the TLC. Provided, further, that the commissioner may disclose to  
 31 the TLC whether or not a person liable for the surcharge imposed by this  
 32 article has paid all of the surcharges due under this article as of any  
 33 given date.

34 § 5. This act shall take effect immediately and shall apply to trips  
 35 occurring on or after July 1, 2021.

36 PART S

37 Section 1. Paragraph 1 of subdivision (g) of section 32 of the tax  
 38 law, as added by section 2 of part VV of chapter 59 of the laws of 2009,  
 39 is amended to read as follows:

40 (1) If a tax return preparer or facilitator is required to register or  
 41 re-register with the department pursuant to paragraph one or three of  
 42 subdivision (b) of this section, as applicable, and fails to do so in  
 43 accordance with the terms of this section, then the tax return preparer  
 44 [~~of~~] or facilitator must pay a penalty of [~~two~~] up to five hundred  
 45 [~~fifty~~] dollars. Provided, however, that if the tax return preparer or  
 46 facilitator complies with the registration requirements of this section  
 47 within [~~ninety~~] thirty calendar days after notification of assessment of  
 48 this penalty is sent by the department, then this penalty must be  
 49 abated. If the tax return preparer or facilitator continues to fail to  
 50 register or re-register after the [~~ninety~~] thirty calendar day period,  
 51 the tax return preparer or facilitator must pay an additional penalty of  
 52 five hundred dollars if the failure is for not more than one month, with  
 53 an additional five hundred dollars for each additional month or fraction  
 54 thereof during which the failure continues. Once the [~~ninety~~] thirty

1 calendar days specified in this paragraph have expired, the penalty can  
2 be waived only for good cause shown by the tax return preparer or faci-  
3 litator.

4 § 2. Paragraph 2 of subdivision (g) of section 32 of the tax law, as  
5 added by section 2 of part VV of chapter 59 of the laws of 2009, is  
6 amended to read as follows:

7 (2) If a commercial tax return preparer fails to pay the fee as  
8 required in paragraph one of subdivision (c) of this section, for a  
9 calendar year, then the commercial tax return preparer must pay a penal-  
10 ty of fifty dollars for each return the commercial tax return preparer  
11 has filed with the department in that calendar year. Provided however,  
12 that if the commercial tax return preparer complies with the payment  
13 requirements of paragraph one of subdivision (c) of this section, within  
14 [~~ninety~~] thirty calendar days after notification of the assessment of  
15 this penalty is sent by the department, then this penalty must be  
16 abated. The maximum penalty that may be imposed under this paragraph on  
17 any commercial tax return preparer during any calendar year must not  
18 exceed [~~five~~] ten thousand dollars. Once the [~~ninety~~] thirty calendar  
19 days specified in this paragraph have expired, the penalty can be waived  
20 only for good cause shown by the commercial tax return preparer.

21 § 3. Section 32 of the tax law is amended by adding a new subdivision  
22 (h) to read as follows:

23 (h) (1) Tax return preparers and facilitators must prominently and  
24 conspicuously display a copy of their registration certificate issued  
25 pursuant to this section, for the current registration period, at their  
26 place of business and at any other location where they provide tax  
27 return preparation and/or facilitation services, in an area where  
28 taxpayers using their services are able to see and review such registra-  
29 tion certificate.

30 (2) Tax return preparers and facilitators must prominently and  
31 conspicuously display at their place of business and at any other  
32 location where they provide tax return preparation and/or facilitation  
33 services the following documents:

34 (A) a current price list, in at least fourteen-point type, that  
35 includes, but is not limited to, a list of all services offered by the  
36 tax return preparer and/or facilitator; the minimum fee charged for each  
37 service, including the fee charged for each type of federal or New York  
38 state tax return to be prepared and facilitation service to be provided;  
39 and a list of each factor that may increase a stated fee and the specif-  
40 ic additional fees or range of possible additional fees when each factor  
41 applies; and

42 (B) a copy of the most recent Consumer Bill of Rights Regarding Tax  
43 Preparers published by the department pursuant to section three hundred  
44 seventy-two of the general business law.

45 (3) A tax return preparer or facilitator who fails to comply with any  
46 of the requirements of this subdivision must pay a penalty of up to five  
47 hundred dollars. The penalty can be waived only for good cause shown by  
48 the tax return preparer or facilitator.

49 § 4. The second subdivision (g) of section 32 of the tax law is relet-  
50 tered subdivision (i).

51 § 5. This act shall take effect immediately; provided, however, that  
52 paragraph (3) of subdivision (h) of section 32 of the tax law, as added  
53 by section three of this act, shall take effect January 1, 2022.

1 Intentionally Omitted

2 PART U

3 Intentionally Omitted

4 PART V

5 Section 1. This Part enacts into law components of legislation relat-  
6 ing to the administration of the STAR program authorized by section 425  
7 of the real property tax law and subsection (eee) of section 606 of the  
8 tax law. Each component is wholly contained within a Subpart identified  
9 as Subparts A through E. The effective date for each particular  
10 provision contained within such Subpart is set forth in the last section  
11 of such Subpart. Any provision in any section contained within a  
12 Subpart, including the effective date of the Subpart, which makes refer-  
13 ence to a section "of this act", when used in connection with that  
14 particular component, shall be deemed to mean and refer to the corre-  
15 sponding section of the Subpart in which it is found. Section three of  
16 this Part sets forth the general effective date of this Part.

17 SUBPART A

18 Intentionally Omitted.

19 SUBPART B

20 Intentionally Omitted.

21 SUBPART C

22 Intentionally Omitted.

23 SUBPART D

24 Intentionally Omitted.

25 SUBPART E

26 Section 1. Paragraph 2 of subdivision w of section 233 of the real  
27 property law is REPEALED.

28 § 2. Paragraph 3 of subdivision w of section 233 of the real property  
29 law, as amended by section 18 of part B of chapter 389 of the laws of  
30 1997, is amended to read as follows:

31 3. A manufactured home park owner or operator providing a reduction in  
32 rent as required by paragraph one [~~or two~~] of this subdivision may  
33 retain, in consideration for record keeping expenses, two percent of the  
34 amount of such reduction.

35 § 3. The opening paragraph of paragraph 3-a of subdivision w of  
36 section 233 of the real property law, as added by chapter 405 of the  
37 laws of 2001, is amended to read as follows:

38 Any reduction required to be provided pursuant to paragraph one [~~or~~  
39 ~~two~~] of this subdivision shall be provided as follows:

40 § 4. Paragraph (1) of subdivision 2 of section 425 of the real proper-  
41 ty tax law is amended by adding a new subparagraph (iv) to read as  
42 follows:

1 (iv) Beginning with assessment rolls used to levy school district  
2 taxes for the two thousand twenty-two--two thousand twenty-three school  
3 year, no exemption shall be granted pursuant to this section to a mobile  
4 home that is described in this paragraph. Owners of such property may  
5 claim the credit authorized by subsection (eee) of section six hundred  
6 six of the tax law in the manner prescribed therein. Owners of such  
7 property who are STAR exemption recipients on assessment rolls used to  
8 levy school district taxes for the two thousand twenty-one--two thousand  
9 twenty-two school year shall be automatically enrolled in and switched  
10 to the STAR credit, beginning with assessment rolls used to levy school  
11 district taxes for the two thousand twenty-two--two thousand twenty-  
12 three school year, if their incomes do not exceed the limit applicable  
13 to such credit. Each affected individual shall be notified of the switch  
14 as soon as practicable. Each such notice shall also advise the individ-  
15 ual either that the commissioner has determined that the individual is  
16 eligible for the credit, or that the individual must furnish additional  
17 information to enable the commissioner to determine the individual's  
18 eligibility, as the case may be. In either case, once the individual  
19 receives a STAR credit check and deposits or endorses it, he or she  
20 shall be deemed to have consented to the switch and shall not be permit-  
21 ted to switch back to the exemption. The transfer of property owners  
22 between the STAR exemption and the STAR credit shall be made consistent  
23 with subdivision seventeen of section four hundred twenty-five of this  
24 chapter.

25 § 5. Subparagraph (B) of paragraph 6 of subsection (eee) of section  
26 606 of the tax law is amended by adding a new clause (iii) to read as  
27 follows:

28 (iii) Beginning with the two thousand twenty-two taxable year, to  
29 receive the credit authorized by this subsection, an owner of a mobile  
30 home described by clause (i) of this subparagraph shall register for  
31 such credit in the manner prescribed by the commissioner.

32 § 6. This act shall take effect immediately; provided, however, that  
33 the amendments to subdivision w of section 233 of the real property law  
34 made by sections one, two and three of this act shall be applicable  
35 beginning with assessment rolls used to levy school district taxes for  
36 the 2022--2023 school year.

37 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
38 sion, section, item, subpart or part of this act shall be adjudged by  
39 any court of competent jurisdiction to be invalid, such judgment shall  
40 not affect, impair, or invalidate the remainder thereof, but shall be  
41 confined in its operation to the clause, sentence, paragraph, subdivi-  
42 sion, section, item, subpart or part thereof directly involved in the  
43 controversy in which such judgment shall have been rendered. It is here-  
44 by declared to be the intent of the legislature that this act would have  
45 been enacted even if such invalid provisions had not been included here-  
46 in.

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

50 PART W

51 Intentionally Omitted

52 PART X



1 Intentionally Omitted

2 PART Y

3 Section 1. Section 1367 of the racing, pari-mutuel wagering and breed-  
4 ing law, as added by chapter 174 of the laws of 2013, paragraphs (b) and  
5 (d) of subdivision 3 as amended by section 1 of part X of chapter 59 of  
6 the laws of 2020, is amended to read as follows:

7 § 1367. Sports wagering. 1. As used in this section:

8 (a) "Affiliate" means any off-track betting corporation, franchised  
9 corporation, or race track licensed pursuant to this chapter, an opera-  
10 tor of video lottery gaming at Aqueduct licensed pursuant to section  
11 sixteen hundred seventeen-a of the tax law, which has an affiliate  
12 agreement with a casino pursuant to section thirteen hundred sixty-sev-  
13 en-a of this title. Any professional sports stadium or arena may serve  
14 as an affiliate;

15 (b) "Agent" means an entity that is party to a contract with a casino  
16 authorized to operate a sports pool and is approved by the commission to  
17 operate a sports pool on behalf of such casino;

18 (c) "Authorized sports bettor" means an individual who is physically  
19 present in this state when placing a sports wager, who is not a prohib-  
20 ited sports bettor, that participates in sports wagering offered by a  
21 casino. All sports wagers placed in accordance with this section are  
22 considered placed or otherwise made when received by the operator at the  
23 licensed gaming facility, regardless of the authorized sports bettor's  
24 physical location at the time the sports wager is initiated. The inter-  
25 mediate routing of electronic data in connection with mobile sports  
26 wagering shall not determine the location or locations in which a wager  
27 is initiated, received or otherwise made;

28 (d) "Brand" means the name and logo on the interface of a mobile  
29 application or internet website accessed via a mobile device or computer  
30 which authorized sports bettors use to access a sports betting platform;

31 (e) "Casino" means a licensed gaming facility at which gambling is  
32 conducted pursuant to the provisions of this article;

33 [~~(b)~~] (f) "Commission" means the commission established pursuant to  
34 section one hundred two of this chapter;

35 [~~(e)~~] (g) "Collegiate sport or athletic event" means a sport or  
36 athletic event offered or sponsored by or played in connection with a  
37 public or private institution that offers educational services beyond  
38 the secondary level;

39 [~~(d)~~] (h) "Covered persons" includes: athletes; players; umpires;  
40 referees; officials; personnel associated with players, clubs, teams,  
41 leagues, and athletic associations; medical professionals, including  
42 athletic trainers who provide services to athletes and players; and the  
43 family members and associates of these persons where required to serve  
44 the purposes of this title;

45 (i) "Exchange wagering" means a form of wagering in which an author-  
46 ized sports bettor, on the one hand, and one or more authorized sports  
47 bettors, a casino or an agent or an operator, on the other hand place  
48 identically opposing sports wagers on an exchange operated by a casino  
49 or an agent or an operator;

50 (j) "Global risk management" means the direction, management, consul-  
51 tation and/or instruction for purposes of managing risks associated with  
52 sports wagering conducted pursuant to this section and includes the  
53 setting and adjustment of betting lines, point spreads, or odds and  
54 whether to place layoff bets as permitted by this section;

1 (k) "High school sport or athletic event" means a sport or athletic  
2 event offered or sponsored by or played in connection with a public or  
3 private institution that offers education services at the secondary  
4 level;

5 (l) "Horse racing event" means any sport or athletic event conducted  
6 in New York state subject to the provisions of articles two, three,  
7 four, five, six, nine, ten and eleven of this chapter, or any sport or  
8 athletic event conducted outside of New York state, which if conducted  
9 in New York state would be subject to the provisions of this chapter;

10 (m) "In-play sports wager" means a sports wager placed on a sports  
11 event after the sports event has begun and before it ends;

12 (n) "Layoff bet" means a sports wager placed by a casino sports pool  
13 with another casino sports pool;

14 (o) "Minor" means any person under the age of twenty-one years;

15 (p) "Mobile sports wagering platform" or "platform" means the combina-  
16 tion of hardware, software, and data networks used to manage, adminis-  
17 ter, or control sports wagering and any associated wagers accessible by  
18 any electronic means including mobile applications and internet websites  
19 accessed via a mobile device or computer;

20 (q) "Official league data" means statistics, results, outcomes, and  
21 other data relating to a sporting event that have been obtained from the  
22 relevant sports governing body that is headquartered in the United  
23 States or an entity expressly authorized by the sports governing body to  
24 provide such information to casinos;

25 (r) "Operator" means a casino which has elected to operate a sports  
26 pool (or agent of such casino) or an Indian Tribe (or an agent of such  
27 Indian Tribe) that has entered into a tribal-state gaming compact in  
28 accordance with the Indian Gaming Regulatory Act 25 U.S.C. 2710, that is  
29 in effect and has been ratified by the state and has entered into a  
30 sports wagering agreement pursuant to section thirteen hundred sixty-  
31 seven-a of this title;

32 (s) "Persons who present sporting contests" includes sports governing  
33 bodies and associations, their members and affiliates, and other persons  
34 who present sporting contests to the public;

35 [~~e~~] (t) "Professional sport or athletic event" means an event at  
36 which two or more persons participate in sports or athletic events and  
37 receive compensation in excess of actual expenses for their partic-  
38 ipation in such event;

39 (u) "Prohibited conduct" means any statement, action, and other commu-  
40 nication intended to influence, manipulate, or control a betting outcome  
41 of a sporting contest or of any individual occurrence or performance in  
42 a sporting contest in exchange for financial gain or to avoid financial  
43 or physical harm. "Prohibited conduct" includes statements, actions, and  
44 communications made to a covered person by a third party, such as a  
45 family member or through social media;

46 (v) "Professional sports stadium or arena" means a stadium, ballpark,  
47 or arena that is the permanent home of a professional sports team play-  
48 ing at the highest professional level in its sport and has a seating  
49 capacity for such contests exceeding fifteen thousand seats;

50 (w) "Prohibited sports bettor" means:

51 (i) any officer or employee of the commission;

52 (ii) any principal or key employee of a casino or operator, except as  
53 may be permitted by the commission for good cause shown;

54 (iii) any casino gaming or non-gaming employee at the casino that  
55 employs such person and at any operator that has an agreement with that  
56 casino;

1 (iv) any contractor, subcontractor, or consultant, or officer or  
2 employee of a contractor, subcontractor, or consultant, of a casino if  
3 as part of such person's employment such person is directly involved in  
4 the operation or observation of sports wagering, or the processing of  
5 sports wagering claims or payments;

6 (v) Any person subject to a contract with the commission if such  
7 contract contains a provision prohibiting such person from participating  
8 in sports wagering;

9 (vi) Any spouse, child, brother, sister or parent residing as a member  
10 of the same household in the principal place of abode of any of the  
11 foregoing persons at the same casino where the foregoing person is  
12 prohibited from participating in sports wagering;

13 (vii) any individual with access to non-public confidential informa-  
14 tion about sports wagering;

15 (viii) any amateur or professional athlete if the sports wager is  
16 based on any sport or athletic event overseen by the athlete's sports  
17 governing body;

18 (ix) any sports agent, owner or employee of a team, player and umpire  
19 union personnel, and employee referee, coach or official of a sports  
20 governing body, if the sports wager is based on any sport or athletic  
21 event overseen by the individual's sports governing body;

22 (x) any individual placing a wager as an agent or proxy for another  
23 person known to be a prohibited sports bettor; or

24 (xi) any minor;

25 [~~(f)~~] (x) "Prohibited sports event" means any collegiate sport or  
26 athletic event that takes place in New York or a sport or athletic event  
27 in which any New York college team participates regardless of where the  
28 event takes place, or high school sport or athletic event;

29 [~~(g)~~] (y) "Registered sports governing body" means a sports governing  
30 body that is headquartered in the United States and who has registered  
31 with the commission to receive royalty fee revenue in such form as the  
32 commission may require;

33 (z) "Sports event" means any professional sport or athletic event and  
34 any collegiate sport or athletic event, except a prohibited sports event  
35 or a horse racing event;

36 [~~(h)~~] (aa) "Sports governing body" means the organization that  
37 prescribes final rules and enforces codes of conduct with respect to a  
38 sporting event and participants therein;

39 (bb) "Sports pool" means the business of accepting wagers on any  
40 sports event by any system or method of wagering; [and

41 ~~(i)~~] (cc) "Sports wager" means cash or cash equivalent that is paid by  
42 an authorized sports bettor to a casino to participate in sports wager-  
43 ing offered by such casino;

44 (dd) "Sports wagering" means wagering on sporting events or any  
45 portion thereof, or on the individual performance statistics of athletes  
46 participating in a sporting event, or combination of sporting events, by  
47 any system or method of wagering, including, but not limited to, in-per-  
48 son communication and electronic communication through internet websites  
49 accessed via a mobile device or computer and mobile device applications.  
50 Any wager through electronic communication shall be deemed to take place  
51 at the physical location of the server or other equipment used by an  
52 operator to accept mobile sports wagering, regardless of the authorized  
53 sports bettor's physical location within the state at the time the wager  
54 is initiated. The term "sports wagering" shall include, but is not  
55 limited to, single-game bets, teaser bets, parlays, over-under bets,

1 money line, pools, exchange wagering, in-game wagering, in-play bets,  
2 proposition bets and straight bets;

3 (ee) "Sports wagering gross revenue" means: (i) the amount equal to  
4 the total of all sports wagers not attributable to prohibited sports  
5 events that an operator collects from all players, less the total of all  
6 sums not attributable to prohibited sports events paid out as winnings  
7 to all sports bettors, however, that the total of all sums paid out as  
8 winnings to sports bettors shall not include the cash equivalent value  
9 of any merchandise or thing of value awarded as a prize, or (ii) in the  
10 case of exchange wagering pursuant to this section, the commission on  
11 winning sports wagers by authorized sports bettors retained by the oper-  
12 ator. The issuance to or wagering by authorized sports bettors at a  
13 casino of any promotional gaming credit shall not be taxable for the  
14 purposes of determining sports wagering gross revenue;

15 (ff) "Sports wagering lounge" means an area wherein a sports pool is  
16 operated;

17 (gg) "Tier one sports wager" means a sports wager that is determined  
18 solely by the final score or final outcome of the sports event;

19 (hh) "Tier two sports wager" means an in-play sports wager that is not  
20 a tier one sports wager;

21 (ii) "Tier three sports wager" means a sports wager that is neither a  
22 tier one nor a tier two sports wager; and

23 (jj) "Indian Tribe" means an Indian Tribe (or an agent of such tribe)  
24 that has entered into a tribal-state gaming compact in accordance with  
25 the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168,  
26 inclusive, and 25 U.S.C. Sec. 2701 et seq.) which has been ratified by  
27 the state;

28 (kk) "Unusual betting activity" means abnormal betting activity exhib-  
29 ited by patrons and deemed by the casino or operation, pursuant to rules  
30 and regulations promulgated by the commission, as a potential indicator  
31 of suspicious activity. Abnormal betting activity may include, but is  
32 not limited to, the size of a patron's wager or increased betting volume  
33 on a particular event or wager type;

34 (ll) "Suspicious betting activity" means unusual betting activity that  
35 cannot be explained and is indicative of match fixing, the manipulation  
36 of an event, misuse of inside information, or other prohibited activity;  
37 and

38 (mm) "Independent integrity monitor" means an independent individual  
39 or entity approved by the commission to receive reports of unusual  
40 betting activity from a casino or operator for the purpose of assisting  
41 in identifying suspicious betting activity.

42 ~~2. [No gaming facility may conduct sports wagering until such time as~~  
43 ~~there has been a change in federal law authorizing such or upon a ruling~~  
44 ~~of a court of competent jurisdiction that such activity is lawful.~~

45 ~~3.]~~ (a) In addition to authorized gaming activities, a [~~licensed~~  
46 ~~gaming facility~~] casino may [~~when authorized by subdivision two of this~~  
47 ~~section~~] operate a sports pool upon the approval of the commission and  
48 in accordance with the provisions of this section and applicable regu-  
49 lations promulgated pursuant to this article. The commission shall hear  
50 and decide promptly and in reasonable order all applications for a  
51 license to operate a sports pool, shall have the general responsibility  
52 for the implementation of this section and shall have all other duties  
53 specified in this section with regard to the operation of a sports pool.  
54 The license to operate a sports pool shall be in addition to any other  
55 license required to be issued to operate a [~~gaming facility~~] casino. No  
56 license to operate a sports pool shall be issued by the commission to

1 any entity unless it has established its financial stability, integrity  
2 and responsibility and its good character, honesty and integrity.

3 No later than five years after the date of the issuance of a license  
4 and every five years thereafter or within such lesser periods as the  
5 commission may direct, a licensee shall submit to the commission such  
6 documentation or information as the commission may by regulation  
7 require, to demonstrate to the satisfaction of the executive director of  
8 the commission that the licensee continues to meet the requirements of  
9 the law and regulations.

10 (b) As a condition of licensure the commission shall require that each  
11 operator authorized to conduct mobile sports wagering pay a one-time fee  
12 of twelve million dollars. Such fee shall be paid within thirty days of  
13 gaming commission approval prior to license issuance and deposited into  
14 the commercial gaming revenue fund established pursuant to section thir-  
15 teen hundred fifty-two of this article.

16 (c) A sports pool shall be operated in a sports wagering lounge  
17 located at a casino. The lounge shall conform to all requirements  
18 concerning square footage, design, equipment, security measures and  
19 related matters which the commission shall by regulation prescribe.  
20 Provided, however, the commission may also approve additional locations  
21 for a sports pool within the casino, in areas that have been approved by  
22 the commission for the conduct of other gaming, to be operated in a  
23 manner and methodology as regulation shall prescribe.

24 ~~(e)~~ (d) The operator of a sports pool shall establish or display the  
25 odds at which wagers may be placed on sports events.

26 ~~(d)~~ (e) An operator shall accept wagers on sports events only from  
27 persons physically present in the sports wagering lounge, through mobile  
28 sports wagering offered pursuant to section thirteen hundred sixty-sev-  
29 en-a of this title, or any additional locations for a sports pool within  
30 the casino, approved by the gaming commission. A person placing a wager  
31 shall be at least twenty-one years of age.

32 ~~(e)~~ (f) An operator may also accept layoff bets as long as the  
33 authorized sports pool places such wagers with another authorized sports  
34 pool or pools in accordance with regulations of the commission. A sports  
35 pool that places a layoff bet shall inform the sports pool accepting the  
36 wager that the wager is being placed by a sports pool and shall disclose  
37 its identity.

38 (g) An operator may utilize global risk management pursuant to the  
39 approval of the commission.

40 (h) An operator shall not admit into the sports wagering lounge, or  
41 accept wagers from, any person whose name appears on the exclusion list.

42 ~~(f)~~ (i) The holder of a license to operate a sports pool may  
43 contract with an ~~[entity]~~ agent to conduct any or all aspects of that  
44 operation, or the operation of mobile sports wagering offered pursuant  
45 to section thirteen hundred sixty-seven-a of this title, including but  
46 not limited to brand, marketing and customer service, in accordance with  
47 the regulations of the commission. ~~[That entity]~~ Each agent shall obtain  
48 a license as a casino vendor enterprise prior to the execution of any  
49 such contract, and such license shall be issued pursuant to the  
50 provisions of section one thousand three hundred twenty-seven of this  
51 article and in accordance with the regulations promulgated by the  
52 commission.

53 ~~(g)~~ (j) If any provision of this article or its application to any  
54 person or circumstance is held invalid, the invalidity shall not affect  
55 other provisions or applications of this article which can be given



1 effect without the invalid provision or application, and to this end the  
2 provisions of this article are severable.

3 ~~[4-]~~ 3. (a) All persons employed directly in wagering-related activ-  
4 ities conducted within a sports wagering lounge shall be licensed as a  
5 casino key employee or registered as a gaming employee, as determined by  
6 the commission. All other employees who are working in the sports wager-  
7 ing lounge may be required to be registered, if appropriate, in accord-  
8 ance with regulations of the commission.

9 (b) Each operator of a sports pool shall designate one or more casino  
10 key employees who shall be responsible for the operation of the sports  
11 pool. At least one such casino key employee shall be on the premises  
12 whenever sports wagering is conducted.

13 ~~[5-]~~ 4. Except as otherwise provided by this article, the commission  
14 shall have the authority to regulate sports pools and the conduct of  
15 sports wagering under this article to the same extent that the commis-  
16 sion regulates other gaming. No casino shall be authorized to operate a  
17 sports pool unless it has produced information, documentation, and  
18 assurances concerning its financial background and resources, including  
19 cash reserves, that are sufficient to demonstrate that it has the finan-  
20 cial stability, integrity, and responsibility to operate a sports pool.  
21 In developing rules and regulations applicable to sports wagering, the  
22 commission shall examine the regulations implemented in other states  
23 where sports wagering is conducted and shall, as far as practicable,  
24 adopt a similar regulatory framework. The commission shall promulgate  
25 regulations necessary to carry out the provisions of this section,  
26 including, but not limited to, regulations governing the:

27 (a) amount of cash reserves to be maintained by operators to cover  
28 winning wagers;

29 (b) acceptance of wagers on a series of sports events;

30 (c) maximum wagers which may be accepted by an operator from any one  
31 patron on any one sports event;

32 (d) type of wagering tickets which may be used;

33 (e) method of issuing tickets;

34 (f) method of accounting to be used by operators;

35 (g) types of records which shall be kept;

36 (h) use of credit and checks by ~~[patrons]~~ authorized sports bettors;

37 (i) the process by which a casino may place a layoff bet;

38 (j) the use of global risk management;

39 (k) type of system for wagering; and

40 ~~[(j)]~~ (l) protections for a person placing a wager.

41 ~~[6-]~~ 5. Each operator shall adopt comprehensive house rules governing  
42 sports wagering transactions with its ~~[patrons]~~ authorized sports  
43 bettors. The rules shall specify the amounts to be paid on winning  
44 wagers and the effect of schedule changes. The house rules, together  
45 with any other information the commission deems appropriate, shall be  
46 conspicuously displayed in the sports wagering lounge and included in  
47 the terms and conditions of the account wagering system, and copies  
48 shall be made readily available to ~~[patrons]~~ authorized sports bettors.

49 6. (a) Each casino that offers sports wagering shall annually submit a  
50 report to the commission no later than the twenty-eighth of February of  
51 each year, which shall include the following information:

52 (i) the total amount of sports wagers received from authorized sports  
53 bettors;

54 (ii) the total amount of prizes awarded to authorized sports bettors;

55 (iii) the total amount of sports wagering gross revenue received by  
56 the casino;

1 (iv) the total amount contributed in sports betting royalty revenue  
2 pursuant to subdivision eight of this section;

3 (v) the total amount of wagers received on each sports governing  
4 body's sporting events;

5 (vi) the number of accounts held by authorized sports bettors;

6 (vii) the total number of new accounts established in the preceding  
7 year, as well as the total number of accounts permanently closed in the  
8 preceding year;

9 (viii) the total number of authorized sports bettors that requested to  
10 exclude themselves from sports wagering; and

11 (ix) any additional information that the commission deems necessary to  
12 carry out the provisions of this article.

13 (b) Upon the submission of such annual report, to such extent that the  
14 commission deems it to be in the public interest, the commission shall  
15 be authorized to conduct a financial audit of any casino, at any time,  
16 to ensure compliance with this article.

17 (c) The commission shall annually publish a report based on the aggre-  
18 gate information provided by all casinos pursuant to paragraph (a) of  
19 this subdivision, which shall be published on the commission's website  
20 no later than one hundred eighty days after the deadline for the  
21 submission of individual reports as specified in such paragraph (a).

22 7. (a) Within thirty days of the end of each calendar quarter, a casi-  
23 no offering sports wagering shall remit to the commission a sports  
24 wagering royalty fee of one-fifth (.20) of one percent of the amount  
25 wagered on sports events conducted by registered sports governing  
26 bodies. The fee shall be remitted on a form as the commission may  
27 require, on which the casino shall identify the percentage of wagering  
28 during the reporting period attributable to each registered sport  
29 governing body's sports events.

30 (b) No later than the thirtieth of April of each year, a registered  
31 sports governing body may submit a claim for disbursement of the royalty  
32 fee funds remitted by casinos in the previous calendar year on their  
33 respective sports events. Within thirty days of submitting its claim for  
34 disbursement, the registered sports governing body shall meet with the  
35 commission to provide the commission with evidence of policies, proce-  
36 dures and training programs it has implemented to protect the integrity  
37 of its sports events.

38 (c) Within thirty days of its meeting with the registered sports  
39 governing body, the commission shall approve a timely claim for  
40 disbursement.

41 (d) (i) Persons who present sporting contests shall have authority to  
42 remove spectators and others from any facility for violation any appli-  
43 cable codes of conduct, and to deny persons access to all facilities  
44 they control, to revoke season tickets or comparable licenses, and to  
45 share information about such persons with others who present sporting  
46 contests and with the appropriate jurisdictions' law enforcement author-  
47 ities.

48 (ii) Persons who present sporting contests shall provide notice to the  
49 general public and those who attend sporting contests or visit their  
50 facilities of any applicable codes of conduct and the potential penal-  
51 ties for violating such codes.

52 8. For the privilege of conducting sports wagering in the state, casi-  
53 nos shall pay a tax equivalent to eight and one-half percent of their  
54 sports wagering gross revenue, excluding sports wagering gross revenue  
55 attributed to mobile sports wagering offered pursuant to section thir-  
56 teen hundred sixty-seven-a of this title. Casinos shall pay a tax equiv-

1 alent of twelve percent of their sports wagering gross revenue attri-  
2 buted to mobile sports wagering offered pursuant to section thirteen  
3 hundred sixty-seven-a of this title.

4 9. The commission shall pay into the commercial gaming revenue fund  
5 established pursuant to section ninety-seven-nnnn of the state finance  
6 law eighty-five percent of the state tax imposed by this section; any  
7 interest and penalties imposed by the commission relating to those  
8 taxes; all penalties levied and collected by the commission; and the  
9 appropriate funds, cash or prizes forfeited from sports wagering. The  
10 commission shall pay into the commercial gaming fund five percent of the  
11 state tax imposed by this section to be distributed for problem gambling  
12 education and treatment purposes pursuant to paragraph a of subdivision  
13 four of section ninety-seven-nnnn of the state finance law. The commis-  
14 sion shall pay five percent of the state tax imposed by this section to  
15 the urban development corporation to establish and administer a youth  
16 sports activities and education grant program for the purpose of provid-  
17 ing sports programs to underserved youth. Applications for such funding  
18 shall be made by eligible not-for-profit sports-based youth development  
19 organizations in accordance with requirements established by the corpo-  
20 ration. The commission shall pay into the commercial gaming fund five  
21 percent of the state tax imposed by this section to be distributed in  
22 the same formula as market origin credits pursuant to section one  
23 hundred fifteen-b of this chapter. The commission shall require at least  
24 monthly deposits by the casino of any payments pursuant to subdivision  
25 eight of this section, at such times, under such conditions, and in such  
26 depositories as shall be prescribed by the state comptroller. The depos-  
27 its shall be deposited to the credit of the state commercial gaming  
28 revenue fund. The commission shall require a monthly report and recon-  
29 ciliation statement to be filed with it on or before the tenth day of  
30 each month, with respect to gross revenues and deposits received and  
31 made, respectively, during the preceding month.

32 10. The commission may perform audits of the books and records of a  
33 casino, at such times and intervals as it deems appropriate, for the  
34 purpose of determining the sufficiency of tax payments. If a return  
35 required with regard to obligations imposed is not filed, or if a return  
36 when filed or is determined by the commission to be incorrect or insuf-  
37 ficient with or without an audit, the amount of tax due shall be deter-  
38 mined by the commission. Notice of such determination shall be given to  
39 the casino liable for the payment of the tax. Such determination shall  
40 finally and irrevocably fix the tax unless the casino against whom it is  
41 assessed, within thirty days after receiving notice of such determi-  
42 nation, shall apply to the commission for a hearing in accordance with  
43 the regulations of the commission.

44 11. Nothing in this section shall apply to interactive fantasy sports  
45 offered pursuant to article fourteen of this chapter. Nothing in this  
46 section authorizes any entity that conducts interactive fantasy sports  
47 offered pursuant to article fourteen of this chapter to conduct sports  
48 wagering unless it separately qualifies for, and obtains, authorization  
49 pursuant to this section.

50 12. A casino that is also licensed under article three of this chap-  
51 ter, and must maintain racing pursuant to paragraph (b) of subdivision  
52 one of section thirteen hundred fifty-five of this article, shall be  
53 allowed to offer pari-mutuel wagering on horse racing events in accord-  
54 ance with their license under article three of this chapter. Notwith-  
55 standing subparagraph (ii) of paragraph c of subdivision two of section  
56 one thousand eight of this chapter, a casino located in the city of

1 Schenectady shall be allowed to offer pari-mutuel wagering on horse  
2 racing events, provided such wagering is conducted by the regional off-  
3 track betting corporation in such region as the casino is located. Any  
4 other casino shall be allowed to offer pari-mutuel wagering on horse  
5 racing events, provided such wagering is conducted by the regional off-  
6 track betting corporation in such region as the casino is located. Any  
7 physical location where pari-mutuel wagering on horse racing events is  
8 offered by a casino and conducted by a regional off-track betting corpo-  
9 ration in accordance with this subdivision shall be deemed to be a  
10 branch location of the regional off-track betting corporation in accord-  
11 ance with section one thousand eight of this chapter. Mobile sports  
12 betting kiosks located on the premises of affiliates in accordance with  
13 paragraph (d) of subdivision five of section thirteen hundred sixty-sev-  
14 en-a of this title shall not be allowed to offer pari-mutuel wagering on  
15 horse racing events.

16 13. A sports governing body may notify the commission that it desires  
17 to restrict, limit, or exclude wagering on its sporting events by  
18 providing notice in the form and manner as the commission may require.  
19 Upon receiving such notice, the commission shall review the request in  
20 good faith, seek input from the casinos on such a request, and if the  
21 commission deems it appropriate, promulgate regulations to restrict such  
22 sports wagering. If the commission denies a request, the sports govern-  
23 ing body shall be afforded notice and the right to be heard and offer  
24 proof in opposition to such determination in accordance with the regu-  
25 lations of the commission. Offering or taking wagers contrary to  
26 restrictions promulgated by the commission is a violation of this  
27 section. In the event that the request is in relation to an emergency  
28 situation, the executive director of the commission may temporarily  
29 prohibit the specific wager in question until the commission has the  
30 opportunity to issue temporary regulations addressing the issue.

31 14. (a) The commission shall designate the division of the state  
32 police to have primary responsibility for assisting the commission in  
33 conducting, investigations into abnormal betting activity, match fixing,  
34 and other conduct that corrupts a betting outcome of a sporting event or  
35 events for purposes of financial gain.

36 (b) Casinos shall maintain records of sports wagering operations in  
37 accordance with regulations promulgated by the commission. These regu-  
38 lations shall, at a minimum, require a casino to adopt procedures to  
39 obtain personally identifiable information from any individual who plac-  
40 es any single wager in an amount of ten thousand dollars or greater.

41 (c) The commission shall cooperate with a sports governing body and  
42 casinos to ensure the timely, efficient, and accurate sharing of infor-  
43 mation.

44 (d) The commission and casinos shall cooperate with investigations  
45 conducted by sports governing bodies or law enforcement agencies,  
46 including but not limited to providing or facilitating the provision of  
47 account-level betting information and audio or video files relating to  
48 persons placing wagers; provided, however, that the casino be required  
49 to share any personally identifiable information of an authorized sports  
50 bettor with a sports governing body only pursuant to an order to do so  
51 by the commission or a law enforcement agency or court of competent  
52 jurisdiction.

53 (e) Casinos and operators shall promptly report to the commission or  
54 third party integrity monitoring provider approved by the commission, as  
55 applicable and in accordance with rules and regulations established by  
56 the commission, any information relating to:

1 (i) criminal or disciplinary proceedings commenced against the casino  
2 in connection with its operations;

3 (ii) abnormal betting activity or patterns that may indicate a concern  
4 with the integrity of a sporting event or events;

5 (iii) any potential breach of the relevant sports governing body's  
6 internal rules and codes of conduct pertaining to sports wagering, as  
7 they have been provided by the sports governing body to the casino or  
8 the operator;

9 (iv) any other conduct that corrupts a betting outcome of a sporting  
10 event or events for purposes of financial gain, including match fixing;  
11 and

12 (v) suspicious or illegal wagering activities, including use of funds  
13 derived from illegal activity, wagers to conceal or launder funds  
14 derived from illegal activity, using agents to place wagers, using  
15 confidential non-public information, and using false identification.

16 The commission shall also promptly report information relating to  
17 conduct described in subparagraphs (ii), (iii) and (iv) of this para-  
18 graph to the relevant sports governing body.

19 (vi) The commission shall be authorized to share any information under  
20 this section with any law enforcement entity, team, sports governing  
21 body, or regulatory agency the division deems appropriate. Such sharing  
22 of information may include, but is not limited to, account level betting  
23 information and any audio or video files related to the investigation.  
24 Provided, however, the casino or operators may only be required to share  
25 any personally identifiable information of an authorized sports bettor  
26 with a sports governing body only pursuant to an order to do so by the  
27 commission, a law enforcement agency or a court of competent jurisdic-  
28 tion.

29 (f) The confidentiality of information shared between a sports govern-  
30 ing body and a casino or operator shall be maintained pursuant to all  
31 applicable data privacy laws, unless disclosure is required by this  
32 section, the commission, other law, or court order. Furthermore, the  
33 information shared between a sports governing body, a casino, an opera-  
34 tor or any other party pursuant to this act may not be used for business  
35 or marketing purposes by the recipient without the express written  
36 approval of the party that provides such information.

37 (g) The commission, by regulation, may authorize and promulgate any  
38 rules necessary to implement agreements with other states, or authorized  
39 agencies thereof to enable the sharing of information to facilitate  
40 integrity monitoring and the conduct of investigations into abnormal  
41 betting activity, match fixing, and other conduct that corrupts a  
42 betting outcome of a sporting event or events for purposes of financial  
43 gain.

44 (h) The commission shall study the potential for the creation of an  
45 interstate database of all sports wagering information for the purpose  
46 of integrity monitoring, and shall create a final report regarding all  
47 findings and recommendations to be delivered upon completion of all  
48 objectives described herein, but in no event later than March first, two  
49 thousand twenty-two, to the governor, the speaker of the assembly and  
50 the temporary president of the senate.

51 (i) The commission shall investigate all reasonable allegations of  
52 prohibited conduct and refer any allegations it deems credible to the  
53 appropriate law enforcement entity.

54 (j) Any person who is (i) an athlete, coach, referee, director of a  
55 sports governing body or any of its member teams, a player or other  
56 personnel member, in or on any sports event overseen by that person's



1 sports governing body, (ii) holding a position of authority over the  
2 participants in a sporting contest, including but not limited to coach-  
3 es, managers, handlers, athletic trainers, or (iii) a person with access  
4 to certain types of non-public information on any sports event overseen  
5 by that person's sports governing body, shall not be permitted to place  
6 a wager on a sports event that is overseen by that person's sports  
7 governing body so long as that person has been identified as a prohibit-  
8 ed sports bettor in any lists provided by the sports governing body to  
9 the commission, casinos, and operators. Any person who knowingly  
10 violates this paragraph shall be liable for a civil penalty of not more  
11 than one thousand dollars.

12 (k) Casinos and operators shall adopt procedures to prevent persons  
13 from wagering on sports events who are prohibited from placing sports  
14 wagers. A casino or operator shall not accept wagers from any person:

15 (i) whose name appears on the exclusion list maintained by the commis-  
16 sion and provided to the casino or operator;

17 (ii) whose name appears on any self-exclusion list maintained by the  
18 commission and provided to the casino or operator;

19 (iii) who is the operator, director, officer, owner, or employee of  
20 the operator or casino or any relative thereof living in the same house-  
21 hold as such individual;

22 (iv) who has been identified in a list provided by the sports govern-  
23 ing body to the commission and casino or operator, that identifies the  
24 individual by such personally identifiable information as specified by  
25 rules and regulations promulgated by the commission;

26 (v) who is an agent or proxy for any other person; or

27 (vi) who has identified themselves to the operator as a prohibited  
28 sports pool participant.

29 (l) The commission shall establish a hotline or other method of commu-  
30 nication that allows any person to confidentially report information  
31 about prohibited conduct to the commission. The identity of any person  
32 reporting prohibited conduct to the commission shall remain confidential  
33 unless that person authorizes disclosure of his or her identity or until  
34 such time as the allegation of prohibited conduct is referred to law  
35 enforcement.

36 15. (a) Casinos shall use whatever data source they deem appropriate  
37 for determining the result of sports wagering involving tier one sports  
38 wagers.

39 (b) Casinos shall only use official league data in all sports wagering  
40 involving tier two sports wagers, if the relevant sports governing body  
41 is headquartered in the United States, possesses a feed of official  
42 league data, and makes such feed available for purchase by the casinos  
43 on commercially reasonable terms as determined by the commission.

44 (c) A sports governing body may notify the commission that it desires  
45 to require casinos to use official league data in sports wagering  
46 involving specific tier three sports wagers by providing notice in the  
47 form and manner as the commission may require. Upon receiving such  
48 notice, the commission shall review the request, seek input from the  
49 casinos on such a request, and if the commission deems it appropriate,  
50 promulgate regulations to require casinos to use official league data on  
51 sports wagering involving such tier three sports wagers if the relevant  
52 sports governing body possesses a feed of official league data, and  
53 makes such feed available for purchase by the casinos on commercially  
54 reasonable terms as determined by the commission.

55 (d) When determining whether or not a supplier of official league data  
56 is offering commercially reasonable terms, the commission shall consider

1 the amount charged by the supplier of official league data to gaming  
2 operators in other jurisdictions. This information shall be provided to  
3 the commission by the supplier of official league data upon request of  
4 the commission. Any entity providing data to a casino for the purpose of  
5 tier two sports wagers shall obtain a license as a casino vendor enter-  
6 prise and such license shall be issued pursuant to the provisions of  
7 section thirteen hundred twenty-seven of this article and in accordance  
8 with the regulations promulgated by the commission.

9 (e) No casino shall enter into an agreement with a sports governing  
10 body or an entity expressly authorized to distribute official league  
11 data to be the exclusive recipient of their official league data.

12 (f) The commission shall promulgate regulations to allow an authorized  
13 sports bettor to file a complaint alleging an underpayment or non-pay-  
14 ment of a winning sports wager. Any such regulations shall provide that  
15 the commission utilize the statistics, results, outcomes, and other data  
16 relating to a sporting event that have been obtained from the relevant  
17 sports governing body in determining the validity of such claim.

18 16. A casino shall not permit sports wagering by anyone they know, or  
19 should have known, to be a prohibited sports bettor.

20 17. Sports wagering conducted pursuant to the provisions of this  
21 section is hereby authorized.

22 18. The commission shall promulgate rules that require an operator to  
23 implement responsible gaming programs that include comprehensive employ-  
24 ee trainings on responding to circumstances in which individuals present  
25 signs of a gambling addiction and requirements for casinos and operators  
26 under section thirteen hundred sixty-seven-a of this title to assess,  
27 prevent, and address problem gaming by users under the age of thirty.  
28 The commission shall establish a hotline or other method of communi-  
29 cation that will allow any person to confidentially report information  
30 about prohibited conduct to the commission. The commission shall promul-  
31 gate rules governing the investigation and resolution of a charge of any  
32 person purported to have engaged in prohibited conduct.

33 19. The conduct of sports wagering in violation of this section is  
34 prohibited.

35 20. (a) In addition to any criminal penalties provided for under arti-  
36 cle two hundred twenty-five of the penal law, any person, firm, corpo-  
37 ration, association, agent, or employee, who is not authorized to offer  
38 sports wagering under this section or section thirteen hundred sixty-  
39 seven-a of this title, and who knowingly offers or attempts to offer  
40 sports wagering or mobile sports wagering in New York shall be liable  
41 for a civil penalty of not more than one hundred thousand dollars for  
42 each violation, not to exceed five million dollars for violations aris-  
43 ing out of the same transaction or occurrence, which shall accrue to the  
44 state and may be recovered in a civil action brought by the commission.

45 (b) Any person, firm, corporation, association, agent, or employee who  
46 knowingly violates any procedure implemented under this section, or  
47 section thirteen hundred sixty-seven-a of this title, shall be liable  
48 for a civil penalty of not more than five thousand dollars for each  
49 violation, not to exceed fifty thousand dollars for violations arising  
50 out of the same transaction or occurrence, which shall accrue to the  
51 state and may be recovered in a civil action brought by the commission.

52 § 2. The racing, pari-mutuel wagering and breeding law is amended by  
53 adding a new section 1367-a to read as follows:

54 § 1367-a. Mobile sports wagering. 1. (a) Except as provided in this  
55 subdivision, the terms in this section shall have the same meanings as

1 such terms are defined in subdivision one of section thirteen hundred  
2 sixty-seven of this title.

3 (b) "Operator" for purposes of this section, means a casino which has  
4 elected to offer a mobile sports wagering platform, an Indian Tribe (or  
5 agent of such Indian Tribe) that has entered into a tribal-state gaming  
6 compact in accordance with the Indian Gaming Regulatory Act, 25 U.S.C.  
7 2710, that is in effect and has been ratified by the state and has  
8 entered into a sports wagering agreement to operate with the commission  
9 pursuant to this section, or the agent of such licensed gaming facility  
10 or such Indian Tribe.

11 2. (a) No casino shall administer, manage, or otherwise make available  
12 a mobile sports wagering platform to persons located in New York state  
13 unless registered with the commission pursuant to this section. A casino  
14 may use up to two mobile sports wagering platforms and brands provided  
15 that such platforms and brands have been reviewed and approved by the  
16 commission. A casino may contract with up to two independent operators  
17 to provide its mobile sports wagering platforms. An independent operator  
18 may display its brand on the platform in addition to the casino's brand.

19 (b) Registrations issued by the commission shall remain in effect for  
20 five years. The commission shall establish a process for renewal.

21 (c) The commission shall publish a list of all operators and casinos  
22 registered to offer mobile sports wagering in New York state pursuant to  
23 this section on the commission's website for public use.

24 3. In the event that a casino contracts with an operator to provide  
25 its mobile sports wagering platform and brand, such operator shall  
26 obtain a license as a casino vendor enterprise prior to the execution of  
27 any such contract, and such license shall be issued pursuant to the  
28 provisions of section thirteen hundred twenty-seven of this article and  
29 in accordance with the regulations promulgated by the commission.

30 3-a. (a) As a condition of registration and operation of mobile sports  
31 wagering, each casino shall agree, upon a current or any future request  
32 of an Indian Tribe that has not entered into an agreement for mobile  
33 sports wagering with another casino, to provide a site for a mobile  
34 sports wagering server and related equipment for the Indian Tribe as  
35 directed by the commission, at no cost to the Indian Tribe except the  
36 direct and actual cost of hosting the server or other equipment used by  
37 the Indian Tribe as determined by the commission.

38 (b) As a condition of registration as an operator in New York state,  
39 an Indian Tribe shall enter into an agreement with the commission with  
40 respect to mobile sports wagering:

41 (i) To follow the requirements imposed on casinos and operators under  
42 this section and section thirteen hundred sixty-seven of this title with  
43 respect to the Indian Tribe's mobile sports wagering; to adhere to the  
44 regulations promulgated by the commission pursuant to this section with  
45 respect to mobile sports wagering, and to submit to the commission's  
46 enforcement of this section and section thirteen hundred sixty-seven of  
47 this title and regulations promulgated thereunder with respect to mobile  
48 sports wagering, including by waiving tribal sovereign immunity for the  
49 sole and limited purpose of such enforcement. Nothing herein shall be  
50 construed as requiring an Indian Tribe's agreement to adhere to the  
51 requirements of section thirteen hundred sixty-seven of this title for  
52 gaming conducted on tribal lands as a condition of offering mobile  
53 sports wagering under this section;

54 (ii) To waive the Indian Tribe's exclusive geographic right to offer  
55 and conduct mobile sports wagering, but not otherwise;

1 (iii) To remit payment to the state equal to tax on sports wagering  
2 revenue imposed under section thirteen hundred sixty-seven of this title  
3 with respect to mobile sports wagering;

4 (iv) Not to offer or to conduct mobile gaming other than mobile sports  
5 wagering pursuant to this section unless such mobile gaming is otherwise  
6 authorized by state or federal law; and

7 (v) To locate the server or other equipment used by the Indian Tribe  
8 or its agent to accept mobile sports wagering at a casino as defined in  
9 paragraph (e) of subdivision one of section thirteen hundred sixty-seven  
10 of this title that has applied for and is eligible to register as an  
11 operator of mobile sports wagering pursuant to this section and to pay  
12 the actual cost of hosting the server or other equipment as determined  
13 by the commission.

14 (c) All agreements entered into casinos and Indian Tribes with respect  
15 to hosting mobile sports wagering platforms for an Indian Tribe:

16 (i) Must be approved by the commission prior to taking effect and  
17 before registration of the casino or Indian Tribe as an operator under  
18 this section;

19 (ii) Must provide that the Indian Tribe may, at its sole discretion,  
20 terminate the agreement and all commitments, undertakings and waivers  
21 made by the Indian Tribe thereunder, except that the Indian Tribe's  
22 waiver of its exclusive geographic right to offer and conduct mobile  
23 sports wagering shall survive the termination of the agreement;

24 (iii) Shall be limited in applicability solely to the Indian Tribe's  
25 operation of mobile sports betting and shall not extend to any other  
26 operation or activity of the Indian Tribe; and

27 (iv) Shall not create any rights or privileges to any third party who  
28 is not a party to the agreement, except that the commission shall have  
29 the power to enforce the agreement including by revoking or suspending  
30 the registration of a party that fails to comply with its obligations  
31 under the agreement.

32 (d) No mobile sports wagering may be conducted within an Indian  
33 Tribe's exclusive geographic area unless the Indian Tribe with exclusive  
34 geographic right to that area is registered as an operator under this  
35 section. Operators shall use geo-location and geo-fencing technology to  
36 ensure that mobile sports wagering is not available to persons who are  
37 physically located in an Indian Tribe's exclusive geographic area,  
38 unless the Indian Tribe with exclusive geographic right to that area is  
39 registered as an operator under this section.

40 3-b. (a) The commission shall promulgate regulations to implement the  
41 provisions of this section, including:

42 (i) the development of the initial form of the application for regis-  
43 tration;

44 (ii) responsible protections with regard to compulsive play safeguards  
45 for fair play;

46 (iii) requiring that operators adopt controls to prevent minors from  
47 creating accounts and placing wagers;

48 (iv) requiring that operators adopt controls to maintain the efficien-  
49 cy of self-exclusion limits; and

50 (v) requiring that operators utilize commercially reasonable techno-  
51 logical means of verifying account holders' identities.

52 (b) The commission shall prescribe the initial form of the application  
53 for registration, for operators, which shall require, but not be limited  
54 to:

55 (i) the full name and principal address of the operator;

1 (ii) if a corporation, the name of the state in which incorporated and  
2 the full names and addresses of any partner, officer, director, share-  
3 holder holding ten percent or more equity, and ultimate equitable  
4 owners;

5 (iii) if a business entity other than a corporation, the full names  
6 and addresses of the principals, partners, shareholders holding five  
7 percent or more equity, and ultimate equitable owners;

8 (iv) whether such corporation or entity files information and reports  
9 with the United States Securities and Exchange Commission as required by  
10 section thirteen of the Securities Exchange Act of 1934, 15 U.S.C. §§  
11 78a-78kk; or whether the securities of the corporation or entity are  
12 regularly traded on an established securities market in the United  
13 States;

14 (v) the type and estimated number of contests to be conducted annual-  
15 ly; and

16 (vi) a statement of the assets and liabilities of the operator.

17 (c) The commission may require the full names and addresses of the  
18 officers and directors of any creditor of the operator, and of those  
19 stockholders who hold more than ten percent of the stock of the credi-  
20 tor.

21 (d) Upon receipt of an application for registration for each individ-  
22 ual listed on such application as an officer or director, the commission  
23 shall submit to the division of criminal justice services a set of fing-  
24 erprints, and the division of criminal justice services processing fee  
25 imposed pursuant to subdivision eight-a of section eight hundred thir-  
26 ty-seven of the executive law and any fee imposed by the federal bureau  
27 of investigation. Upon receipt of the fingerprints, the division of  
28 criminal justice services shall promptly forward a set of the individ-  
29 ual's fingerprints to the federal bureau of investigation for the  
30 purpose of a nationwide criminal history record check to determine  
31 whether such individual has been convicted of a criminal offense in any  
32 state other than New York or in a federal jurisdiction. The division of  
33 criminal justice services shall promptly provide the requested criminal  
34 history information to the commission. For the purposes of this section,  
35 the term "criminal history information" shall mean a record of all  
36 convictions of crimes and any pending criminal charges maintained on an  
37 individual by the division of criminal justice services and the federal  
38 bureau of investigation. All such criminal history information sent to  
39 the commission pursuant to this subdivision shall be confidential and  
40 shall not be published or in any way disclosed to persons other than the  
41 commission, unless otherwise authorized by law.

42 (e) Upon receipt of criminal history information pursuant to paragraph  
43 (d) of this subdivision, the commission shall make a determination to  
44 approve or deny an application for registration; provided, however, that  
45 before making a determination on such application, the commission shall  
46 provide the subject of the record with a copy of such criminal history  
47 information and a copy of article twenty-three-A of the correction law  
48 and inform such prospective applicant seeking to be credentialed of his  
49 or her right to seek correction of any incorrect information contained  
50 in such criminal history information pursuant to the regulations and  
51 procedures established by the division of criminal justice services.  
52 The commission may deny any application for registration, or suspend,  
53 refuse to renew, or revoke any existing registration issued pursuant to  
54 this article, upon the finding that the operator or registrant, or any  
55 partner, officer, director, or shareholder:



1 (i) has knowingly made a false statement of material fact or has  
2 deliberately failed to disclose any material information required by the  
3 commission;

4 (ii) has had a gaming registration or license denied, suspended, or  
5 revoked in any other state or country for just cause;

6 (iii) has legally defaulted in the payment of any substantial finan-  
7 cial obligation or debt due to any state or political subdivision; or

8 (iv) has at any time knowingly failed in an important respect to  
9 comply with any requirement outlined in this section, any other  
10 provision of this article, any regulations promulgated by the commission  
11 or any additional requirements of the commission.

12 (f) All determinations to approve or deny an application pursuant to  
13 this article shall be performed in a manner consistent with subdivision  
14 sixteen of section two hundred ninety-six of the executive law and arti-  
15 cle twenty-three-A of the correction law. When the commission denies an  
16 application, the operator shall be afforded notice and the right to be  
17 heard and offer proof in opposition to such determination in accordance  
18 with the regulations of the commission.

19 4. (a) As a condition of registration in New York state, each operator  
20 shall implement the following measures:

21 (i) limit each authorized sports bettor to one active and continuously  
22 used account on their platform, and prevent anyone they know, or should  
23 have known to be a prohibited sports bettor from maintaining accounts or  
24 participating in any sports wagering offered by such operator;

25 (ii) adopt appropriate safeguards to ensure, to a reasonable degree of  
26 certainty, that authorized sports bettors are physically located within  
27 the state when engaging in mobile sports betting;

28 (iii) prohibit minors from participating in any sports wagering, which  
29 includes:

30 (1) if an operator becomes or is made aware that a minor has created  
31 an account, or accessed the account of another, such operator shall  
32 promptly, within no more than two business days, refund any deposit  
33 received from the minor, whether or not the minor has engaged in or  
34 attempted to engage in sports wagering; provided, however, that any  
35 refund may be offset by any prizes already awarded;

36 (2) each operator shall provide parental control procedures to allow  
37 parents or guardians to exclude minors from access to any sports wager-  
38 ing or platform. Such procedures shall include a toll-free number to  
39 call for help in establishing such parental controls; and

40 (3) each operator shall take appropriate steps to confirm that an  
41 individual opening an account is not a minor;

42 (iv) when referencing the chances or likelihood of winning in adver-  
43 tisements or upon placement of a sports wager, make clear and conspicu-  
44 ous statements that are not inaccurate or misleading concerning the  
45 chances of winning and the number of winners;

46 (v) enable authorized sports bettors to exclude themselves from sports  
47 wagering and take reasonable steps to prevent such bettors from engaging  
48 in sports wagering from which they have excluded themselves;

49 (vi) permit any authorized sports bettor to permanently close an  
50 account registered to such bettor, on any and all platforms supported by  
51 such operator, at any time and for any reason;

52 (vii) offer introductory procedures for authorized sports bettors,  
53 that shall be prominently displayed on the main page of such operator  
54 platform, that explain sports wagering;

55 (viii) implement measures to protect the privacy and online security  
56 of authorized sports bettors and their accounts;

1 (ix) offer all authorized sports bettors access to his or her account  
2 history and account details;

3 (x) ensure authorized sports bettors' funds are protected upon deposit  
4 and segregated from the operating funds of such operator and otherwise  
5 protected from corporate insolvency, financial risk, or criminal or  
6 civil actions against such operator;

7 (xi) list on each website, in a prominent place, information concern-  
8 ing assistance for compulsive play in New York state, including a toll-  
9 free number directing callers to reputable resources containing further  
10 information, which shall be free of charge;

11 (xii) ensure no sports wagering shall be based on a prohibited sports  
12 event;

13 (xiii) permit account holders to establish self-exclusion gaming  
14 limits on a daily, weekly, and monthly basis that enable the account  
15 holder to identify the maximum amount of money an account holder may  
16 deposit during such period of time;

17 (xiv) when an account holder's lifetime deposits exceed two thousand  
18 five hundred dollars, the operator shall prevent any wagering until the  
19 patron immediately acknowledges, and acknowledges each year thereafter,  
20 that the account holder has met the deposit threshold and may elect to  
21 establish responsible gaming limits or close the account, and the  
22 account holder has received disclosures from the operator concerning  
23 problem gambling resources;

24 (xv) maintain a publicly accessible internet page dedicated to respon-  
25 sible play, a link to which must appear on the operator's website and in  
26 any mobile application or electronic platform on which a bettor may  
27 place wagers. The responsible play page shall include: a statement of  
28 the operator's policy and commitment to responsible gaming; information  
29 regarding, or links to information regarding, the risks associated with  
30 gambling and the potential signs of problem gaming; the availability of  
31 self-imposed responsible gaming limits; a link to a problem gaming  
32 webpage maintained by the office of addiction services and supports; and  
33 such other information or statements as the commission may require by  
34 rule; and

35 (xvi) submit annually a problem gaming plan to the commission that  
36 includes: the objectives of and timetables for implementing the plan;  
37 identification of the persons responsible for implementing and maintain-  
38 ing the plan; procedures for identifying users with suspected or known  
39 problem gaming behavior; procedures for providing information to users  
40 concerning problem gaming identification and resources; procedures to  
41 prevent gaming by minors and self-excluded persons; and such other prob-  
42 lem gaming information as the commission may require by rule.

43 (b) Operators shall not directly or indirectly operate, promote, or  
44 advertise any platform or sports wagering to persons located in New York  
45 state unless registered pursuant to this article.

46 (c) Operators shall not offer any sports wagering based on any prohib-  
47 ited sports event.

48 (d) Operators shall not permit sports wagering by anyone they know, or  
49 should have known, to be a prohibited sports bettor.

50 (e) Advertisements for contests and prizes offered by an operator  
51 shall not target prohibited sports bettors, minors, or self-excluded  
52 persons.

53 (f) Operators shall prohibit the use of third-party scripts or script-  
54 ing programs for any exchange wagering contest and ensure that measures  
55 are in place to deter, detect and, to the extent reasonably possible,  
56 prevent cheating, including collusion, and the use of cheating devices,

1 including use of software programs that submit exchange wagering sports  
2 wagers unless otherwise approved by the commission.

3 (g) Operators shall develop and prominently display procedures on the  
4 main page of such operator's platform for the filing of a complaint by  
5 an authorized sports bettor against such operator. An initial response  
6 shall be given by such operator to such bettor filing the complaint  
7 within forty-eight hours. A complete response shall be given by such  
8 operator to such bettor filing the complaint within ten business days.  
9 An authorized sports bettor may file a complaint alleging a violation of  
10 the provisions of this article with the commission.

11 (h) Operators shall maintain records of all accounts belonging to  
12 authorized sports bettors and retain such records of all transactions in  
13 such accounts for the preceding five years.

14 (i) The server or other equipment which is used by an operator to  
15 accept mobile sports wagering shall be located in the licensed gaming  
16 facility in accordance with regulations promulgated by the commission.

17 (j) All mobile sports wagering initiated in this state shall be deemed  
18 to take place at the licensed gaming facility where the server or other  
19 equipment used by an operator to accept mobile sports wagering is  
20 located, regardless of the authorized sports bettor's physical location  
21 within this state.

22 (k) All mobile sports wagering shall be conducted in compliance with  
23 this section and section thirteen hundred sixty-seven of this title.

24 (l) Permit an Indian Tribe pursuant to paragraph (a) of subdivision  
25 three-a of this section to place at the licensed gaming facility the  
26 server or other equipment by which the Indian Tribe may accept mobile  
27 sports wagering, and to make commercially reasonable accommodations as  
28 may be necessary to place and operate the Indian Tribe's server or other  
29 equipment.

30 5. (a) Subject to regulations promulgated by the commission, casinos  
31 may enter into agreements with operators or affiliates to allow for  
32 authorized bettors to sign up to create and fund accounts on mobile  
33 sports wagering platforms offered by the casino.

34 (b) Authorized sports bettors may sign up to create their account on a  
35 mobile sports wagering platform in person at a casino, or an affiliate,  
36 or through an operators internet website accessed via a mobile device or  
37 computer, or mobile device applications.

38 (c) Authorized sports bettors may deposit and withdraw funds in their  
39 account on a mobile sports wagering platform in person at a casino, or  
40 an affiliate, electronically recognized payment methods, or via any  
41 other means approved by the commission.

42 (d) In accordance with regulations promulgated by the commission,  
43 casinos may enter into agreements with affiliates to locate self-service  
44 mobile sports betting kiosks, which are owned, operated and maintained  
45 by the casino, and connected via the internet to the casino, upon the  
46 premises of the affiliate. Authorized sports bettors may place account  
47 wagers, and place and redeem non-account cash wagers, at such kiosks.

48 (e) All agreements entered into between casinos and affiliates in  
49 relation to the provisions of this section shall be approved by the  
50 commission prior to taking effect and shall include a plan for the time-  
51 ly payment of liabilities due to the affiliate under the agreement;  
52 provided, however, that the commission shall not approve any such agree-  
53 ment between a casino and a racetrack licensed pursuant to this chapter  
54 or an operator of video lottery gaming at Aqueduct licensed pursuant to  
55 section one thousand six hundred seventeen-a of the tax law, until  
56 twelve months after the effective date of this paragraph; and provided,

1 further, that the commission shall not approve any such agreement  
2 between a casino and a professional sports stadium or arena, until twenty  
3 months after the effective date of this paragraph.

4 6. The commission shall annually cause a report to be prepared and  
5 distributed to the governor and the legislature on the impact of mobile  
6 sports wagering on problem gamblers in New York. The report shall  
7 include an assessment of problem gaming among persons under the age of  
8 thirty. The report shall be prepared by a non-governmental organization  
9 or entity with expertise in serving the needs of persons with gambling  
10 addictions. The report shall be prepared and distributed under the  
11 supervision of and in coordination with the commission. The costs asso-  
12 ciated with the preparation and distribution of the report shall be  
13 borne by operators and the commission shall be authorized to assess a  
14 fee against operators for these purposes. The commission shall also  
15 report periodically to the governor and the legislature on the effec-  
16 tiveness of the statutory and regulatory controls in place to ensure the  
17 integrity of mobile sports wagering operations.

18 § 3. Section 104 of the racing, pari-mutuel wagering and breeding law  
19 is amended by adding a new subdivision 24 to read as follows:

20 24. To regulate sports wagering in New York state.

21 § 4. Severability clause. If any provision of this act or application  
22 thereof shall for any reason be adjudged by any court of competent  
23 jurisdiction to be invalid, such judgment shall not affect, impair, or  
24 invalidate the remainder of the act, but shall be confined in its opera-  
25 tion to the provision thereof directly involved in the controversy in  
26 which the judgment shall have been rendered.

27 § 5. This act shall take effect immediately.

28 PART Z

29 Intentionally Omitted

30 PART AA

31 Intentionally Omitted

32 PART BB

33 Section 1. Paragraphs 4 and 5 of subdivision a of section 1612 of the  
34 tax law, as amended by chapter 174 of the laws of 2013, are amended and  
35 a new paragraph 6 is added to read as follows:

36 (4) fifty percent of the total amount for which tickets have been sold  
37 for games known as: (A) the "Daily Numbers Game" or "Win 4", discrete  
38 games in which the participants select no more than three or four of  
39 their own numbers to match with three or four numbers drawn by the  
40 [~~division~~] commission for purposes of determining winners of such games,  
41 (B) "Pick 10", offered no more than [~~once~~] twice daily, in which partic-  
42 ipants select from a specified field of numbers a subset of ten numbers  
43 to match against a subset of numbers to be drawn by the [~~division~~]  
44 commission from such field of numbers for the purpose of determining  
45 winners of such game, (C) "Take 5", offered no more than [~~once~~] twice  
46 daily, in which participants select from a specified field of numbers a  
47 subset of five numbers to match against a subset of five numbers to be  
48 drawn by the [~~division~~] commission from such field of numbers for  
49 purposes of determining winners of such game; or

1 (5) forty percent of the total amount for which tickets have been sold  
 2 for: (A) "Lotto", offered no more than [~~once~~] twice daily, a discrete  
 3 game in which all participants select a specific subset of numbers to  
 4 match a specific subset of numbers, as prescribed by rules and regu-  
 5 lations promulgated and adopted by the [~~division~~] commission, from a  
 6 larger specific field of numbers, as also prescribed by such rules and  
 7 regulations and (B) with the exception of the game described in para-  
 8 graph one of this subdivision, such other state-operated lottery games  
 9 [~~which~~] that the [~~division~~] commission may introduce, offered no more  
 10 than [~~once~~] twice daily, commencing on or after forty-five days follow-  
 11 ing the official publication of the rules and regulations for such game.

12 (6) The commission shall make a report on the revenues derived from  
 13 the additional lottery drawings pursuant to paragraphs four and five of  
 14 subdivision a of this section and shall submit such report to the gover-  
 15 nor, the speaker of the assembly, and the temporary president of the  
 16 senate by the first day of March two thousand twenty-two.

17 § 2. This act shall take effect immediately and shall be deemed  
 18 repealed one year after such date.

19

## PART CC

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

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

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

28 § 130. [~~Establishment of the~~] The office of gaming inspector general.  
 29 [~~There is hereby created within the commission the office of gaming~~  
 30 ~~inspector general. The head of the office shall be the gaming inspector~~  
 31 ~~general who shall be appointed by the governor by and with the advice~~  
 32 ~~and consent of the senate. The inspector general shall serve at the~~  
 33 ~~pleasure of the governor. The inspector general shall report directly to~~  
 34 ~~the governor. The person appointed as inspector general shall, upon his~~  
 35 ~~or her appointment, have not less than ten years professional experience~~  
 36 ~~in law, investigation, or auditing. The inspector general shall be~~  
 37 ~~compensated within the limits of funds available therefor, provided,~~  
 38 ~~however, such salary shall be no less than the salaries of certain state~~  
 39 ~~officers holding the positions indicated in paragraph (a) of subdivision~~  
 40 ~~one of section one hundred sixty nine of the executive law.] The duties  
 41 and responsibilities of the former office of the gaming inspector gener-  
 42 al are transferred to and encompassed by the office of the state inspec-  
 43 tor general as expressly referenced in article four-A of the executive  
 44 law.~~

45 § 4. Section 131 of the racing, pari-mutuel wagering and breeding law,  
 46 as added by chapter 174 of the laws of 2013 and as renumbered by section  
 47 one of this act, is amended to read as follows:

48 § 131. [~~State gaming~~] Gaming inspector general; functions and duties.  
 49 The [~~state~~] gaming inspector general shall have the following duties and  
 50 responsibilities:

51 1. receive and investigate complaints from any source, or upon his or  
 52 her own initiative, concerning allegations of corruption, fraud, criminal  
 53 activity, conflicts of interest or abuse in the commission;



1 2. [~~inform the commission members of such allegations and the progress~~  
2 ~~of investigations related thereto, unless special circumstances require~~  
3 ~~confidentiality;~~

4 ~~3.]~~ determine with respect to such allegations whether disciplinary  
5 action, civil or criminal prosecution, or further investigation by an  
6 appropriate federal, state or local agency is warranted, and to assist  
7 in such investigations;

8 [~~4.]~~ 3. prepare and release to the public written reports of such  
9 investigations, as appropriate and to the extent permitted by law,  
10 subject to redaction to protect the confidentiality of witnesses. The  
11 release of all or portions of such reports may be deferred to protect  
12 the confidentiality of ongoing investigations;

13 [~~5.]~~ 4. review and examine periodically the policies and procedures of  
14 the commission with regard to the prevention and detection of  
15 corruption, fraud, criminal activity, conflicts of interest or abuse;

16 [~~6.]~~ 5. recommend remedial action to prevent or eliminate corruption,  
17 fraud, criminal activity, conflicts of interest or abuse in the commis-  
18 sion; [~~and~~

19 ~~7.]~~ 6. establish programs for training commission officers and employ-  
20 ees [~~regarding~~] in regard to the prevention and elimination of  
21 corruption, fraud, criminal activity, conflicts of interest or abuse in  
22 the commission; and

23 7. make an annual report to the governor, the comptroller and the  
24 legislature concerning its work during the preceding year. Such report  
25 shall include but not be limited to the number of cases investigated,  
26 and the number of complaints received. Such initial report shall be due  
27 no later than the first day of April two thousand twenty-two, and then  
28 by the first day of April each year thereafter. Such report shall be  
29 made public and published on the website of the office of the state  
30 inspector general and on the website of the commission.

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

34 § 132. Powers. The [~~state~~] gaming inspector general shall have the  
35 power to:

36 1. subpoena and enforce the attendance of witnesses;

37 2. administer oaths or affirmations and examine witnesses under oath;

38 3. require the production of any books and papers deemed relevant or  
39 material to any investigation, examination or review;

40 4. notwithstanding any law to the contrary, examine and copy or remove  
41 documents or records of any kind prepared, maintained or held by the  
42 commission;

43 5. require any commission officer or employee to answer questions  
44 concerning any matter related to the performance of his or her official  
45 duties. The refusal of any officer or employee to answer questions  
46 shall be cause for removal from office or employment or other appropri-  
47 ate penalty;

48 6. monitor the implementation by the commission of any recommendations  
49 made by the state inspector general; and

50 7. perform any other functions that are necessary or appropriate to  
51 fulfill the duties and responsibilities of the office.

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

55 § 133. Responsibilities of the commission and its officers and employ-  
56 ees. 1. Every commission officer or employee shall report promptly to

1 the [state] gaming inspector general any information concerning  
 2 corruption, fraud, criminal activity, conflicts of interest or abuse by  
 3 another state officer or employee relating to his or her office or  
 4 employment, or by a person having business dealings with the commission  
 5 relating to those dealings. The knowing failure of any officer or  
 6 employee to so report shall be cause for removal from office or employ-  
 7 ment or other appropriate penalty under this article. Any officer or  
 8 employee who acts pursuant to this subdivision by reporting to the  
 9 [state] gaming inspector general or other appropriate law enforcement  
 10 official improper governmental action as defined in section seventy-  
 11 five-b of the civil service law shall not be subject to dismissal,  
 12 discipline or other adverse personnel action.

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

17 § 7. The racing, pari-mutuel wagering and breeding law is amended by  
 18 adding a new section 134 to read as follows:

19 § 134. Transfer of employees. Upon the transfer of functions, powers,  
 20 duties and obligations to the office of the state inspector general  
 21 pursuant to this article, provision shall be made for the transfer of  
 22 all gaming inspector general employees from within the gaming commission  
 23 into the office of the state inspector general. Any employees trans-  
 24 ferred shall be transferred in accordance with the provisions of section  
 25 seventy of the civil service law. Employees so transferred shall be  
 26 transferred without further examination or qualification to the same or  
 27 similar titles, shall remain in the same collective bargaining units and  
 28 shall retain their respective civil service classifications, status and  
 29 rights pursuant to their collective bargaining units and collective  
 30 bargaining agreements.

31 § 8. The racing, pari-mutuel wagering and breeding law is amended by  
 32 adding a new section 135 to read as follows:

33 § 135. Transfer of records. All books, papers, records and property of  
 34 the gaming inspector general within the gaming commission with respect  
 35 to the functions, powers, duties and obligations transferred by  
 36 section one hundred thirty of this article, are to be delivered to the  
 37 appropriate successor offices within the office of the state inspector  
 38 general, at such place and time, and in such manner as the office of  
 39 the state inspector general may require.

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

42 PART DD

43 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
 44 racing, pari-mutuel wagering and breeding law, as amended by section 1  
 45 of part Z of chapter 59 of the laws of 2020, is amended to read as  
 46 follows:

47 (a) Any racing association or corporation or regional off-track  
 48 betting corporation, authorized to conduct pari-mutuel wagering under  
 49 this chapter, desiring to display the simulcast of horse races on which  
 50 pari-mutuel betting shall be permitted in the manner and subject to the  
 51 conditions provided for in this article may apply to the commission for  
 52 a license so to do. Applications for licenses shall be in such form as  
 53 may be prescribed by the commission and shall contain such information  
 54 or other material or evidence as the commission may require. No license

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

47 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
48 1007 of the racing, pari-mutuel wagering and breeding law, as separately  
49 amended by chapter 243 and section 2 of part Z of chapter 59 of the laws  
50 of 2020, is amended to read as follows:

51 (iii) Of the sums retained by a receiving track located in Westchester  
52 county on races received from a franchised corporation, for the period  
53 commencing January first, two thousand eight and continuing through June  
54 thirtieth, two thousand [~~twenty-one~~] twenty-two, the amount used exclu-  
55 sively for purses to be awarded at races conducted by such receiving  
56 track shall be computed as follows: of the sums so retained, two and

1 one-half percent of the total pools. Such amount shall be increased or  
2 decreased in the amount of fifty percent of the difference in total  
3 commissions determined by comparing the total commissions available  
4 after July twenty-first, nineteen hundred ninety-five to the total  
5 commissions that would have been available to such track prior to July  
6 twenty-first, nineteen hundred ninety-five.

7 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
8 racing, pari-mutuel wagering and breeding law, as separately amended by  
9 section 3 of part Z of chapter 59 and chapter 243 of the laws of 2020,  
10 is amended to read as follows:

11 The provisions of this section shall govern the simulcasting of races  
12 conducted at thoroughbred tracks located in another state or country on  
13 any day during which a franchised corporation is conducting a race meet-  
14 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
15 thirtieth, two thousand [~~twenty-one~~] twenty-two and on any day regard-  
16 less of whether or not a franchised corporation is conducting a race  
17 meeting in Saratoga county at Saratoga thoroughbred racetrack after June  
18 thirtieth, two thousand [~~twenty-one~~] twenty-two. On any day on which a  
19 franchised corporation has not scheduled a racing program but a  
20 thoroughbred racing corporation located within the state is conducting  
21 racing, each off-track betting corporation branch office and each simul-  
22 casting facility licensed in accordance with section one thousand seven  
23 (that has entered into a written agreement with such facility's repre-  
24 sentative horsemen's organization, as approved by the commission), one  
25 thousand eight, or one thousand nine of this article shall be authorized  
26 to accept wagers and display the live simulcast signal from thoroughbred  
27 tracks located in another state or foreign country subject to the  
28 following provisions:

29 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
30 and breeding law, as amended by section 4 of part Z of chapter 59 of the  
31 laws of 2020, is amended to read as follows:

32 1. The provisions of this section shall govern the simulcasting of  
33 races conducted at harness tracks located in another state or country  
34 during the period July first, nineteen hundred ninety-four through June  
35 thirtieth, two thousand [~~twenty-one~~] twenty-two. This section shall  
36 supersede all inconsistent provisions of this chapter.

37 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
38 racing, pari-mutuel wagering and breeding law, as amended by section 5  
39 of part Z of chapter 59 of the laws of 2020, is amended to read as  
40 follows:

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

1 required of a franchised corporation licensed in accordance with section  
2 one thousand seven of this article:

3 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
4 wagering and breeding law, as amended by section 6 of part Z of chapter  
5 59 of the laws of 2020, is amended to read as follows:

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

21 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
22 racing, pari-mutuel wagering and breeding law and other laws relating to  
23 simulcasting, as amended by section 7 of part Z of chapter 59 of the  
24 laws of 2020, is amended to read as follows:

25 § 32. This act shall take effect immediately and the pari-mutuel tax  
26 reductions in section six of this act shall expire and be deemed  
27 repealed on July 1, [~~2021~~] 2022; provided, however, that nothing  
28 contained herein shall be deemed to affect the application, qualifica-  
29 tion, expiration, or repeal of any provision of law amended by any  
30 section of this act, and such provisions shall be applied or qualified  
31 or shall expire or be deemed repealed in the same manner, to the same  
32 extent and on the same date as the case may be as otherwise provided by  
33 law; provided further, however, that sections twenty-three and twenty-  
34 five of this act shall remain in full force and effect only until May 1,  
35 1997 and at such time shall be deemed to be repealed.

36 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
37 racing, pari-mutuel wagering and breeding law and other laws relating to  
38 simulcasting and the imposition of certain taxes, as amended by section  
39 8 of part Z of chapter 59 of the laws of 2020, is amended to read as  
40 follows:

41 § 54. This act shall take effect immediately; provided, however,  
42 sections three through twelve of this act shall take effect on January  
43 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
44 ing law, as added by section thirty-eight of this act, shall expire and  
45 be deemed repealed on July 1, [~~2021~~] 2022; and section eighteen of this  
46 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
47 two of this act shall take effect as of the same date as chapter 772 of  
48 the laws of 1989 took effect.

49 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
50 pari-mutuel wagering and breeding law, as separately amended by section  
51 9 of part Z of chapter 59 and chapter 243 of the laws of 2020, is  
52 amended to read as follows:

53 (a) The franchised corporation authorized under this chapter to  
54 conduct pari-mutuel betting at a race meeting or races run thereat shall  
55 distribute all sums deposited in any pari-mutuel pool to the holders of  
56 winning tickets therein, provided such tickets are presented for payment



1 before April first of the year following the year of their purchase,  
2 less an amount that shall be established and retained by such franchised  
3 corporation of between twelve to seventeen percent of the total deposits  
4 in pools resulting from on-track regular bets, and fourteen to twenty-  
5 one percent of the total deposits in pools resulting from on-track  
6 multiple bets and fifteen to twenty-five percent of the total deposits  
7 in pools resulting from on-track exotic bets and fifteen to thirty-six  
8 percent of the total deposits in pools resulting from on-track super  
9 exotic bets, plus the breaks. The retention rate to be established is  
10 subject to the prior approval of the commission.

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

33 For the period April first, two thousand one through December thirty-  
34 first, two thousand [~~twenty-one~~] ~~twenty-two~~, such tax on all wagers  
35 shall be one and six-tenths percent, plus, in each such period, twenty  
36 percent of the breaks. Payment to the New York state thoroughbred breed-  
37 ing and development fund by such franchised corporation shall be one-  
38 half of one percent of total daily on-track pari-mutuel pools resulting  
39 from regular, multiple and exotic bets and three percent of super exotic  
40 bets and for the period April first, two thousand one through December  
41 thirty-first, two thousand [~~twenty-one~~] ~~twenty-two~~, such payment shall  
42 be seven-tenths of one percent of regular, multiple and exotic pools.

43 § 10. This act shall take effect immediately.

44

#### PART EE

45 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006  
46 amending the tax law and other laws relating to providing exemptions,  
47 reimbursements and credits from various taxes for certain alternative  
48 fuels, as amended by section 1 of part U of chapter 60 of the laws of  
49 2016, is amended to read as follows:

50 § 19. This act shall take effect immediately; provided, however, that  
51 sections one through thirteen of this act shall take effect September 1,  
52 2006 and shall be deemed repealed on September 1, [~~2021~~] ~~2026~~ and such  
53 repeal shall apply in accordance with the applicable transitional  
54 provisions of sections 1106 and 1217 of the tax law, and shall apply to

1 sales made, fuel compounded or manufactured, and uses occurring on or  
2 after such date, and with respect to sections seven through eleven of  
3 this act, in accordance with applicable transitional provisions of  
4 sections 1106 and 1217 of the tax law; provided, however, that the  
5 commissioner of taxation and finance shall be authorized on and after  
6 the date this act shall have become a law to adopt and amend any rules  
7 or regulations and to take any steps necessary to implement the  
8 provisions of this act; provided further that sections fourteen through  
9 sixteen of this act shall take effect immediately and shall apply to  
10 taxable years beginning on or after January 1, 2006.  
11 § 2. This act shall take effect immediately.

12

## PART FF

13 Section 1. Subsection (e) of section 42 of the tax law, as added by  
14 section 1 of part RR of chapter 60 of the laws of 2016, is amended to  
15 read as follows:

16 (e) For taxable years beginning on or after January first, two thou-  
17 sand seventeen and before January first, two thousand eighteen, the  
18 amount of the credit allowed under this section shall be equal to the  
19 product of the total number of eligible farm employees and two hundred  
20 fifty dollars. For taxable years beginning on or after January first,  
21 two thousand eighteen and before January first, two thousand nineteen,  
22 the amount of the credit allowed under this section shall be equal to  
23 the product of the total number of eligible farm employees and three  
24 hundred dollars. For taxable years beginning on or after January first,  
25 two thousand nineteen and before January first, two thousand twenty,  
26 the amount of the credit allowed under this section shall be equal to the  
27 product of the total number of eligible farm employees and five hundred  
28 dollars. For taxable years beginning on or after January first, two  
29 thousand twenty and before January first, two thousand twenty-one, the  
30 amount of the credit allowed under this section shall be equal to the  
31 product of the total number of eligible farm employees and four hundred  
32 dollars. For taxable years beginning on or after January first, two  
33 thousand twenty-one and before January first, two thousand [~~twenty-two~~]  
34 twenty-five, the amount of the credit allowed under this section shall  
35 be equal to the product of the total number of eligible farm employees  
36 and six hundred dollars.

37 § 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending  
38 the tax law relating to creating a farm workforce retention credit is  
39 amended to read as follows:

40 § 5. This act shall take effect immediately and shall apply only to  
41 taxable years beginning on or after January 1, 2017 and before January  
42 1, [~~2022~~] 2025.

43 § 3. This act shall take effect immediately.

44

## PART GG

45 Section 1. Subdivision 4 of section 22 of the public housing law, as  
46 amended by section 5 of part H of chapter 60 of the laws of 2016, is  
47 amended to read as follows:

48 4. Statewide limitation. The aggregate dollar amount of credit which  
49 the commissioner may allocate to eligible low-income buildings under  
50 this article shall be one hundred [~~four~~] nineteen million dollars. The  
51 limitation provided by this subdivision applies only to allocation of  
52 the aggregate dollar amount of credit by the commissioner, and does not

1 apply to allowance to a taxpayer of the credit with respect to an eligi-  
2 ble low-income building for each year of the credit period.

3 § 2. Subdivision 4 of section 22 of the public housing law, as amended  
4 by section one of this act, is amended to read as follows:

5 4. Statewide limitation. The aggregate dollar amount of credit which  
6 the commissioner may allocate to eligible low-income buildings under  
7 this article shall be one hundred [~~nineteen~~] thirty-four million  
8 dollars. The limitation provided by this subdivision applies only to  
9 allocation of the aggregate dollar amount of credit by the commissioner,  
10 and does not apply to allowance to a taxpayer of the credit with respect  
11 to an eligible low-income building for each year of the credit period.

12 § 3. Subdivision 4 of section 22 of the public housing law, as amended  
13 by section two of this act, is amended to read as follows:

14 4. Statewide limitation. The aggregate dollar amount of credit which  
15 the commissioner may allocate to eligible low-income buildings under  
16 this article shall be one hundred [~~thirty-four~~] forty-nine million  
17 dollars. The limitation provided by this subdivision applies only to  
18 allocation of the aggregate dollar amount of credit by the commissioner,  
19 and does not apply to allowance to a taxpayer of the credit with respect  
20 to an eligible low-income building for each year of the credit period.

21 § 4. Subdivision 4 of section 22 of the public housing law, as amended  
22 by section three of this act, is amended to read as follows:

23 4. Statewide limitation. The aggregate dollar amount of credit which  
24 the commissioner may allocate to eligible low-income buildings under  
25 this article shall be one hundred [~~forty-nine~~] sixty-four million  
26 dollars. The limitation provided by this subdivision applies only to  
27 allocation of the aggregate dollar amount of credit by the commissioner,  
28 and does not apply to allowance to a taxpayer of the credit with respect  
29 to an eligible low-income building for each year of the credit period.

30 § 5. Subdivision 4 of section 22 of the public housing law, as amended  
31 by section four of this act, is amended to read as follows:

32 4. Statewide limitation. The aggregate dollar amount of credit which  
33 the commissioner may allocate to eligible low-income buildings under  
34 this article shall be one hundred [~~sixty-four~~] seventy-nine million  
35 dollars. The limitation provided by this subdivision applies only to  
36 allocation of the aggregate dollar amount of credit by the commissioner,  
37 and does not apply to allowance to a taxpayer of the credit with respect  
38 to an eligible low-income building for each year of the credit period.

39 § 6. This act shall take effect immediately; provided, however,  
40 section two of this act shall take effect April 1, 2022; section three  
41 of this act shall take effect April 1, 2023; section four of this act  
42 shall take effect April 1, 2024; and section five of this act shall take  
43 effect April 1, 2025.

44

## PART HH

45 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,  
46 amending the tax law relating to a musical and theatrical production  
47 credit, as amended by section 1 of part III of chapter 59 of the laws of  
48 2018, is amended to read as follows:

49 § 5. This act shall take effect immediately, provided that section two  
50 of this act shall take effect on January 1, 2015, and shall apply to  
51 taxable years beginning on or after January 1, 2015, with respect to  
52 "qualified production expenditures" and "transportation expenditures"  
53 paid or incurred on or after such effective date, regardless of whether  
54 the production of the qualified musical or theatrical production

1 commenced before such date, provided further that this act shall expire  
2 and be deemed repealed [~~8 years after such date~~] January 1, 2026.

3 § 2. Paragraph 1 of subdivision (e) of section 24-a of the tax law, as  
4 added by section 1 of part HH of chapter 59 of the laws of 2014, is  
5 amended to read as follows:

6 (1) The aggregate amount of tax credits allowed under this section,  
7 subdivision forty-seven of section two hundred ten-B and subsection (u)  
8 of section six hundred six of this chapter in any calendar year shall be  
9 [~~four~~] eight million dollars. Such aggregate amount of credits shall be  
10 allocated by the department of economic development among taxpayers in  
11 order of priority based upon the date of filing an application for allo-  
12 cation of musical and theatrical production credit with such department.  
13 If the total amount of allocated credits applied for in any particular  
14 year exceeds the aggregate amount of tax credits allowed for such year  
15 under this section, such excess shall be treated as having been applied  
16 for on the first day of the subsequent year.

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

21

## PART II

22 Section 1. Paragraph (a) and subparagraph 2 of paragraph (b) of subdi-  
23 vision 29 of section 210-B of the tax law, as amended by section 1 of  
24 part B of chapter 59 of the laws of 2020, are amended to read as  
25 follows:

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

38 (2) who commences employment by the qualified taxpayer on or after  
39 January first, two thousand fourteen, and before January first, two  
40 thousand [~~twenty-one~~] twenty-three; and

41 § 2. Paragraph 1 and subparagraph (B) of paragraph 2 of subsection  
42 (a-2) of section 606 of the tax law, as amended by section 2 of part B  
43 of chapter 59 of the laws of 2020, are amended to read as follows:

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

1 for this credit in the basis of any other credit allowed under this  
2 article.

3 (B) who commences employment by the qualified taxpayer on or after  
4 January first, two thousand fourteen, and before January first, two  
5 thousand [~~twenty-one~~] twenty-three; and

6 § 3. Paragraph 1 and subparagraph (B) of paragraph 2 of subdivision  
7 (g-1) of section 1511 of the tax law, as amended by section 3 of part B  
8 of chapter 59 of the laws of 2020, are amended to read as follows:

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

21 (B) who commences employment by the qualified taxpayer on or after  
22 January first, two thousand fourteen, and before January first, two  
23 thousand [~~twenty-one~~] twenty-three; and

24 § 4. This act shall take effect immediately.

25 PART JJ

26 Section 1. Section 12 of part V of chapter 61 of the laws of 2011,  
27 amending the economic development law, the tax law and the real property  
28 tax law, relating to establishing the economic transformation and facil-  
29 ity redevelopment program and providing tax benefits under that program,  
30 is amended to read as follows:

31 § 12. This act shall take effect immediately and shall expire and be  
32 deemed repealed December 31, [~~2021~~] 2022.

33 § 2. Paragraph (a) of subdivision 11 of section 400 of the economic  
34 development law, as amended by section 11 of part GG of chapter 58 of the  
35 laws of 2020, is amended to read as follows:

36 (a) a correctional facility, as defined in paragraph (a) of subdivi-  
37 sion four of section two of the correction law, that has been selected  
38 by the governor of the state of New York for closure after April first,  
39 two thousand eleven but no later than March thirty-first, two thousand  
40 [~~twenty-one~~] twenty-two; or

41 § 3. This act shall take effect immediately; provided, however, that  
42 the amendments to section 400 of the economic development law made by  
43 section two of this act shall not affect the repeal of such section and  
44 shall be deemed repealed therewith.

45 PART KK

46 Intentionally Omitted

47 PART LL

48 Intentionally Omitted

49 PART MM



1 Section 1. Paragraph 1 of subsection (d) of section 606 of the tax  
2 law, as amended by section 1 of part Q of chapter 63 of the laws of  
3 2000, is amended to read as follows:

4 (1) General. A taxpayer shall be allowed a credit as provided herein  
5 equal to (i) the applicable percentage of the earned income credit  
6 allowed under section thirty-two of the internal revenue code for the  
7 same taxable year, (ii) reduced by the credit permitted under subsection  
8 (b) of this section.

9 The applicable percentage shall be (i) seven and one-half percent for  
10 taxable years beginning in nineteen hundred ninety-four, (ii) ten  
11 percent for taxable years beginning in nineteen hundred ninety-five,  
12 (iii) twenty percent for taxable years beginning after nineteen hundred  
13 ninety-five and before two thousand, (iv) twenty-two and one-half  
14 percent for taxable years beginning in two thousand, (v) twenty-five  
15 percent for taxable years beginning in two thousand one, (vi) twenty-  
16 seven and one-half percent for taxable years beginning in two thousand  
17 two, ~~[and]~~ (vii) thirty percent for taxable years beginning in two thou-  
18 sand three, and (viii) forty percent for taxable years beginning in two  
19 thousand twenty-one and thereafter. ~~[Provided, however, that if the~~  
20 ~~reversion event, as defined in this paragraph, occurs, the applicable~~  
21 ~~percentage shall be twenty percent for taxable years ending on or after~~  
22 ~~the date on which the reversion event occurred. The reversion event~~  
23 ~~shall be deemed to have occurred on the date on which federal action,~~  
24 ~~including but not limited to, administrative, statutory or regulatory~~  
25 ~~changes, materially reduces or eliminates New York state's allocation of~~  
26 ~~the federal temporary assistance for needy families block grant, or~~  
27 ~~materially reduces the ability of the state to spend federal temporary~~  
28 ~~assistance for needy families block grant funds for the earned income~~  
29 ~~credit or to apply state general fund spending on the earned income~~  
30 ~~credit toward the temporary assistance for needy families block grant~~  
31 ~~maintenance of effort requirement, and the commissioner of the office of~~  
32 ~~temporary and disability assistance shall certify the date of such event~~  
33 ~~to the commissioner of taxation and finance, the director of the divi-~~  
34 ~~sion of the budget, the speaker of the assembly and the temporary presi-~~  
35 ~~dent of the senate.]~~

36 § 2. This act shall take effect immediately and shall apply to taxable  
37 years beginning on or after January 1, 2021.

38 PART NN

39 Section 1. The tax law is amended by adding a new section 601-b to  
40 read as follows:

41 § 601-b. Additional tax on capital gains. (a) There is hereby  
42 imposed, in addition to the tax imposed under section six hundred one of  
43 this article, an additional tax on capital gains.

44 (b) Capital gains shall mean the amount of an individual's New York  
45 taxable income attributable to adjusted net capital gain, as defined in  
46 subparagraph (3) of section 1(h) of the internal revenue code.

47 (c) The additional tax imposed under this section shall be equal to  
48 one percent.

49 (d) This section shall not apply to the taxpayers subject to  
50 subsections (a), (b), and (c) of section six hundred one of this part  
51 with a New York taxable income less than one million dollars.

52 (e) The department may adopt rules and regulations as necessary to  
53 implement the provisions of this section.

1 § 2. This act shall take effect immediately, and shall apply to taxa-  
2 ble years beginning on or after January 1, 2021.

3 PART OO

4 Section 1. The tax law is amended by adding a new section 183-b to  
5 read as follows:

6 § 183-b. Business tax surcharge on transportation and transmission  
7 corporations. 1. In addition to the tax imposed by sections one hundred  
8 eighty-three and one hundred eighty-three-a of this article, every  
9 corporation, joint-stock company or association that is subject to  
10 section one hundred eighty-three of this article, shall pay for the  
11 privilege of exercising its corporate franchise, or doing business, or  
12 of employing capital, or of owning or leasing property in such corporate  
13 or organized capacity, or of maintaining an office in such district, a  
14 tax surcharge shall be computed at the rate of eighteen percent of the  
15 tax imposed under section one hundred eighty-three of this article;  
16 provided, however, that such surcharge shall be applied only if the  
17 highest taxable base calculated under section one hundred eighty-three  
18 of this article is more than seventy-five thousand dollars.

19 2. Notwithstanding any contrary provisions of state or local law, the  
20 tax surcharge imposed under this section shall not be allowed as a  
21 deduction in the computation of any state or local tax imposed under  
22 this chapter or any chapter or local law. Furthermore, the credits  
23 otherwise allowable under this article shall not be allowed against the  
24 tax surcharge imposed by this section.

25 § 2. The tax law is amended by adding a new section 184-b to read as  
26 follows:

27 § 184-b. Business tax surcharge on transportation and transmission  
28 corporations. 1. In addition to the tax imposed by sections one hundred  
29 eighty-four and one hundred eighty-four-a of this article, every corpo-  
30 ration, joint-stock company or association, shall pay for the privilege  
31 of exercising its corporate franchise, or of doing business, or of  
32 employing capital, or of owning or leasing property in the state in such  
33 corporate or organized capacity, or of maintaining an office in such  
34 district, a tax surcharge, which tax surcharge, shall be computed at the  
35 rate of eighteen percent of the tax imposed under section one hundred  
36 eighty-four of this article for taxable years; provided, however, that  
37 such surcharge shall be applied only if the gross earnings calculated  
38 under section one hundred eighty-four of this article is more than twen-  
39 ty million dollars.

40 2. Notwithstanding any contrary provisions of state or local law, the  
41 tax surcharge imposed under this section shall not be allowed as a  
42 deduction in the computation of any state or local tax imposed under  
43 this chapter or any chapter or local law. Furthermore, the credits  
44 otherwise allowable under this article shall not be allowed against the  
45 tax surcharge imposed by this section.

46 § 3. The tax law is amended by adding a new section 186-h to read as  
47 follows:

48 § 186-h. Business tax surcharge on utility and telecommunication  
49 services. 1. (a) Every provider of telecommunication services doing  
50 business in the state shall pay a tax surcharge, in addition to the tax  
51 imposed by paragraph (a) of subdivision one of sections one hundred  
52 eighty-six-a and one hundred eighty-six-c of this article, to be  
53 computed at the rate of eighteen percent of the tax imposed under such  
54 sections. Provided however, such tax surcharge shall only be applied if

1 the gross income calculated under paragraph (a) of subdivision one of  
2 section one hundred eighty-six-a of this article is more than one  
3 million five hundred thousand dollars.

4 (b) Every utility and every other utility doing business in the state  
5 shall pay a tax surcharge in addition to tax imposed by paragraph (b) or  
6 (c) of subdivision one of section one hundred eighty-six-a and section  
7 one hundred eighty-six-c of this article, to be computed at the rate of  
8 eighteen percent of the tax imposed under paragraph (b) or (c) of subdivi-  
9 vision one of section one hundred eighty-six-a of this article.  
10 Provided, however, that such surcharge shall only be applied if the  
11 gross income calculated under such paragraph of section one hundred  
12 eighty-six-a is more than three hundred million dollars.

13 (c) Notwithstanding any other provision of state or local law, the tax  
14 surcharge imposed by this section shall not be allowed as a deduction  
15 and shall, to the extent deductible in determining federal adjusted  
16 gross income, be added to federal adjusted gross income, in the computa-  
17 tion of any tax imposed under this chapter or any other chapter of state  
18 or local law. Furthermore, the credits otherwise allowable under this  
19 article shall not be allowed against the tax surcharge imposed by this  
20 section.

21 2. (a) There is hereby imposed a surcharge on the gross receipts from  
22 telecommunication services, in addition to the excise tax imposed by  
23 subparagraph one of paragraph (a) of subdivision two of section one  
24 hundred eighty-six-e of this article, at the rate of eighteen percent of  
25 the tax imposed by subparagraph one of paragraph (a) of subdivision two  
26 of section one hundred eighty-six-e of this article and such surcharge  
27 shall only be applied if the gross receipts calculated under such  
28 section is more than fifty million dollars.

29 (b) There is hereby imposed a surcharge on the gross receipts from  
30 mobile telecommunication services, in addition to the excise tax imposed  
31 by subparagraph two of paragraph (a) of subdivision two of section one  
32 hundred eighty-six-e of this article, at the rate of eighteen percent of  
33 the tax imposed by subparagraph two of paragraph (a) of subdivision two  
34 of section one hundred eighty-six-e of this article and such tax  
35 surcharge shall only be applied if the gross receipts calculated under  
36 such section is more than fifty million dollars.

37 (c) All the definitions and other provisions of section one hundred  
38 eighty-six-e of this article shall apply to the tax imposed by this  
39 subdivision with such modification and limitation as may be necessary in  
40 order to adapt the language of such section one hundred eighty-six-e of  
41 this article to the surcharge imposed by this subdivision within the  
42 state so as to include any mobile telecommunications service provided by  
43 a home service provider where the mobile telecommunications customer's  
44 place of primary use is within the state.

45 3. Notwithstanding any other provision of state or local law, the tax  
46 surcharge imposed by this section shall not be allowed as a deduction  
47 and shall, to the extent deductible in determining federal adjusted  
48 gross income, be added to federal adjusted gross income, in the computa-  
49 tion of any tax imposed under this chapter or any other chapter of state  
50 or local law. Furthermore, the credits otherwise allowable under this  
51 article shall not be allowed against the tax surcharge imposed by this  
52 section.

53 § 4. The tax law is amended by adding a new section 209-N to read as  
54 follows:

55 § 209-N. Business tax surcharge on franchise corporations. 1. (a) For  
56 the privilege of exercising its corporate franchise, or of doing busi-

1 ness, or of employing capital, or of owning or leasing property in a  
2 corporate or organized capacity, or of maintaining an office, or of  
3 deriving receipts from activity in the state, for all or any part of its  
4 taxable year, there is hereby imposed on every corporation, other than a  
5 New York S corporation, subject to tax under section two hundred nine of  
6 this article, or any receiver, referee, trustee, assignee or other fidu-  
7 ciary, or any officer or agent appointed by any court, who conducts the  
8 business of any such corporation, a tax surcharge, in addition to the  
9 tax imposed under sections two hundred nine and two hundred nine-b of  
10 this article, to be computed at the rate of eighteen percent of the tax  
11 imposed under section two hundred nine of this article. Provided, howev-  
12 er, this surcharge shall only be applied if the entire net income of the  
13 taxpayer calculated under such section is more than one million dollars.

14 (b) All the definitions and other provisions of section two hundred  
15 nine of this article shall apply to the tax imposed by this section with  
16 such modification and limitation as may be necessary in order to adapt  
17 the language of such section two hundred nine of this article to the  
18 surcharge imposed by this section.

19 2. Notwithstanding any contrary provisions of state or local law, the  
20 tax surcharge imposed under this section shall not be allowed as a  
21 deduction in the computation of any tax imposed under this chapter.  
22 Furthermore, the credits otherwise allowable under this article shall  
23 not be allowed against the tax surcharge imposed by this section.

24 § 5. The tax law is amended by adding a new section 1506 to read as  
25 follows:

26 § 1506. Business tax surcharge on insurance corporations. (a) Every  
27 domestic insurance corporation and every foreign or alien insurance  
28 corporation, and every life insurance corporation described in subdivi-  
29 sion (b) of section fifteen hundred one of this article, for the privi-  
30 lege of exercising its corporate franchise, or of doing business, or of  
31 employing capital, or of owning or leasing property within the state in  
32 a corporate or organized capacity, or of maintaining an office in the  
33 state, except corporations specified in subdivision (c) of section  
34 fifteen hundred twelve of this article, shall pay, in addition to the  
35 taxes otherwise imposed by this article, a tax surcharge on the taxes  
36 imposed under this article after the deduction of any credits otherwise  
37 allowable under this article as allocated to such district.

38 (b) Such tax surcharge shall be computed at the rate of eighteen  
39 percent of the taxes imposed under sections fifteen hundred one, fifteen  
40 hundred two-a, and fifteen hundred ten of this article, as limited or  
41 otherwise determined by subdivision (a) or (b) of section fifteen  
42 hundred five of this article, after the deduction of any credits other-  
43 wise allowable under this article. Provided, however, such surcharge  
44 shall only be applied, in case of life insurance corporations, if the  
45 entire net income calculated under section fifteen hundred three is more  
46 than two million dollars; and in case of non-life insurance corpo-  
47 rations, the surcharge shall only be applied if the gross direct premi-  
48 ums less return premiums written on risks located or resident in this  
49 state that are subject to the tax under section fifteen hundred two-a  
50 and fifteen hundred ten of this article is more than fifty million  
51 dollars.

52 (c) Notwithstanding any contrary provisions of state or local law, the  
53 tax surcharge imposed under this section shall not be allowed as a  
54 deduction in the computation of any state or local tax imposed under  
55 this chapter or any chapter or local law. The credits set forth in

1 section fifteen hundred eleven of this article shall not be allowed  
2 against the tax surcharge imposed by this section.

3 (d) (1) If, by the laws of any state other than this state, or by the  
4 action of any public official of such other state, any insurer organized  
5 or domiciled in this state, or the duly authorized agents thereof,  
6 subject to the business tax surcharge imposed by this section shall be  
7 required to pay taxes for the privilege of doing business in such other  
8 state which taxes are imposed or assessed because of the taxes imposed  
9 or assessed under this section, in computing the tax imposed by this  
10 section a credit shall be allowed for taxes paid to other states, which  
11 credit shall be determined pursuant to the provisions of this section;  
12 provided, however, the credit allowed any insurer under this subdivision  
13 shall in no event be greater than the tax surcharge payable by such  
14 insurer pursuant to this section for the taxable year with respect to  
15 which such amount has been imposed or assessed by such other states.

16 (2) In addition to any other requirements of this article, an insurer  
17 claiming a credit under this subdivision shall attach to the returns  
18 required pursuant to this section and section fifteen hundred fifteen of  
19 this article a computation identifying the credit attributable to taxes  
20 paid to other states because of the tax surcharge imposed by this  
21 section, which credit shall be further broken down to reflect amounts  
22 and taxable years to which the retaliatory taxes giving rise to the  
23 credit relate. The credit attributable to taxes paid to other states  
24 because of the tax surcharge imposed by this section shall be the  
25 difference between:(i) the credit which would be claimed by the insurer  
26 pursuant to subdivision (c) of section fifteen hundred eleven of this  
27 article if the tax surcharge imposed by this section were permitted in  
28 the computation of such credit, and (ii) the credit which is claimed by  
29 such insurer pursuant to such subdivision (c).

30 (3) To the extent not inconsistent with the provisions of this subdivi-  
31 vision, the provisions of paragraphs four and five of subdivision (c) of  
32 section fifteen hundred eleven of this article shall apply with respect  
33 to the credit allowed under this subdivision.

34 (4) No credit against taxes paid to other jurisdictions under subdivi-  
35 sion (c) of section fifteen hundred eleven of this article shall be  
36 allowed for any taxes paid under this section by any domestic insurance  
37 corporation, including life insurance corporations subject to tax under  
38 this section.

39 § 6. Subdivision 1 of section 197-a of the tax law, as amended by  
40 section 8 of part Y of chapter 63 of the laws of 2000, is amended to  
41 read as follows:

42 1. Every taxpayer subject to the taxes imposed under sections one  
43 hundred eighty-two, one hundred eighty-two-a, former section one hundred  
44 eighty-two-b, one hundred eighty-four, one hundred eighty-six-a or one  
45 hundred eighty-six-e of this article shall make a declaration of its  
46 estimated tax for the current taxable year, containing such information  
47 as the commissioner may prescribe by regulations or instructions, if  
48 such estimated tax can reasonably be expected to exceed one thousand  
49 dollars. If a taxpayer is subject to the tax surcharge imposed under  
50 section one hundred eighty-four-a or one hundred eighty-six-c of this  
51 article ~~and~~, such taxpayer's estimated tax under section one hundred  
52 eighty-four or one hundred eighty-six-a of this article and such taxpay-  
53 er's estimated tax under section one hundred eighty-three-b, one hundred  
54 eighty-four-b or one hundred eighty-six-h of this article, respectively,  
55 can reasonably be expected to exceed one thousand dollars, such taxpayer



1 shall also make a declaration of its estimated tax surcharge for the  
2 current taxable year.

3 § 7. Paragraph (a) of subdivision 1 of section 197-b of the tax law,  
4 as amended by section 7 of part Q of chapter 60 of the laws of 2016, is  
5 amended to read as follows:

6 (a) For taxable years beginning on or after January first, nineteen  
7 hundred seventy-seven, every taxpayer subject to tax under section one  
8 hundred eighty-four, one hundred eighty-six-a or one hundred  
9 eighty-six-e of this article, must pay in each year an amount equal to  
10 (i) twenty-five percent of the tax imposed under each of such sections  
11 for the second preceding taxable year if the second preceding year's tax  
12 exceeded one thousand dollars but was equal to or less than one hundred  
13 thousand dollars, or (ii) forty percent of the tax imposed under any of  
14 these sections for the second preceding taxable year if the second  
15 preceding year's tax exceeded one hundred thousand dollars. If the  
16 second preceding year's tax under section one hundred eighty-four, one  
17 hundred eighty-six-a or one hundred eighty-six-e of this article  
18 exceeded one thousand dollars and the taxpayer is subject to the tax  
19 surcharge imposed by section one hundred eighty-four-a [~~ex~~], one hundred  
20 eighty-six-c, one hundred eighty-three-b, one hundred eight-four-b, or  
21 one hundred eighty-six-h of this article, respectively, the taxpayer  
22 must also pay in each such year an amount equal to (i) twenty-five  
23 percent of the tax surcharge imposed under such section for the second  
24 preceding taxable year if the second preceding year's tax exceeded one  
25 thousand dollars but was equal to or less than one hundred thousand  
26 dollars, or (ii) forty percent of the tax surcharge imposed under that  
27 section for the second preceding taxable year if the second preceding  
28 year's tax exceeded one hundred thousand dollars. The amount or amounts  
29 must be paid with the return or report required to be filed with respect  
30 to the tax or tax surcharge for the preceding taxable year or with an  
31 application for extension of the time for filing the return or report,  
32 for taxable years beginning before January first, two thousand sixteen.  
33 The amount or amounts that must be paid with respect to the tax or tax  
34 surcharge for the second preceding year must be paid on or before the  
35 fifteenth day of the third month following the close of the taxable  
36 year, for taxable years beginning on or after January first, two thou-  
37 sand sixteen.

38 § 8. Subdivision (a) of section 213-a of the tax law, as amended by  
39 chapter 166 of the laws of 1991, is amended to read as follows:

40 (a) Requirement of declaration.--Every taxpayer subject to the tax  
41 imposed by section two hundred nine of this [~~chapter~~] article shall make  
42 a declaration of its estimated tax for the current privilege period,  
43 containing such information as the commissioner of taxation and finance  
44 may prescribe by regulations or instructions, if such estimated tax can  
45 reasonably be expected to exceed one thousand dollars. If a taxpayer is  
46 subject to the tax surcharge imposed under section two hundred nine-B of  
47 this article or such taxpayer's estimated tax surcharge under section  
48 two hundred nine-N of this article and such taxpayer's estimated tax  
49 under section two hundred nine of this article can reasonably be  
50 expected to exceed one thousand dollars, such taxpayer shall also make a  
51 declaration of its estimated tax surcharge for the current privilege  
52 period.

53 § 9. Subdivision (a) of section 213-b of the tax law, as amended by  
54 section 4 of part Z of chapter 59 of the laws of 2019, is amended to  
55 read as follows:

1 (a) First installments for certain taxpayers.--In privilege periods of  
2 twelve months ending at any time during the calendar year nineteen  
3 hundred seventy and thereafter, every taxpayer subject to the tax  
4 imposed by section two hundred nine of this [~~chapter~~ article must pay  
5 with the report required to be filed for the preceding privilege period,  
6 or with an application for extension of the time for filing the report,  
7 for taxable years beginning before January first, two thousand sixteen,  
8 and must pay on or before the fifteenth day of the third month of such  
9 privilege periods, for taxable years beginning on or after January  
10 first, two thousand sixteen, an amount equal to (i) twenty-five percent  
11 of the second preceding year's tax if the second preceding year's tax  
12 exceeded one thousand dollars but was equal to or less than one hundred  
13 thousand dollars, or (ii) forty percent of the second preceding year's  
14 tax if the second preceding year's tax exceeded one hundred thousand  
15 dollars. If the second preceding year's tax under section two hundred  
16 nine of this [~~chapter~~ article exceeded one thousand dollars and the  
17 taxpayer is subject to the tax surcharge imposed by section two hundred  
18 nine-B or two hundred nine-N of this [~~chapter~~ article, the taxpayer  
19 must also pay with the tax surcharge report required to be filed for the  
20 second preceding privilege period, or with an application for extension  
21 of the time for filing the report, for taxable years beginning before  
22 January first, two thousand sixteen, and must pay on or before the  
23 fifteenth day of the third month of such privilege periods, for taxable  
24 years beginning on or after January first, two thousand sixteen, an  
25 amount equal to (i) twenty-five percent of the tax surcharge imposed for  
26 the second preceding year if the second preceding year's tax was equal  
27 to or less than one hundred thousand dollars, or (ii) forty percent of  
28 the tax surcharge imposed for the second preceding year if the second  
29 preceding year's tax exceeded one hundred thousand dollars. Provided,  
30 however, that every taxpayer that is a New York S corporation must pay  
31 with the report required to be filed for the preceding privilege period,  
32 or with an application for extension of the time for filing the report,  
33 an amount equal to (i) twenty-five percent of the preceding year's tax  
34 if the preceding year's tax exceeded one thousand dollars but was equal  
35 to or less than one hundred thousand dollars, or (ii) forty percent of  
36 the preceding year's tax if the preceding year's tax exceeded one  
37 hundred thousand dollars.

38 § 10. Subdivisions (a) and (b) of section 1513 of the tax law, subdi-  
39 vision (a) as amended by chapter 166 of the laws of 1991 and subdivision  
40 (b) as amended by section 25 of part H3 of chapter 62 of the laws of  
41 2003, are amended to read as follows:

42 (a) Requirements of declaration.--Every taxpayer subject to the taxes  
43 imposed under this article shall make a declaration of its estimated tax  
44 for the current taxable year, containing such information as the commis-  
45 sioner of taxation and finance may prescribe by regulations or  
46 instructions, if such estimated tax can reasonably be expected to exceed  
47 one thousand dollars. If a taxpayer is subject to the tax surcharge  
48 imposed by section fifteen hundred five-a of this article and such  
49 taxpayer's estimated tax under this article can (without regard to  
50 section fifteen hundred five-a or fifteen hundred six of this article)  
51 and such taxpayer's estimated tax under this article can (without regard  
52 to section fifteen hundred five-a thereof) reasonably be expected to  
53 exceed one thousand dollars, such taxpayer shall also make a declaration  
54 of its estimated tax surcharge for the current taxable year.

55 (b) Definition of estimated tax and estimated tax surcharge. The terms  
56 "estimated tax" and "estimated tax surcharge" mean the amounts which the

1 taxpayer estimates to be the taxes imposed by sections fifteen hundred  
2 one, fifteen hundred two-a and fifteen hundred ten of this article or  
3 the tax surcharge imposed by section fifteen hundred five-a or fifteen  
4 hundred six of this article, respectively, for the current taxable year,  
5 less the sum of any credits which it estimates to be allowable against  
6 such taxes or tax surcharge, respectively.

7 § 11. Paragraphs 1 and 2 of subdivision (a) of section 1514 of the tax  
8 law, paragraph 1 as amended by section 15 and paragraph 2 as amended by  
9 section 15-a of part Q of chapter 60 of the laws of 2016, are amended to  
10 read as follows:

11 (1) Except as otherwise provided in paragraph two of this subdivision,  
12 for taxable years beginning on or after January first, nineteen hundred  
13 seventy-six, every taxpayer subject to tax under this article must pay  
14 in each year an amount equal to (i) twenty-five percent of the tax  
15 imposed under this article for the second preceding taxable year if the  
16 second preceding year's tax exceeded one thousand dollars but was equal  
17 to or less than one hundred thousand dollars, or (ii) forty percent of  
18 the tax imposed under this article for the second preceding taxable year  
19 if the second preceding year's tax exceeded one hundred thousand  
20 dollars. If the second preceding year's tax exceeded one thousand  
21 dollars and the taxpayer is subject to the tax surcharge imposed by  
22 section fifteen hundred five-a or fifteen hundred six of this article,  
23 the taxpayer must also pay an amount equal to (i) twenty-five percent of  
24 the tax surcharge imposed under section fifteen hundred five-a or  
25 fifteen hundred six of this article for the second preceding taxable  
26 year if the second preceding year's tax was equal to or less than one  
27 hundred thousand dollars, or (ii) forty percent of the tax surcharge  
28 imposed for the second preceding taxable year if the second preceding  
29 year's tax exceeded one hundred thousand dollars.

30 (2) For taxable years beginning on or after January first, nineteen  
31 hundred ninety-nine, every taxpayer subject to tax under paragraph one  
32 of subdivision (b) of section fifteen hundred ten of this article shall  
33 pay in each such year an amount equal to forty percent of the tax  
34 imposed under such article for the second preceding taxable year, if  
35 such second preceding year's tax exceeded one thousand dollars. If such  
36 second preceding year's tax exceeded one thousand dollars and such  
37 taxpayer is subject to the tax surcharge imposed by section fifteen  
38 hundred five-a or fifteen hundred six of this article, such taxpayer  
39 shall also pay an amount equal to forty percent of the tax surcharge  
40 imposed under section fifteen hundred five-a or fifteen hundred six of  
41 this article for the second preceding taxable year.

42 § 12. Notwithstanding any provision of law to the contrary, in deter-  
43 mination of the amount of the estimated surcharge payment imposed by  
44 this act shall be prescribed by regulations of the commissioner of taxa-  
45 tion and finance. The commissioner of taxation and finance shall adjust  
46 the methods of such estimated surcharge payment in regard to the first  
47 taxable year beginning on or after January 1, 2021 in a manner as to  
48 result in an amount substantially equal to the tax reasonably estimated  
49 to be due for such taxable year. In addition, such commissioner shall  
50 adjust the due date on the installment payment so that the taxpayers may  
51 have reasonable time to report such payment to be made quarterly or as  
52 soon as practicable for such taxable year. Any regulations to implement  
53 the surcharge shall be adopted and become effective as soon as practica-  
54 ble and the commissioner of taxation and finance may adopt such regu-  
55 lations on an emergency basis notwithstanding anything to the contrary  
56 in the state administrative procedure act. Further, no addition to tax

1 under subsection (c) of section 1085 of the tax law shall be imposed  
2 with respect to required declarations or payments of estimated tax  
3 surcharge under this act provided that the taxpayers file such declara-  
4 tions otherwise required to be filed and payments otherwise made no  
5 later than the date determined by the commissioner on which an install-  
6 ment of estimated tax surcharge is required to be paid.

7 § 13. This act shall take effect immediately and shall apply to taxa-  
8 ble years on or after January 1, 2021 and shall expire and be deemed  
9 repealed December 31, 2025.

10

## PART PP

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

14 (iv) for taxable years beginning before January first, two thousand  
15 sixteen, if the business income base is not more than two hundred ninety  
16 thousand dollars the amount shall be six and one-half percent of the  
17 business income base; if the business income base is more than two  
18 hundred ninety thousand dollars but not over three hundred ninety thou-  
19 sand dollars the amount shall be the sum of (1) eighteen thousand eight  
20 hundred fifty dollars, (2) seven and one-tenth percent of the excess of  
21 the business income base over two hundred ninety thousand dollars but  
22 not over three hundred ninety thousand dollars and (3) four and thirty-  
23 five hundredths percent of the excess of the business income base over  
24 three hundred fifty thousand dollars but not over three hundred ninety  
25 thousand dollars. For taxable years beginning on or after January first,  
26 two thousand twenty-one the amount shall be four percent of the taxpay-  
27 er's business income base;

28 § 2. Paragraph (d) of subdivision 1 of section 210-B of the tax law,  
29 as amended by section 31 of part T of chapter 59 of the laws of 2015, is  
30 amended to read as follows:

31 (d) Except as otherwise provided in this paragraph, the credit allowed  
32 under this subdivision for any taxable year shall not reduce the tax due  
33 for such year to less than the fixed dollar minimum amount prescribed in  
34 paragraph (d) of subdivision one of section two hundred ten of this  
35 article. However, if the amount of credit allowable under this subdivi-  
36 sion for any taxable year reduces the tax to such amount or if the  
37 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
38 any amount of credit allowed for a taxable year commencing prior to  
39 January first, nineteen hundred eighty-seven and not deductible in such  
40 taxable year may be carried over to the following year or years and may  
41 be deducted from the taxpayer's tax for such year or years but in no  
42 event shall such credit be carried over to taxable years commencing on  
43 or after January first, two thousand two, and any amount of credit  
44 allowed for a taxable year commencing on or after January first, nine-  
45 teen hundred eighty-seven and not deductible in such year may be carried  
46 over to the fifteen taxable years next following such taxable year and  
47 may be deducted from the taxpayer's tax for such year or years. In lieu  
48 of such carryover, any such taxpayer which qualifies as a new business  
49 under paragraph (f) of this subdivision or a taxpayer that qualifies as  
50 an eligible farmer for purposes of paragraph (b) of subdivision eleven  
51 of this section may elect to treat the amount of such carryover as an  
52 overpayment of tax to be credited or refunded in accordance with the  
53 provisions of section ten hundred eighty-six of this chapter, provided,  
54 however, the provisions of subsection (c) of section ten hundred eight-

1 y-eight of this chapter notwithstanding, no interest shall be paid thereon.  
2

3 § 3. Paragraph 5 of subsection (a) of section 606 of the tax law, as  
4 amended by chapter 170 of the laws of 1994, is amended to read as  
5 follows:

6 (5) If the amount of credit allowable under this subsection for any  
7 taxable year shall exceed the taxpayer's tax for such year, the excess  
8 allowed for a taxable year commencing prior to January first, nineteen  
9 hundred eighty-seven may be carried over to the following year or years  
10 and may be deducted from the taxpayer's tax for such year or years, but  
11 in no event shall such credit be carried over to taxable years commencing  
12 on or after January first, nineteen hundred ninety-seven, and any  
13 amount of credit allowed for a taxable year commencing on or after January  
14 first, nineteen hundred eighty-seven and not deductible in such year  
15 may be carried over to the ten taxable years next following such taxable  
16 year and may be deducted from the taxpayer's tax for such year or years.  
17 In lieu of carrying over any such excess, a taxpayer who qualifies as an  
18 owner of a new business for purposes of paragraph ten of this subsection  
19 or a taxpayer who qualifies as an eligible farmer for purposes of paragraph  
20 two of subsection (n) of this section may, at his option, receive  
21 such excess as a refund. Any refund paid pursuant to this paragraph  
22 shall be deemed to be a refund of an overpayment of tax as provided in  
23 section six hundred eighty-six of this article, provided, however, that  
24 no interest shall be paid thereon.

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

28 (39) In the case of a taxpayer who is a small business who has business  
29 income and/or farm income as defined in the laws of the United  
30 States, an amount equal to three percent of the net items of income,  
31 gain, loss and deduction attributable to such business or farm entering  
32 into federal adjusted gross income, but not less than zero, for taxable  
33 years beginning after two thousand thirteen, an amount equal to three  
34 and three-quarters percent of the net items of income, gain, loss and  
35 deduction attributable to such business or farm entering into federal  
36 adjusted gross income, but not less than zero, for taxable years beginning  
37 after two thousand fourteen, ~~and~~ an amount equal to five percent  
38 of the net items of income, gain, loss and deduction attributable to  
39 such business or farm entering into federal adjusted gross income, but  
40 not less than zero, for taxable years beginning after two thousand  
41 fifteen, and an amount equal to fifteen percent of the net items of  
42 income, gain, loss and deduction attributable to such business or farm  
43 entering into federal adjusted gross income, but not less than zero, for  
44 taxable years beginning after two thousand twenty. For the purposes of  
45 this paragraph, the term small business shall mean a sole proprietor or  
46 a farm business who employs one or more persons during the taxable year  
47 and who has net business income or net farm income of less than two  
48 hundred fifty thousand dollars.

49 § 5. Paragraph 1 of subsection (c) of section 1085 of the tax law, as  
50 amended by section 4 of part KK of chapter 59 of the laws of 2018, is  
51 amended to read as follows:

52 (1) If any taxpayer, except a New York S corporation as defined in  
53 subdivision one-A of section two hundred eight of this chapter, fails to  
54 file a declaration of estimated tax under article nine-A of this chapter,  
55 or fails to pay all or any part of an amount which is applied as an  
56 installment against such estimated tax, it shall be deemed to have made



1 an underpayment of estimated tax. There shall be added to the tax for  
2 the taxable year an amount at the underpayment rate set by the commis-  
3 sioner pursuant to section one thousand ninety-six of this article, or  
4 if no rate is set, at the rate of seven and one-half percent per annum  
5 upon the amount of the underpayment for the period of the underpayment  
6 but not beyond the fifteenth day of the fourth month following the close  
7 of the taxable year. Provided, however, that, for taxable years begin-  
8 ning on or after January first, two thousand seventeen and before Janu-  
9 ary first, two thousand eighteen, no amount shall be added to the tax  
10 with respect to the portion of such tax related to the amount of any  
11 interest deductions directly or indirectly attributable to the amount  
12 included in exempt CFC income pursuant to subparagraph (ii) of paragraph  
13 (b) of subdivision six-a of section two hundred eight of this chapter or  
14 the forty percent reduction of such exempt CFC income in lieu of inter-  
15 est attribution if the election described in paragraph (b) of subdivi-  
16 sion six-a of such section is made. The amount of the underpayment shall  
17 be, with respect to any installment of estimated tax computed on the  
18 basis of either the preceding year's tax or the second preceding year's  
19 tax, the excess of the amount required to be paid over the amount, if  
20 any, paid on or before the last day prescribed for such payment or, with  
21 respect to any other installment of estimated tax, the excess of the  
22 amount of the installment which would be required to be paid if the  
23 estimated tax were equal to ninety-one percent of the tax shown on the  
24 return for the taxable year (or if no return was filed, ninety-one  
25 percent of the tax for such year) over the amount, if any, of the  
26 installment paid on or before the last day prescribed for such payment.  
27 In any case in which there would be no underpayment if "eighty percent"  
28 were substituted for "ninety-one percent" each place it appears in this  
29 subsection, the addition to the tax shall be equal to seventy-five  
30 percent of the amount otherwise determined. No underpayment shall be  
31 deemed to exist with respect to a declaration or installment otherwise  
32 due on or after the termination of existence of the taxpayer.

33 § 6. This act shall take effect immediately; provided however that  
34 sections two and three of this act shall apply to property acquired by  
35 purchase on or after January 1, 2021, and section five of this act shall  
36 apply to taxable years beginning on or after January 1, 2021.

37

## PART QQ

38 Section 1. Subparagraph (A) of paragraph 1 of subsection (oo) of  
39 section 606 of the tax law, as amended by section 1 of part RR of chap-  
40 ter 59 of the laws of 2018, is amended and a new paragraph 6 is added to  
41 read as follows:

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

1 five, a taxpayer shall be allowed a credit as hereinafter provided,  
2 against the tax imposed by this article, in an amount equal to thirty  
3 percent of the amount of credit allowed the taxpayer with respect to a  
4 certified historic structure under internal revenue code section  
5 47(c)(3), determined without regard to ratably allocating the credit  
6 over a five year period as required by subsection (a) of such section  
7 47, with respect to a certified historic structure located within the  
8 state; provided, however, the credit shall not exceed one hundred thou-  
9 sand dollars.

10 (6) For purposes of this subsection the term "small project" means  
11 qualified rehabilitation expenditures totaling two million five hundred  
12 thousand dollars or less.

13 § 2. Subparagraph (i) of paragraph (a) of subdivision 26 of section  
14 210-B of the tax law, as amended by section 2 of part RR of chapter 59  
15 of the laws of 2018, is amended and a new paragraph (f) is added to read  
16 as follows:

17 (i) For taxable years beginning on or after January first, two thou-  
18 sand ten, and before January first, two thousand twenty-five, a taxpayer  
19 shall be allowed a credit as hereinafter provided, against the tax  
20 imposed by this article, in an amount equal to one hundred percent of  
21 the amount of credit allowed the taxpayer for the same taxable year with  
22 respect to a certified historic structure, and one hundred fifty percent  
23 of the amount of credit allowed the taxpayer with respect to a certified  
24 historic structure that is a small project, under internal revenue code  
25 section 47(c)(3), determined without regard to ratably allocating the  
26 credit over a five year period as required by subsection (a) of such  
27 section 47, with respect to a certified historic structure located with-  
28 in the state. Provided, however, the credit shall not exceed five  
29 million dollars.

30 (f) For purposes of this subdivision "small project" means qualified  
31 rehabilitation expenditures totaling two million five hundred thousand  
32 dollars or less.

33 § 3. Subparagraph (A) of paragraph 1 of subdivision (y) of section  
34 1511 of the tax law, as amended by section 3 of part RR of chapter 59 of  
35 the laws of 2018, is amended and a new paragraph 6 is added to read as  
36 follows:

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

1 Provided, however, the credit shall not exceed one hundred thousand  
2 dollars.

3 (6) For purposes of this subdivision "small project" means qualified  
4 rehabilitation expenditures totaling two million five hundred thousand  
5 dollars or less.

6 § 4. This act shall take effect immediately and shall apply to taxable  
7 years beginning on and after January 1, 2022.

8

## PART RR

9 Section 1. Subdivisions 17 and 20-a of section 352 of the economic  
10 development law, subdivision 17 as amended by section 1 of part K and  
11 subdivision 20-a as added by section 1 of part ZZ of chapter 59 of the  
12 laws of 2017, are amended and a new subdivision 18-a is added to read as  
13 follows:

14 17. "Qualified investment" means an investment in tangible property  
15 (including a building or a structural component of a building) owned by  
16 a business enterprise which:

17 (a) is depreciable pursuant to section one hundred sixty-seven of the  
18 internal revenue code;

19 (b) has a useful life of four years or more;

20 (c) is acquired by purchase as defined in section one hundred seven-  
21 ty-nine (d) of the internal revenue code;

22 (d) has a situs in this state; ~~and~~

23 (e) is placed in service in the state on or after the date the certif-  
24 icate of eligibility is issued to the business enterprise; and

25 (f) demolition and remediation of costs incurred and paid in the  
26 leased building by the business enterprise in a public housing develop-  
27 ment in the state, as determined by the commissioner.

28 18-a. "Community significant project" means (a) a business creating or  
29 retaining current jobs as determined by the commissioner, with partic-  
30 ular emphasis on employment and/or training of current public housing  
31 residents; (b) currently located or to be located in existing leased  
32 space of a building in a public housing development in the state that is  
33 owned and operated by a public housing authority created under article  
34 thirteen of the public housing law; (c) which makes significant quali-  
35 fied capital investments to start a business, or improve services and  
36 working conditions for an existing business, when located in such public  
37 housing space; and (d) creates at least five new net jobs or retaining  
38 current jobs or makes qualified capital investments to such space of a  
39 building. The commissioner shall promulgate regulations pursuant to  
40 section three hundred fifty-six of this article to determine what addi-  
41 tional criteria a business must meet to be eligible as a community  
42 significant project, including, but not limited to, incentivizing child  
43 care providers and other businesses that support the needs of the work-  
44 force residing in such public housing and the social and health needs of  
45 residents in such public housing, ensuring that residents are not  
46 displaced and ensuring that services or programs being offered to public  
47 housing residents by either a public housing authority or an entity  
48 already onsite, are not displaced in order to locate or expand a busi-  
49 ness in a public housing development.

50 20-a. "Significant capital investment" means a project which will be  
51 either a newly constructed facility or a newly constructed addition to,  
52 expansion of or improvement of a facility, consisting of tangible  
53 personal property and other tangible property, including buildings and  
54 structural components of buildings, that are depreciable pursuant to

1 section one hundred sixty-seven of the internal revenue code, have a  
2 useful life of four years or more, are acquired by purchase as defined  
3 in section one hundred seventy-nine (d) of the internal revenue code,  
4 and that is equal to or exceeds (a) one million dollars for a manufac-  
5 turer; (b) two hundred fifty thousand dollars for an agriculture busi-  
6 ness; (c) three million dollars for a financial services firm or back  
7 office operation; (d) fifteen million dollars for a distribution center;  
8 (e) three million dollars for a scientific research and development  
9 firm; ~~(f)~~ (f) three million dollars for other businesses; or (g) one  
10 million dollars for a community significant project.

11 § 2. Subdivisions 1, 3 and 4 of section 353 of the economic develop-  
12 ment law, subdivision 1 as amended by section 2 of part L of chapter 59  
13 of the laws of 2020, subdivision 3 as separately amended by section 2 of  
14 part K and section 2 of part ZZ and subdivision 4 as separately amended  
15 by section 3 of part K and section 2 of part ZZ of chapter 59 of the  
16 laws of 2017, are amended to read as follows:

17 1. To be a participant in the excelsior jobs program, a business enti-  
18 ty shall operate in New York state predominantly:

19 (a) as a financial services data center or a financial services back  
20 office operation;

21 (b) in manufacturing;

22 (c) in software development and new media;

23 (d) in scientific research and development;

24 (e) in agriculture;

25 (f) in the creation or expansion of back office operations in the  
26 state;

27 (g) in a distribution center;

28 (h) in an industry with significant potential for private-sector  
29 economic growth and development in this state as established by the  
30 commissioner in regulations promulgated pursuant to this article. In  
31 promulgating such regulations the commissioner shall include job and  
32 investment criteria;

33 (i) as an entertainment company;

34 (j) in music production;

35 (k) as a life sciences company; ~~(l)~~

36 (l) as a company operating in one of the industries listed in para-  
37 graphs (b) through (e) of this subdivision and engaging in a green  
38 project as defined in section three hundred fifty-two of this article;  
39 or

40 (m) as a community significant project.

41 3. For the purposes of this article, in order to participate in the  
42 excelsior jobs program, a business entity operating predominantly in  
43 manufacturing must create at least five net new jobs; a business entity  
44 operating predominately in agriculture must create at least five net new  
45 jobs; a business entity operating predominantly as a financial service  
46 data center or financial services customer back office operation must  
47 create at least twenty-five net new jobs; a business entity operating  
48 predominantly in scientific research and development must create at  
49 least five net new jobs; a business entity operating predominantly in  
50 software development must create at least five net new jobs; a business  
51 entity creating or expanding back office operations must create at least  
52 twenty-five net new jobs; a business entity operating predominately in  
53 music production must create at least five net new jobs; a business  
54 entity operating predominantly as an entertainment company must create  
55 or obtain at least one hundred net new jobs; ~~(n)~~ a business entity  
56 operating predominantly as a distribution center in the state must

1 create at least fifty net new jobs, notwithstanding subdivision five of  
 2 this section; ~~(e)~~ a business entity operating predominately as a life  
 3 sciences company must create at least five net new jobs; ~~(f)~~ a business  
 4 entity must be a regionally significant project as defined in this arti-  
 5 cle; or a community significant project as defined in this article; or

6 4. A business entity operating predominantly in one of the industries  
 7 referenced in paragraphs (a) through (h) or in paragraph (k) or (m) of  
 8 subdivision one of this section but which does not meet the job require-  
 9 ments of subdivision three of this section must have at least twenty-  
 10 five full-time job equivalents unless such business is a business entity  
 11 operating predominantly in manufacturing then it must have at least five  
 12 full-time job equivalents and must demonstrate that its benefit-cost  
 13 ratio is at least ten to one.

14 § 3. Paragraph (a) of subdivision 4 of section 355 of the economic  
 15 development law, as amended by section 4 of part G of chapter 61 of the  
 16 laws of 2011, is amended to read as follows:

17 (a) A participant in the excelsior jobs program who either qualified  
 18 as a regionally significant project, a community significant project or  
 19 is located in an investment zone shall be eligible to claim a credit for  
 20 a period of ten years. For the purposes of this subdivision, the lease  
 21 payment paid by the business enterprise pursuant to a public housing  
 22 development in this state shall be eligible real property tax for  
 23 purposes of this subdivision.

24 § 4. This act shall take effect immediately and shall apply to taxable  
 25 years beginning on and after January 1, 2022.

26 PART SS

27 Section 1. Notwithstanding any inconsistent provision of law, for  
 28 taxable years beginning in two thousand twenty and before two thousand  
 29 twenty-two, the Commissioner of Taxation and Finance is authorized to  
 30 waive employment location requirements for any business receiving a  
 31 credit authorized under the tax law, if the recipient can demonstrate  
 32 that the employment location requirement of such credit would have  
 33 otherwise been met if not for the restrictions related to the state of  
 34 emergency declared pursuant to executive order 202 of 2020 or any exten-  
 35 sion or subsequent executive order issued in response to the novel coro-  
 36 navirus (COVID-19) pandemic, and the related employee remained employed  
 37 by such business and is or was authorized or required to perform  
 38 assigned work duties and requirements from a remote location.

39 § 2. This act shall take effect immediately and shall be deemed to  
 40 have been in full force and effect on and after March 7, 2020.

41 PART TT

42 Section 1. Clause (i) of subparagraph 1 of paragraph (b) of subdivi-  
 43 sion 1 of section 210 of the tax law, as amended by section 18 of part T  
 44 of chapter 59 of the laws of 2015, is amended to read as follows:

45 (i) The amount prescribed by this paragraph shall be computed at .15  
 46 percent for each dollar of the taxpayer's total business capital, or the  
 47 portion thereof apportioned within the state as hereinafter provided for  
 48 taxable years beginning before January first, two thousand sixteen.  
 49 However, in the case of a cooperative housing corporation as defined in  
 50 the internal revenue code, the applicable rate shall be .04 percent  
 51 until taxable years beginning on or after January first, two thousand  
 52 twenty. The rate of tax for subsequent tax years shall be as follows:



1 .125 percent for taxable years beginning on or after January first, two  
2 thousand sixteen and before January first, two thousand seventeen; .100  
3 percent for taxable years beginning on or after January first, two thou-  
4 sand seventeen and before January first, two thousand eighteen; .075  
5 percent for taxable years beginning on or after January first, two thou-  
6 sand eighteen and before January first, two thousand nineteen; .050  
7 percent for taxable years beginning on or after January first, two thou-  
8 sand nineteen and before January first, two thousand twenty; .025  
9 percent for taxable years beginning on or after January first, two thou-  
10 sand twenty and before January first, two thousand twenty-one; and zero  
11 percent for years beginning on or after January first, two thousand  
12 twenty-one. The rate of tax for a qualified New York manufacturer shall  
13 be .132 percent for taxable years beginning on or after January first,  
14 two thousand fifteen and before January first, two thousand sixteen,  
15 .106 percent for taxable years beginning on or after January first, two  
16 thousand sixteen and before January first, two thousand seventeen, .085  
17 percent for taxable years beginning on or after January first, two thou-  
18 sand seventeen and before January first, two thousand eighteen; .056  
19 percent for taxable years beginning on or after January first, two thou-  
20 sand eighteen and before January first, two thousand nineteen; .038  
21 percent for taxable years beginning on or after January first, two thou-  
22 sand nineteen and before January first, thousand twenty; .019 percent  
23 for taxable years beginning on or after January first, two thousand  
24 twenty and before January first, two thousand twenty-one; and [~~zero~~] **.15**  
25 percent for years beginning on or after January first, two thousand  
26 twenty-one.

27 § 2. This shall take effect immediately.

28

PART UU

29 Section 1. Paragraph 7 of subdivision (c) of section 1261 of the tax  
30 law is REPEALED.

31 § 2. Subparagraph (ii) of paragraph 5 of subdivision (c) of section  
32 1261 of the tax law, as amended by section 2 of part ZZ of chapter 56 of  
33 the laws of 2020, is amended to read as follows:

34 (ii) After withholding the taxes, penalties and interest imposed by  
35 the city of New York on and after August first, two thousand eight as  
36 provided in subparagraph (i) of this paragraph, the comptroller shall  
37 withhold a portion of such taxes, penalties and interest sufficient to  
38 deposit annually into the central business district tolling capital  
39 lockbox established pursuant to section five hundred fifty-three-j of  
40 the public authorities law: (A) in state fiscal year two thousand nine-  
41 teen - two thousand twenty, one hundred twenty-seven million five  
42 hundred thousand dollars; (B) in state fiscal year two thousand twenty -  
43 two thousand twenty-one, one hundred seventy million dollars; (C) in  
44 state fiscal year two thousand twenty-one - two thousand twenty-two and  
45 every succeeding state fiscal year, an amount equal to one hundred one  
46 percent of the amount deposited in the immediately preceding state  
47 fiscal year. The funds shall be deposited monthly in equal installments.  
48 During the period that the comptroller is required to withhold amounts  
49 and make payments described in this paragraph, the city of New York has  
50 no right, title or interest in or to those taxes, penalties and interest  
51 required to be paid into the above referenced central business district  
52 tolling capital lockbox. [~~In addition, the comptroller shall withhold a  
53 portion of such taxes, penalties and interest in the amount of two  
54 hundred million dollars, to be withheld in four quarterly installments~~]

~~1 on January fifteenth, April fifteenth, July fifteenth and October  
2 fifteenth of each year, and shall deposit such amounts into the New York  
3 State Agency Trust Fund, Distressed Provider Assistance Account.]~~

4 § 3. This act shall take effect April 1, 2021; provided however that  
5 the amendments to subparagraph (ii) of paragraph 5 of subdivision (c) of  
6 section 1261 of the tax law made by section two of this act shall not  
7 affect the expiration of such subparagraph and shall be deemed to expire  
8 therewith.

## 9 PART VV

10 Section 1. The real property law is amended by adding a new section  
11 291-k to read as follows:

12 § 291-k. Recording of mezzanine debt and preferred equity investments.

13 1. Whenever a mortgage instrument is recorded in the office of the  
14 recording officer of any county, any mezzanine debt or preferred equity  
15 investment related to the real property upon which the mortgage instru-  
16 ment is filed shall also be recorded with such mortgage instrument. For  
17 the purposes of this section, "mezzanine debt" and "preferred equity  
18 investments" shall mean debt carried by a borrower that may be subordi-  
19 nate to the primary lien and is senior to the common shares of an entity  
20 or the borrower's equity and reported as assets for the purposes of  
21 financing such primary lien. This shall include non-traditional financ-  
22 ing techniques such as a direct or indirect investment by a financing  
23 source in an entity that owns the equity interests of the underlying  
24 mortgage where the financing source has special rights or preferred  
25 rights such as: (i) the right to receive a special or preferred rate of  
26 return on its capital investment; and (ii) the right to an accelerated  
27 repayment of the investors' capital contribution.

28 2. This section shall apply to both mezzanine debt and preferred equi-  
29 ty investments if both used by the borrower or mortgagor, or either  
30 mezzanine debt or preferred debt, if either is used by the borrower or  
31 mortgagor.

32 3. For purposes of this section, "mezzanine debt" and "preferred equi-  
33 ty investments" shall not include debt on cooperative or common shares  
34 of a residential dwelling where the unit owner of a cooperative apart-  
35 ment is a shareholder of the ownership entity, has exclusive occupancy  
36 of such dwelling unit, and has established and delimited rights under a  
37 proprietary lease.

38 4. No remedy otherwise available to a secured party under the uniform  
39 commercial code shall be available to enforce a security agreement  
40 pertaining to mezzanine debt financing and/or preferred equity invest-  
41 ments in relation to real property upon which a mortgage instrument is  
42 filed that is evidenced by a financing statement, unless that financing  
43 statement is filed and the tax imposed pursuant to the authority of  
44 subdivision four of section two hundred fifty-three of the tax law, has  
45 been paid.

46 § 2. Section 9-601 of the uniform commercial code is amended by adding  
47 a new subsection (h) to read as follows:

48 (h) Security interest perfected by financing statement. 1. Notwith-  
49 standing any provision of law to the contrary, a security interest in  
50 mezzanine debt and/or preferred equity investments related to the real  
51 property upon which a mortgage instrument is filed, may only be  
52 perfected by the filing of a financing statement under subpart 1 of part  
53 5 of this article and only after the payment of any taxes due pursuant  
54 to section two hundred fifty-three of the tax law.

1 2. For purposes of this section, the terms "mezzanine debt" and  
2 "preferred equity investments" shall have the same meaning as provided  
3 in section two hundred ninety-one-k of the real property law.

4 3. This section shall not be applicable to any debt on cooperative or  
5 common shares of a residential dwelling where the unit owner of a coop-  
6 erative apartment is a shareholder of the ownership entity, has exclu-  
7 sive occupancy of such dwelling unit, and has established and delimited  
8 rights under a proprietary lease.

9 § 3. Paragraph (a) of subdivision 2 of section 250 of the tax law, as  
10 amended by section 1 of part Q of chapter 60 of the laws of 2004, is  
11 amended to read as follows:

12 (a) (1) The term "mortgage" as used in this article includes every  
13 mortgage or deed of trust which imposes a lien on or affects the title  
14 to real property, notwithstanding that such property may form a part of  
15 the security for the debt or debts secured thereby. An assignment of  
16 rents to accrue from tenancies, subtenancies, leases or subleases of  
17 real property, within any city in the state having a population of one  
18 million or more, given as security for an indebtedness, shall be deemed  
19 a mortgage of real property for purposes of this article. Executory  
20 contracts for the sale of real property under which the vendee has or is  
21 entitled to possession shall be deemed to be mortgages for the purposes  
22 of this article and shall be taxable at the amount unpaid on such  
23 contracts. A contract or agreement by which the indebtedness secured by  
24 any mortgage is increased or added to, shall be deemed a mortgage of  
25 real property for the purpose of this article, and shall be taxable as  
26 such upon the amount of such increase or addition.

27 (2) Notwithstanding anything in this section or section two hundred  
28 fifty-five of this article to the contrary, a contract or agreement  
29 whereby the proceeds of any indebtedness secured by a mortgage of real  
30 property in any city in the state having a population of one million or  
31 more are used to reduce all or any part of a mortgagee's equity interest  
32 in a wraparound or similar mortgage of such real property shall be  
33 deemed a mortgage of real property for the purposes of this article and  
34 shall be taxable as such to the extent of the amount of such proceeds so  
35 used, without regard to whether the aggregate amount of indebtedness  
36 secured by mortgages of such real property is increased or added to.

37 (3) Notwithstanding any provision to the contrary in this section or  
38 section two hundred fifty-five of this article, "mezzanine debt" and  
39 "preferred equity investments" as such terms are defined in subdivision  
40 four of this section, shall be taxable and shall apply to taxes in  
41 subdivisions one, one-a and two of section two hundred fifty-three of  
42 this article, but shall not apply to any other taxes in this article on  
43 or after the effective date of this subparagraph.

44 § 4. Section 250 of the tax law is amended by adding a new subdivi-  
45 sion 4 to read as follows:

46 4. The term "mezzanine debt" and "preferred equity investment" shall  
47 have the same meaning as provided in section two hundred ninety-one-k of  
48 the real property law.

49 § 5. Section 253 of the tax law as amended by adding a new subdivi-  
50 sion 4 to read as follows:

51 4. (a) A tax, measured by the amount of principal debtor obligation  
52 which is under any contingency may be secured at the date of the  
53 execution thereof, or at any time thereafter, by a security agreement  
54 pertaining to mezzanine debt financing and/or preferred equity invest-  
55 ments in relation to real property upon which a mortgage instrument is

1 filed, as evidenced by a financing statement, is imposed on the filing  
2 of the financing statement.

3 (b) The rate and incidence of the tax shall be determined pursuant to  
4 subdivisions one, one-a, and two of this section.

5 (c) Except as otherwise provided in this subdivision, all the  
6 provisions of this article relating to or applicable to the adminis-  
7 tration, collection, determination and distribution of the tax imposed  
8 by this section shall apply to the tax imposed under the authority of  
9 this subdivision with such modification as may be necessary to adapt  
10 such language to the tax so authorized. Any reference to a mortgage will  
11 be deemed to be a reference to a financing statement that evidences a  
12 security agreement. Such provisions shall apply with the same force and  
13 effect as if those provisions had been set forth in this subdivision  
14 except to the extent that any provision is either inconsistent with a  
15 provision of this subdivision or not relevant to the tax authorized by  
16 this subdivision.

17 (d) No remedy otherwise available to a secured party under the uniform  
18 commercial code shall be available to enforce a security agreement  
19 pertaining to mezzanine debt financing and/or preferred equity invest-  
20 ments in relation to real property upon which a mortgage instrument is  
21 filed that is evidenced by a financing statement, unless that financing  
22 statement is filed and the tax imposed pursuant to the authority of this  
23 subdivision has been paid.

24 (e) For the purposes of this subdivision:

25 (1) "mezzanine debt" and "preferred equity investments" shall have the  
26 same meaning as provided in section two hundred ninety-one-k of the real  
27 property law.

28 (2) "financing statement" means a record or records composed of an  
29 initial financing statement and any filed record relating to the initial  
30 financing statement.

31 (3) "security agreement" means an agreement that creates or provides  
32 for a security interest.

33 (f) Counties or cities authorized under this article to impose a tax  
34 are authorized and empowered to adopt and amend local laws to impose in  
35 such county or city a tax on the filing of financing statements pertain-  
36 ing to mezzanine debt financing and/or preferred equity investments in  
37 relation to real property upon which a mortgage instrument is filed. Any  
38 tax that has been imposed by a county or city under the authority of  
39 this article shall be deemed to include the authority to impose and  
40 collect the tax on the recording of a financing statement pertaining to  
41 mezzanine debt financing and/or preferred equity investments in relation  
42 to real property upon which a mortgage instrument is filed in the same  
43 manner as the local mortgage recording tax.

44 § 6. Subdivision 1 and paragraph (a) of subdivision 2 of section 253-a  
45 of the tax law, as amended by chapter 343 of the laws of 1990, are  
46 amended to read as follows:

47 1. Any city in this state having a population of one million or more,  
48 acting through its local legislative body, is hereby authorized and  
49 empowered to adopt and amend local laws imposing in any such city (A)  
50 prior to February first, nineteen hundred eighty-two a tax of fifty  
51 cents, (B) on or after February first, nineteen hundred eighty-two and  
52 before July first, nineteen hundred eighty-two with respect to (i) one,  
53 two or three-family houses, individual cooperative apartments and indi-  
54 vidual residential condominium units, and (ii) real property securing a  
55 principal debt or obligation of less than five hundred thousand dollars,  
56 a tax of fifty cents, and with respect to all other real property a tax

1 of one dollar and twelve and one-half cents, (C) on and after July  
2 first, nineteen hundred eighty-two and before August first, nineteen  
3 hundred ninety with respect to real property securing a principal debt  
4 or obligation of less than five hundred thousand dollars, a tax of fifty  
5 cents, with respect to one, two or three-family houses, individual coop-  
6 erative apartments and individual residential condominium units securing  
7 a principal debt or obligation of five hundred thousand dollars or more,  
8 a tax of sixty-two and one-half cents, and with respect to all other  
9 real property a tax of one dollar and twenty-five cents, and (D) on and  
10 after August first, nineteen hundred ninety with respect to real proper-  
11 ty securing a principal debt or obligation of less than five hundred  
12 thousand dollars, a tax of one dollar, with respect to one, two or  
13 three-family houses and individual residential condominium units secur-  
14 ing a principal debt or obligation of five hundred thousand dollars or  
15 more, a tax of one dollar and twelve and one-half cents, and with  
16 respect to all other real property a tax of one dollar and seventy-five  
17 cents, for each one hundred dollars and each remaining major fraction  
18 thereof of principal debt or obligation which is or under any contingen-  
19 cy may be secured at the date of execution thereof, or at any time ther-  
20 eafter, by a mortgage on such real property situated within such city  
21 and recorded on or after the date upon which such tax takes effect and a  
22 tax of one dollar on such mortgage if the principal debt or obligation  
23 which is or by any contingency may be secured by such mortgage is less  
24 than one hundred dollars. In each instance where the tax imposed pursu-  
25 ant to this subdivision is one dollar and twenty-five cents for each one  
26 hundred dollars and each remaining major fraction thereof of such prin-  
27 cipal debt or obligation, fifty percent of the total amount of such tax,  
28 including fifty percent of any interest or penalties thereon, shall be  
29 set aside in a special account by the commissioner of finance of such  
30 city. In each instance where the tax imposed pursuant to this subdivi-  
31 sion is one dollar and seventy-five cents for each one hundred dollars  
32 and each remaining major fraction thereof of such principal debt or  
33 obligation, thirty-five and seven-tenths percent of the total amount of  
34 such tax, including thirty-five and seven-tenths percent of any interest  
35 or penalties thereon, shall also be set aside in such special account.  
36 Moneys in such account shall be used for payment by such commissioner to  
37 the state comptroller for deposit in the urban mass transit operating  
38 assistance account of the mass transportation operating assistance fund  
39 of any amount of insufficiency certified by the state comptroller pursu-  
40 ant to the provisions of subdivision six of section eighty-eight-a of  
41 the state finance law, and, on the fifteenth day of each month, such  
42 commissioner shall transmit all funds in such account on the last day of  
43 the preceding month, except the amount required for the payment of any  
44 amount of insufficiency certified by the state comptroller and such  
45 amount as he deems necessary for refunds and such other amounts neces-  
46 sary to finance the New York city transportation disabled committee and  
47 the New York city paratransit system as established by section fifteen-b  
48 of the transportation law, provided, however, that such amounts shall  
49 not exceed six percent of the total funds in the account but in no event  
50 be less than two hundred twenty-five thousand dollars beginning April  
51 first, nineteen hundred eighty-six, and further that beginning November  
52 fifteenth, nineteen hundred eighty-four and during the entire period  
53 prior to operation of such system, the total of such amounts shall not  
54 exceed three hundred seventy-five thousand dollars for the administra-  
55 tive expenses of such committee and fifty thousand dollars for the  
56 expenses of the agency designated pursuant to paragraph b of subdivision



1 five of such section, and other amounts necessary to finance the operat-  
2 ing needs of the private bus companies franchised by the city of New  
3 York and eligible to receive state operating assistance under section  
4 eighteen-b of the transportation law, provided, however, that such  
5 amounts shall not exceed four percent of the total funds in the account,  
6 to the New York city transit authority for mass transit within the city.

7 The tax imposed under the authority of paragraph (D) of this subdivision  
8 is deemed to include a tax imposed on the filing of financing statements  
9 evidencing a security agreement pertaining to mezzanine debt financing  
10 and/or preferred equity investments in relation to real property upon  
11 which a mortgage instrument is filed.

12 (a) For the purpose of determining whether a mortgage is subject to  
13 the tax authorized to be imposed by paragraph (B) or (C) of subdivision  
14 one of this section at a rate in excess of fifty cents, or by paragraph  
15 (D) of subdivision one of this section at a rate in excess of one  
16 dollar, for each one hundred dollars and each remaining major fraction  
17 thereof of principal debt or obligation, the principal debt or obli-  
18 gation which is or under any contingency may be secured at the date of  
19 execution thereof, or at any time thereafter, by such mortgage shall be  
20 aggregated with the principal debt or obligation which is or under any  
21 contingency may be secured at the date of execution thereof, or at any  
22 time thereafter, by any other mortgage, where such mortgages form part  
23 of the same or related transactions and have the same or related mortga-  
24 gors or related debtors in the case of a financing statement evidencing  
25 a security agreement pertaining to mezzanine debt financing and/or  
26 preferred equity investments in relation to real property upon which a  
27 mortgage instrument is filed. If the commissioner of taxation and  
28 finance finds that a mortgage transaction or mortgage transactions have  
29 been formulated for the purpose of avoiding or evading a rate of tax  
30 authorized to be imposed under subdivision one of this section in excess  
31 of the lowest such authorized rate, rather than solely for an independ-  
32 ent business or financial purpose, such commissioner shall treat all of  
33 the mortgages forming part of such transaction or transactions as a  
34 single mortgage for the purpose of determining the applicable rate of  
35 tax. For purposes of this subdivision, there shall be a presumption that  
36 all mortgages offered for recording within a period of twelve consec-  
37 utive months having the same or related mortgagors or related debtors  
38 are part of a related transaction, and such presumption may be rebutted  
39 only with clear and convincing evidence to the contrary. The commis-  
40 sioner of taxation and finance may require such affidavits and forms, and  
41 may prescribe such rules and regulations, as he determines to be neces-  
42 sary to enforce the provisions of this subdivision. Any reference to a  
43 mortgage in this subdivision includes a financing statement evidencing a  
44 security agreement pertaining to mezzanine debt financing and/or  
45 preferred equity investments in relation to real property upon which a  
46 mortgage instrument is filed.

47 § 7. Paragraph (a) of subdivision 1 of section 255 of the tax law is  
48 amended by adding a new subparagraph (iii) to read as follows:

49 (iii) Notwithstanding the provisions of subparagraph (i) of this para-  
50 graph, the taxes imposed by the authority under subparagraph three of  
51 paragraph (a) of subdivision two of section two hundred fifty of this  
52 article shall apply to mezzanine debt and/or preferred equity invest-  
53 ments as such terms are defined by subdivision four of such section.

54 § 8. Section 257 of the tax law is amended to read as follows:

55 § 257. Payment of taxes. The taxes imposed by this article shall be  
56 payable on the recording of each mortgage of real property subject to

1 taxes [~~thereunder~~] under this article and to taxes imposed by subpara-  
2 graph three of paragraph (a) of subdivision two of section two hundred  
3 fifty of this article on and after the effective date of such subpara-  
4 graph. Such taxes shall be paid to the recording officer of any county  
5 in which the real property or any part thereof is situated. It shall be  
6 the duty of such recording officer to indorse upon each mortgage and any  
7 mezzanine debt and/or preferred equity investment included with such  
8 mortgage a receipt for the amount of the tax so paid. Any mortgage so  
9 indorsed may thereupon or thereafter be recorded by any recording offi-  
10 cer and the receipt for such tax indorsed upon each mortgage shall be  
11 recorded therewith. The record of such receipt shall be conclusive proof  
12 that the amount of tax stated therein has been paid upon such mortgage,  
13 including any mezzanine debt and/or preferred equity investment.

14 § 9. Subdivision 1 of section 258 of the tax law, as amended by chap-  
15 ter 241 of the laws of 1989, is amended to read as follows:

16 1. No mortgage of real property shall be recorded by any county clerk  
17 or register, unless there shall be paid the taxes imposed by and as in  
18 this article provided. No mortgage of real property which is subject to  
19 the taxes imposed by this article shall be released, discharged of  
20 record or received in evidence in any action or proceeding, nor shall  
21 any assignment of or agreement extending any such mortgage be recorded  
22 unless the taxes imposed thereon by this article shall have been paid as  
23 provided in this article. For purposes of the taxes imposed and author-  
24 ized by subparagraph three of paragraph (a) of subdivision two of  
25 section two hundred fifty of this article, unless such taxes shall have  
26 been paid, no mortgage of real property shall be recorded by any county  
27 clerk or register, nor shall such mortgage be released, discharged,  
28 recorded or received in evidence in any action or proceeding, nor shall  
29 any assignment of agreement extending such mortgage be recorded.

30 Provided, however, except as otherwise provided in subdivision two of  
31 this section, in order to obtain a release or discharge of record where  
32 the mortgagor is not liable for the special additional tax imposed under  
33 subdivision one-a of section two hundred fifty-three of this chapter,  
34 such mortgagor or any subsequent owner of the mortgaged property or a  
35 part thereof may pay the tax imposed under such subdivision one-a and  
36 penalty, and may either apply for the credit allowable under this chap-  
37 ter for payment of such additional tax or may maintain an action to  
38 recover the amounts so paid against any person liable for payment of the  
39 tax or any subsequent assignees or owners of such mortgage or consol-  
40 idated mortgage of which such mortgage is a part, as if such amounts of  
41 tax and penalty were a debt personally owed by such persons to the mort-  
42 gator or subsequent owner. No judgment or final order in any action or  
43 proceeding shall be made for the foreclosure or the enforcement of any  
44 mortgage which is subject to any tax imposed by this article or of any  
45 debt or obligation secured by any such mortgage, unless the taxes,  
46 including taxes authorized by subparagraph three of paragraph (a) of  
47 subdivision two of section two hundred fifty of this article imposed by  
48 this article shall have been paid as provided in this article; and,  
49 except as otherwise provided in subdivision two of this section, whenev-  
50 er it shall appear that any mortgage has been recorded without payment  
51 of a tax imposed by this article there shall be added to the tax a sum  
52 equal to one-half of one per centum thereof for each month or fraction  
53 of a month for the period that the tax remains unpaid except where it  
54 could not be determined from the face of the instrument that a tax was  
55 due, or where an advance has been made on a prior advance mortgage or a  
56 corporate trust mortgage without payment of the tax, in which case there

1 shall be added to the tax a sum equal to one per centum thereof for each  
2 month or fraction of a month for the period that the tax remains unpaid.  
3 In any case where a mortgage of real property subject to a tax imposed  
4 by this article has heretofore been recorded or is hereafter recorded in  
5 good faith, and the county clerk or register has held such mortgage  
6 nontaxable or taxable at one amount, and it shall later appear that it  
7 was taxable or taxable at a greater amount, the commissioner of taxation  
8 and finance may remit the penalties in excess of one-half of one per  
9 centum per month.

10 § 10. Section 261 of the tax law is amended by adding a new subdivi-  
11 sion 4 to read as follows:

12 4. Notwithstanding any other provision of law to the contrary in this  
13 section, commencing on or after April first, two thousand twenty-one,  
14 the balance of all moneys paid to the recording officer of each county  
15 during each month upon account of the taxes imposed pursuant to subdivi-  
16 sion four of section two hundred fifty-three of this article, to the  
17 extent such distributions are not accounted in subdivisions one, two and  
18 three of this section, after deducting necessary expenses and apportion-  
19 ment under section two hundred sixty of this article, shall be deposited  
20 and disposed of pursuant to the provisions of section one hundred seven-  
21 ty-one-a of this chapter.

22 § 11. Subdivision 1 of section 171-a of the tax law, as amended by  
23 section 3 of part XX of chapter 59 of the laws of 2019, is amended to  
24 read as follows:

25 1. All taxes, interest, penalties and fees collected or received by  
26 the commissioner or the commissioner's duly authorized agent under arti-  
27 cles nine (except section one hundred eighty-two-a thereof and except as  
28 otherwise provided in section two hundred five thereof), nine-A, eleven  
29 (except as otherwise provided in section two hundred fifty-three,  
30 section two hundred sixty-one, or any other section thereof), twelve-A  
31 (except as otherwise provided in section two hundred eighty-four-d ther-  
32 eof), thirteen, thirteen-A (except as otherwise provided in section  
33 three hundred twelve thereof), eighteen, nineteen, twenty (except as  
34 otherwise provided in section four hundred eighty-two thereof), twen-  
35 ty-B, twenty-D, twenty-one, twenty-two, twenty-four, twenty-six, twen-  
36 ty-eight (except as otherwise provided in section eleven hundred two or  
37 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one  
38 (except as otherwise provided in section fourteen hundred twenty-one  
39 thereof), thirty-three and thirty-three-A of this chapter shall be  
40 deposited daily in one account with such responsible banks, banking  
41 houses or trust companies as may be designated by the comptroller, to  
42 the credit of the comptroller. Such an account may be established in one  
43 or more of such depositories. Such deposits shall be kept separate and  
44 apart from all other money in the possession of the comptroller. The  
45 comptroller shall require adequate security from all such depositories.  
46 Of the total revenue collected or received under such articles of this  
47 chapter, the comptroller shall retain in the comptroller's hands such  
48 amount as the commissioner may determine to be necessary for refunds or  
49 reimbursements under such articles of this chapter out of which amount  
50 the comptroller shall pay any refunds or reimbursements to which taxpay-  
51 ers shall be entitled under the provisions of such articles of this  
52 chapter. The commissioner and the comptroller shall maintain a system of  
53 accounts showing the amount of revenue collected or received from each  
54 of the taxes imposed by such articles. The comptroller, after reserving  
55 the amount to pay such refunds or reimbursements, shall, on or before  
56 the tenth day of each month, pay into the state treasury to the credit

1 of the general fund all revenue deposited under this section during the  
2 preceding calendar month and remaining to the comptroller's credit on  
3 the last day of such preceding month, (i) except that the comptroller  
4 shall pay to the state department of social services that amount of  
5 overpayments of tax imposed by article twenty-two of this chapter and  
6 the interest on such amount which is certified to the comptroller by the  
7 commissioner as the amount to be credited against past-due support  
8 pursuant to subdivision six of section one hundred seventy-one-c of this  
9 article, (ii) and except that the comptroller shall pay to the New York  
10 state higher education services corporation and the state university of  
11 New York or the city university of New York respectively that amount of  
12 overpayments of tax imposed by article twenty-two of this chapter and  
13 the interest on such amount which is certified to the comptroller by the  
14 commissioner as the amount to be credited against the amount of defaults  
15 in repayment of guaranteed student loans and state university loans or  
16 city university loans pursuant to subdivision five of section one  
17 hundred seventy-one-d and subdivision six of section one hundred seven-  
18 ty-one-e of this article, (iii) and except further that, notwithstanding  
19 any law, the comptroller shall credit to the revenue arrearage account,  
20 pursuant to section ninety-one-a of the state finance law, that amount  
21 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-  
22 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest  
23 thereon, which is certified to the comptroller by the commissioner as  
24 the amount to be credited against a past-due legally enforceable debt  
25 owed to a state agency pursuant to paragraph (a) of subdivision six of  
26 section one hundred seventy-one-f of this article, provided, however, he  
27 shall credit to the special offset fiduciary account, pursuant to  
28 section ninety-one-c of the state finance law, any such amount credita-  
29 ble as a liability as set forth in paragraph (b) of subdivision six of  
30 section one hundred seventy-one-f of this article, (iv) and except  
31 further that the comptroller shall pay to the city of New York that  
32 amount of overpayment of tax imposed by article nine, nine-A, twenty-  
33 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any  
34 interest thereon that is certified to the comptroller by the commission-  
35 er as the amount to be credited against city of New York tax warrant  
36 judgment debt pursuant to section one hundred seventy-one-l of this  
37 article, (v) and except further that the comptroller shall pay to a  
38 non-obligated spouse that amount of overpayment of tax imposed by arti-  
39 cle twenty-two of this chapter and the interest on such amount which has  
40 been credited pursuant to section one hundred seventy-one-c, one hundred  
41 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or  
42 one hundred seventy-one-l of this article and which is certified to the  
43 comptroller by the commissioner as the amount due such non-obligated  
44 spouse pursuant to paragraph six of subsection (b) of section six  
45 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct  
46 a like amount which the comptroller shall pay into the treasury to the  
47 credit of the general fund from amounts subsequently payable to the  
48 department of social services, the state university of New York, the  
49 city university of New York, or the higher education services corpo-  
50 ration, or the revenue arrearage account or special offset fiduciary  
51 account pursuant to section ninety-one-a or ninety-one-c of the state  
52 finance law, as the case may be, whichever had been credited the amount  
53 originally withheld from such overpayment, and (vii) with respect to  
54 amounts originally withheld from such overpayment pursuant to section  
55 one hundred seventy-one-l of this article and paid to the city of New

1 York, the comptroller shall collect a like amount from the city of New  
2 York.

3 § 12. Subdivision 1 of section 171-a of the tax law, as amended by  
4 section 4 of part XX of chapter 59 of the laws of 2019, is amended to  
5 read as follows:

6 1. All taxes, interest, penalties and fees collected or received by  
7 the commissioner or the commissioner's duly authorized agent under arti-  
8 cles nine (except section one hundred eighty-two-a thereof and except as  
9 otherwise provided in section two hundred five thereof), nine-A, eleven  
10 (except as otherwise provided in section two hundred fifty-three,  
11 section two hundred sixty-one, or any other section thereof), twelve-A

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



1 pursuant to section ninety-one-a of the state finance law, that amount  
 2 of overpayment of tax imposed by article nine, nine-A, twenty-two, thir-  
 3 ty, thirty-A, thirty-B or thirty-three of this chapter, and any interest  
 4 thereon, which is certified to the comptroller by the commissioner as  
 5 the amount to be credited against a past-due legally enforceable debt  
 6 owed to a state agency pursuant to paragraph (a) of subdivision six of  
 7 section one hundred seventy-one-f of this article, provided, however, he  
 8 shall credit to the special offset fiduciary account, pursuant to  
 9 section ninety-one-c of the state finance law, any such amount credita-  
 10 ble as a liability as set forth in paragraph (b) of subdivision six of  
 11 section one hundred seventy-one-f of this article, (iv) and except  
 12 further that the comptroller shall pay to the city of New York that  
 13 amount of overpayment of tax imposed by article nine, nine-A, twenty-  
 14 two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any  
 15 interest thereon that is certified to the comptroller by the commission-  
 16 er as the amount to be credited against city of New York tax warrant  
 17 judgment debt pursuant to section one hundred seventy-one-l of this  
 18 article, (v) and except further that the comptroller shall pay to a  
 19 non-obligated spouse that amount of overpayment of tax imposed by arti-  
 20 cle twenty-two of this chapter and the interest on such amount which has  
 21 been credited pursuant to section one hundred seventy-one-c, one hundred  
 22 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or  
 23 one hundred seventy-one-l of this article and which is certified to the  
 24 comptroller by the commissioner as the amount due such non-obligated  
 25 spouse pursuant to paragraph six of subsection (b) of section six  
 26 hundred fifty-one of this chapter; and (vi) the comptroller shall deduct  
 27 a like amount which the comptroller shall pay into the treasury to the  
 28 credit of the general fund from amounts subsequently payable to the  
 29 department of social services, the state university of New York, the  
 30 city university of New York, or the higher education services corpo-  
 31 ration, or the revenue arrearage account or special offset fiduciary  
 32 account pursuant to section ninety-one-a or ninety-one-c of the state  
 33 finance law, as the case may be, whichever had been credited the amount  
 34 originally withheld from such overpayment, and (vii) with respect to  
 35 amounts originally withheld from such overpayment pursuant to section  
 36 one hundred seventy-one-l of this article and paid to the city of New  
 37 York, the comptroller shall collect a like amount from the city of New  
 38 York.

39 § 13. This act shall take effect immediately and shall apply to all  
 40 moneys collected on or after April 1, 2021, provided, however, that  
 41 section ten of this act shall take effect on the tenth day of the month  
 42 following the date on which this act shall have become a law. Provided,  
 43 further, that the amendments to subdivision 1 of section 171-a of the  
 44 tax law made by section eleven of this act shall be subject to the expi-  
 45 ration and reversion of such subdivision pursuant to section 12 of chap-  
 46 ter 90 of the laws of 2014, as amended, when upon such date the  
 47 provisions of section twelve of this act shall take effect.

48 PART WW

49 Section 1. The tax law is amended by adding a new article 30-C to read  
 50 as follows:

51 ARTICLE 30-C  
 52 SUPPLEMENTAL SURCHARGE ON OWNERS OF CERTAIN NON-PRIMARY  
 53 RESIDENTIAL PROPERTIES

1 Section 1355. Supplemental surcharge on owners of certain non-primary  
2 residence properties in a city with a population of one  
3 million or more.

4 1356. Definitions.

5 1357. Imposition of supplemental surcharge.

6 1358. Owners subject to supplemental surcharge.

7 1359. Primary residence and/or relationship to owner or owners.

8 1360. Collection, levy and liens.

9 1361. Rules.

10 1362. Taxpayer's right.

11 1363. Deposit and disposition of revenue.

12 § 1355. Supplemental surcharge on owners of certain non-primary resi-  
13 dence properties in a city with a population of one million or more.  
14 Generally. Notwithstanding any provision of any general, specific or  
15 local law to the contrary, the commissioner is hereby authorized and  
16 empowered to adopt any rules and regulations promulgated in accordance  
17 with this article imposing a supplemental surcharge on owners of certain  
18 residential properties and dwelling units.

19 § 1356. Definitions. As used in this article: 1. "Commissioner" means  
20 the commissioner of taxation and finance, or his or her designee.

21 2. "Department" means the department of taxation and finance.

22 3. "Five-year average market value" shall mean the average monetary  
23 value of the real property for the previous five years, using a compara-  
24 ble sale-based valuation method, as determined by the commissioner.

25 4. "Assessed value" shall mean the determination made of the value of  
26 the real property, using an income and expense approach, as determined  
27 by the commissioner.

28 5. "Assessed value attributable to a tenant-stockholder" shall mean  
29 the proportion of the assessed value of real property owned by a cooper-  
30 ative apartment corporation, represented by a tenant-stockholder's share  
31 or shares of stock in such corporation as determined by its or their  
32 proportional relationship to the total outstanding stock of the corpo-  
33 ration, including that owned by the corporation.

34 § 1357. Imposition of supplemental surcharge. Rules and regulations  
35 promulgated, as determined by the commissioner pursuant to this section  
36 may provide for a supplemental surcharge in a city with a population of  
37 one million or more, for fiscal years beginning on or after July first,  
38 two thousand twenty-one, in accordance with the following provisions:

39 1. For one, two or three family residences with a five-year average  
40 market value of five million dollars or higher, a supplemental surcharge  
41 of at least one-half percent and no more than four percent on the excess  
42 market value above five million dollars.

43 2. Provided, however, for residential real property held in the condo-  
44 minium form of ownership with an assessed value of three hundred thou-  
45 sand dollars or higher, a supplemental surcharge of at least ten percent  
46 and no more than thirteen and one-half percent of the excess assessed  
47 value above three hundred thousand dollars, as determined by the commis-  
48 sioner.

49 3. Provided, further, for dwelling units in real property held in the  
50 cooperative form of ownership with an assessed value attributable to a  
51 tenant-stockholder of three hundred thousand dollars or higher, a  
52 supplemental surcharge of at least ten percent and no more than thirteen  
53 and one-half percent of the excess assessed value above three hundred  
54 thousand dollars, as determined by the commissioner. The additional  
55 supplemental surcharges attributable to each tenant-stockholder shall be  
56 added by the cooperative apartment corporation to the amount of such

1 charges or taxes otherwise payable by or chargeable to such tenant-  
2 stockholder.

3 § 1358. Owners subject to supplemental surcharge. Such supplemental  
4 surcharge shall be imposed on owners of class one property, as that term  
5 is defined in section eighteen hundred two of the real property tax law,  
6 excluding vacant land, that has a five-year average market value of over  
7 five million dollars and is not the primary residence of the owner or  
8 owners of such property, or the primary residence of the parent or child  
9 of such owner or owners, and all other residential real property held in  
10 condominium or cooperative form of ownership in a city with a population  
11 of one million or more, that has an assessed value of over three hundred  
12 thousand dollars and is not the primary residence of the owner or owners  
13 of such property, or the primary residence of the parent or child of  
14 such owner or owners.

15 § 1359. Primary residence and/or relationship to owner or owners. 1.  
16 Proof of primary residence and the resident's or residents' relationship  
17 to the owner or owners shall be in the form of a certification as  
18 required by the rules and regulations of the commissioner. Notwith-  
19 standing the former, property owners who receive the STAR exemption or  
20 credit, or other exemption from real property tax administered by the  
21 department on the subject property for which primary residency is a  
22 requirement, shall not be required to file an additional certification  
23 of proof of primary residence.

24 2. The commissioner is hereby authorized to make a request and receive  
25 from a city with a population of one million or more records, not other-  
26 wise confidential, relevant to the commissioner's determination of  
27 primary residence status pursuant to this section, or any other informa-  
28 tion necessary to effectuate the purpose of this section.

29 § 1360. Collection, levy and liens. 1. Collection procedures. The  
30 surcharges imposed by this article shall be collected by the commission-  
31 er, and the commissioner may establish the mode or time for the  
32 collection of any amount due under this article pursuant to section six  
33 hundred ninety-two of this chapter, if not otherwise specified. The  
34 commissioner shall, upon request, give a receipt for any sum collected  
35 under this article. The commissioner may authorize banks or trust compa-  
36 nies which are depositories or financial agents of the state to receive  
37 and give a receipt for any surcharge imposed under this article in such  
38 manner, at such times, and under such conditions as the commissioner may  
39 prescribe; and shall prescribe the manner, times and conditions under  
40 which the receipt of such surcharge by such banks and trust companies is  
41 to be treated as payment of such surcharge to the commissioner.

42 2. Notice and demand for surcharge. The commissioner shall as soon as  
43 practicable give notice to each person liable for any amount of  
44 surcharge which has been assessed but remains unpaid, stating the amount  
45 and demanding payment thereof. Such notice shall be left at the usual  
46 place of business of such person or shall be sent by mail to such  
47 person's last known address. Four such notices shall be required before  
48 any warrant described in subdivision three of this section may be  
49 issued. All four notices shall be sent by mail at least thirty days  
50 apart from the previous notice. Except where the commissioner deter-  
51 mines that collection would be jeopardized by delay, if any surcharge is  
52 assessed prior to the last date (including any date fixed by extension)  
53 prescribed for payment of such surcharge, payment of such surcharge  
54 shall not be demanded until after such date.

55 3. Issuance of warrant after notice and demand. If any person liable  
56 under this article for the payment of any surcharge neglects or refuses

1 to pay the same within the thirty days after the fourth and final notice  
2 and demand therefor is given to such person under subdivision two of  
3 this section, the commissioner may within six years after the date of  
4 such assessment issue a warrant directed to the sheriff of any county of  
5 the state, or to any officer or employee of the department, commanding  
6 such person to levy upon and sell such person's real and personal prop-  
7 erty for the payment of the amount assessed, with the cost of executing  
8 the warrant, and to return such warrant to the commissioner and pay to  
9 the commissioner the money collected by virtue thereof within sixty days  
10 after the receipt of the warrant. If the commissioner finds that the  
11 collection of the surcharge or other amount is in jeopardy, notice and  
12 demand for immediate payment of such surcharge may be made by the  
13 commissioner and upon failure or refusal to pay such surcharge or other  
14 amount the commissioner may issue a warrant without regard to the thir-  
15 ty-day period provided in this subdivision.

16 4. Copy of warrant to be filed and lien to be created. Any sheriff or  
17 officer or employee who receives a warrant under subdivision three of  
18 this section shall within five days thereafter file a copy with the  
19 clerk of the appropriate county. The clerk shall thereupon enter in the  
20 judgment docket, in the column for judgment debtors, the name of the  
21 taxpayer mentioned in the warrant, and in appropriate columns the  
22 surcharge or other amounts for which the warrant is issued and the date  
23 when such copy is filed; and such amount shall thereupon be a binding  
24 lien upon the real, personal and other property of the taxpayer.

25 5. Judgment. When a warrant has been filed with the county clerk the  
26 commissioner shall, on behalf of the state, be deemed to have obtained  
27 judgment against the taxpayer for the surcharge or other amounts.

28 6. Execution. The sheriff or officer or employee shall thereupon  
29 proceed upon the judgment in all respects, with like effect, and in the  
30 same manner prescribed by law in respect to executions issued against  
31 property upon judgments of a court of record, and a sheriff shall be  
32 entitled to the same fees for the sheriff's services in executing the  
33 warrant, to be collected in the same manner. An officer or employee of  
34 the department may proceed in any county or counties of this state and  
35 shall have all the powers of execution conferred by law upon sheriffs  
36 but shall be entitled to no fee or compensation in excess of actual  
37 expenses paid in connection with the execution of the warrant.

38 7. Taxpayer not a resident of this state. Where a notice and demand  
39 under subdivision two of this section shall have been given to a taxpay-  
40 er who is not then a resident of this state, and it appears to the  
41 commissioner that it is not practicable to find in this state property  
42 of the taxpayer sufficient to pay the entire balance of the surcharge or  
43 other amount owing by such taxpayer who is not then a resident of this  
44 state, the commissioner may, in accordance with subdivision three of  
45 this section, issue a warrant directed to an officer or employee of the  
46 department, a copy of which warrant shall be mailed by certified or  
47 registered mail to the taxpayer at the taxpayer's last known address,  
48 either within or out of the state. Such warrant shall command the offi-  
49 cer or employee to proceed in Albany county, and such officer or employ-  
50 ee shall, within five days after receipt of the warrant, file the  
51 warrant and obtain a judgment in accordance with this section. Thereup-  
52 on, the commissioner may authorize the institution of any action or  
53 proceeding to collect or enforce the judgment in any place and by any  
54 procedure that a civil judgment of the supreme court of the state of New  
55 York could be collected or enforced. The commissioner may also, in the  
56 commissioner's discretion, designate agents or retain counsel for the

1 purpose of collecting, outside the state of New York, any unpaid  
2 surcharges which have been assessed under this article against taxpayers  
3 who are not residents of this state, may fix the compensation of such  
4 agents and counsel to be paid out of money appropriated or otherwise  
5 lawfully available for payment thereof, and may require of them bonds or  
6 other security for the faithful performance of their duties, in such  
7 form and in such amount as the commissioner shall deem proper and suffi-  
8 cient.

9 8. Action by state for recovery of taxes. Action may be brought by the  
10 attorney general of the state at the instance of the commissioner as  
11 agent and trustee for the state to recover the amount of any unpaid  
12 surcharges which have been assessed under this article within six years  
13 prior to the date the action is commenced.

14 9. Release of lien. The commissioner, if he or she finds that the  
15 interests of the state will not thereby be jeopardized, and upon such  
16 conditions as the commissioner may require, may release any property  
17 from the lien of any warrant for unpaid surcharges filed pursuant to  
18 subdivision four or seven of this section, and such release may be  
19 recorded in the office of any recording officer in which such warrant  
20 has been filed.

21 § 1361. Rules. The commissioner shall have, in addition to any other  
22 functions, powers and duties which have been or may be conferred on it  
23 by law, the power to make and promulgate rules to carry out the purposes  
24 of this section including, but not limited to, rules relating to the  
25 timing, form and manner of any certification required to be submitted  
26 under this section. The commissioner also may require by rule, the form,  
27 timing and manner of all filing and payment requirements including  
28 requiring any such filing requirements and payment of such surcharge  
29 amount due in electronic form.

30 § 1362. Taxpayer's right. The taxpayer shall have the same right to  
31 commence a court action or proceeding or any other legal recourse  
32 against the commissioner that is granted to the taxpayer pursuant to  
33 article twenty-two of this chapter, except to the extent such provision  
34 is inconsistent with any provisions of this article.

35 § 1363. Deposit and disposition of revenue. Any surcharge imposed by  
36 this article and collected and received by the commissioner shall be  
37 deposited and disposed of pursuant to the provisions of section one  
38 hundred seventy-one-a of this chapter.

39 § 2. Subdivision 1 of section 171-a of the tax law, as amended by  
40 section 3 of part XX of chapter 59 of the laws of 2019, is amended to  
41 read as follows:

42 1. All taxes, interest, penalties and fees collected or received by  
43 the commissioner or the commissioner's duly authorized agent under arti-  
44 cles nine (except section one hundred eighty-two-a thereof and except as  
45 otherwise provided in section two hundred five thereof), nine-A,  
46 twelve-A (except as otherwise provided in section two hundred eighty-  
47 four-d thereof), thirteen, thirteen-A (except as otherwise provided in  
48 section three hundred twelve thereof), eighteen, nineteen, twenty  
49 (except as otherwise provided in section four hundred eighty-two there-  
50 of), twenty-B, twenty-D, twenty-one, twenty-two, twenty-four, twenty-  
51 six, twenty-eight (except as otherwise provided in section eleven  
52 hundred two or eleven hundred three thereof), twenty-eight-A, twenty-  
53 nine-B, thirty-C, thirty-one (except as otherwise provided in section  
54 fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of  
55 this chapter shall be deposited daily in one account with such responsi-  
56 ble banks, banking houses or trust companies as may be designated by the



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

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

17 § 3. Subdivision 1 of section 171-a of the tax law, as amended by  
18 section 4 of part XX of chapter 59 of the laws of 2019, is amended to  
19 read as follows:

20 1. All taxes, interest, penalties and fees collected or received by  
21 the commissioner or the commissioner's duly authorized agent under arti-  
22 cles nine (except section one hundred eighty-two-a thereof and except as  
23 otherwise provided in section two hundred five thereof), nine-A,  
24 twelve-A (except as otherwise provided in section two hundred eighty-  
25 four-d thereof), thirteen, thirteen-A (except as otherwise provided in  
26 section three hundred twelve thereof), eighteen, nineteen, twenty  
27 (except as otherwise provided in section four hundred eighty-two there-  
28 of), twenty-D, twenty-one, twenty-two, twenty-four, twenty-six, twenty-  
29 eight (except as otherwise provided in section eleven hundred two or  
30 eleven hundred three thereof), twenty-eight-A, twenty-nine-B, ~~thirty-C,~~  
31 thirty-one (except as otherwise provided in section fourteen hundred  
32 twenty-one thereof), thirty-three and thirty-three-A of this chapter  
33 shall be deposited daily in one account with such responsible banks,  
34 banking houses or trust companies as may be designated by the comp-  
35 troller, to the credit of the comptroller. Such an account may be estab-  
36 lished in one or more of such depositories. Such deposits shall be kept  
37 separate and apart from all other money in the possession of the comp-  
38 troller. The comptroller shall require adequate security from all such  
39 depositories. Of the total revenue collected or received under such  
40 articles of this chapter, the comptroller shall retain in the comp-  
41 troller's hands such amount as the commissioner may determine to be  
42 necessary for refunds or reimbursements under such articles of this  
43 chapter out of which amount the comptroller shall pay any refunds or  
44 reimbursements to which taxpayers shall be entitled under the provisions  
45 of such articles of this chapter. The commissioner and the comptroller  
46 shall maintain a system of accounts showing the amount of revenue  
47 collected or received from each of the taxes imposed by such articles.  
48 The comptroller, after reserving the amount to pay such refunds or  
49 reimbursements, shall, on or before the tenth day of each month, pay  
50 into the state treasury to the credit of the general fund all revenue  
51 deposited under this section during the preceding calendar month and  
52 remaining to the comptroller's credit on the last day of such preceding  
53 month, (i) except that the comptroller shall pay to the state department  
54 of social services that amount of overpayments of tax imposed by article  
55 twenty-two of this chapter and the interest on such amount which is  
56 certified to the comptroller by the commissioner as the amount to be

1 credited against past-due support pursuant to subdivision six of section  
2 one hundred seventy-one-c of this article, (ii) and except that the  
3 comptroller shall pay to the New York state higher education services  
4 corporation and the state university of New York or the city university  
5 of New York respectively that amount of overpayments of tax imposed by  
6 article twenty-two of this chapter and the interest on such amount which  
7 is certified to the comptroller by the commissioner as the amount to be  
8 credited against the amount of defaults in repayment of guaranteed  
9 student loans and state university loans or city university loans pursu-  
10 ant to subdivision five of section one hundred seventy-one-d and subdivi-  
11 sion six of section one hundred seventy-one-e of this article, (iii)  
12 and except further that, notwithstanding any law, the comptroller shall  
13 credit to the revenue arrearage account, pursuant to section  
14 ninety-one-a of the state finance law, that amount of overpayment of tax  
15 imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B  
16 or thirty-three of this chapter, and any interest thereon, which is  
17 certified to the comptroller by the commissioner as the amount to be  
18 credited against a past-due legally enforceable debt owed to a state  
19 agency pursuant to paragraph (a) of subdivision six of section one  
20 hundred seventy-one-f of this article, provided, however, he shall cred-  
21 it to the special offset fiduciary account, pursuant to section ninety-  
22 one-c of the state finance law, any such amount creditable as a liabil-  
23 ity as set forth in paragraph (b) of subdivision six of section one  
24 hundred seventy-one-f of this article, (iv) and except further that the  
25 comptroller shall pay to the city of New York that amount of overpayment  
26 of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A,  
27 thirty-B or thirty-three of this chapter and any interest thereon that  
28 is certified to the comptroller by the commissioner as the amount to be  
29 credited against city of New York tax warrant judgment debt pursuant to  
30 section one hundred seventy-one-l of this article, (v) and except  
31 further that the comptroller shall pay to a non-obligated spouse that  
32 amount of overpayment of tax imposed by article twenty-two of this chap-  
33 ter and the interest on such amount which has been credited pursuant to  
34 section one hundred seventy-one-c, one hundred seventy-one-d, one  
35 hundred seventy-one-e, one hundred seventy-one-f or one hundred seven-  
36 ty-one-l of this article and which is certified to the comptroller by  
37 the commissioner as the amount due such non-obligated spouse pursuant to  
38 paragraph six of subsection (b) of section six hundred fifty-one of this  
39 chapter; and (vi) the comptroller shall deduct a like amount which the  
40 comptroller shall pay into the treasury to the credit of the general  
41 fund from amounts subsequently payable to the department of social  
42 services, the state university of New York, the city university of New  
43 York, or the higher education services corporation, or the revenue  
44 arrearage account or special offset fiduciary account pursuant to  
45 section ninety-one-a or ninety-one-c of the state finance law, as the  
46 case may be, whichever had been credited the amount originally withheld  
47 from such overpayment, and (vii) with respect to amounts originally  
48 withheld from such overpayment pursuant to section one hundred seventy-  
49 one-l of this article and paid to the city of New York, the comptroller  
50 shall collect a like amount from the city of New York.

51 § 4. This act shall take effect immediately; provided, however, that  
52 the amendments to subdivision 1 of section 171-a of the tax law made by  
53 section two of this act shall be subject to the expiration and reversion  
54 of such subdivision pursuant to section 12 of chapter 90 of the laws of  
55 2014, as amended, when upon such date the provisions of section three of  
56 this act shall take effect.

1

PART XX

2 Section 1. Section 952 of the tax law, as amended by section 2 of part  
3 X of chapter 59 of the laws of 2014 and subsection (b) as amended by  
4 section 1 of part BB of chapter 59 of the laws of 2015, is amended to  
5 read as follows:

6 § 952. Tax imposed. (a) A tax is hereby imposed on the transfer of the  
7 New York estate by every deceased individual who at his or her death was  
8 a resident of New York state.

9 (b) Computation of tax. The tax imposed by this section shall be  
10 computed on the deceased resident's New York taxable estate as follows:

11 If the New York taxable estate is:	The tax is:
12 Not over \$500,000	3.06% of taxable estate
13 Over \$500,000 but not over \$1,000,000	\$15,300 plus 5.0% of excess over
14	\$500,000
15 Over \$1,000,000 but not over \$1,500,000	\$40,300 plus 5.5% of excess over
16	\$1,000,000
17 Over \$1,500,000 but not over \$2,100,000	\$67,800 plus 6.5% of excess over
18	\$1,500,000
19 Over \$2,100,000 but not over \$2,600,000	\$106,800 plus 8.0% of excess
20	over \$2,100,000
21 Over \$2,600,000 but not over \$3,100,000	\$146,800 plus 8.8% of excess over
22	\$2,600,000
23 Over \$3,100,000 but not over \$3,600,000	\$190,800 plus 9.6% of excess over
24	\$3,100,000
25 Over \$3,600,000 but not over \$4,100,000	\$238,800 plus 10.4% of excess
26	over \$3,600,000
27 Over \$4,100,000 but not over \$5,100,000	\$290,800 plus 11.2% of excess
28	over \$4,100,000
29 Over \$5,100,000 but not over \$6,100,000	\$402,800 plus 12.0% of excess
30	over \$5,100,000
31 Over \$6,100,000 but not over \$7,100,000	\$522,800 plus 12.8% of excess
32	over \$6,100,000
33 Over \$7,100,000 but not over \$8,100,000	\$650,800 plus 13.6% of excess
34	over \$7,100,000
35 Over \$8,100,000 but not over \$9,100,000	\$786,800 plus 14.4% of excess
36	over \$8,100,000
37 Over \$9,100,000 but not over	\$930,800 plus 15.2% of excess over
38 \$10,100,000	\$9,100,000
39 Over \$10,100,000	\$1,082,800 plus [ <del>16.0%</del> ] <u>20.0%</u> of excess
40	over \$10,100,000

41 (c) Applicable credit amount. (1) A credit of the applicable credit  
42 amount shall be allowed against the tax imposed by this section as  
43 provided in this subsection. In the case of a decedent whose New York  
44 taxable estate is less than or equal to the basic exclusion amount, the  
45 applicable credit amount shall be the amount of tax that would be due  
46 under subsection (b) of this section on such decedent's New York taxable  
47 estate. In the case of a decedent whose New York taxable estate exceeds  
48 the basic exclusion amount by an amount that is less than or equal to  
49 five percent of such amount, the applicable credit amount shall be the  
50 amount of tax that would be due under subsection (b) of this section if  
51 the amount on which the tax is to be computed were equal to the basic  
52 exclusion amount multiplied by one minus a fraction, the numerator of  
53 which is the decedent's New York taxable estate minus the basic exclu-  
54 sion amount, and the denominator of which is five percent of the basic  
55 exclusion amount. Provided, however, that the credit allowed by this

1 subsection shall not exceed the tax imposed by this section, and no  
2 credit shall be allowed to the estate of any decedent whose New York  
3 taxable estate exceeds one hundred five percent of the basic exclusion  
4 amount.

5 (2) (A) For purposes of this section, the basic exclusion amount shall  
6 be as follows:

7 In the case of decedents dying on or after: The basic exclusion amount  
8 is: April 1, 2014 and before April 1, 2015 \$ 2,062,500 April 1, 2015 and  
9 before April 1, 2016 3,125,000 April 1, 2016 and before April 1, 2017  
10 4,187,500 April 1, 2017 and before January 1, 2019 5,250,000

11 (B) In the case of any decedent dying in a calendar year beginning on  
12 or after January first, two thousand nineteen, the basic exclusion  
13 amount shall be equal to:

14 (i) five million dollars, multiplied by

15 (ii) one plus the cost-of-living adjustment, which shall be the  
16 percentage by which the consumer price index for the preceding calendar  
17 year exceeds the consumer price index for calendar year two thousand  
18 ten.

19 (C) (i) For purposes of this paragraph, "consumer price index" means  
20 the most recent consumer price index for all-urban consumers published  
21 by the United States department of labor.

22 (ii) For purposes of clause (ii) of subparagraph (B) of this para-  
23 graph, the consumer price index for any calendar year shall be the aver-  
24 age of the consumer price index as of the close of the twelve-month  
25 period ending on August thirty-first of such calendar year.

26 (iii) If any amount adjusted under this paragraph is not a multiple of  
27 ten thousand dollars, such amount shall be rounded to the nearest multi-  
28 ple of ten thousand dollars.

29 § 2. This act shall take effect immediately.

30 PART YY

31 Section 1. Section 11-503 of the administrative code of the city of  
32 New York is amended by adding a new subdivision (q) to read as follows:

33 (q) Small business recovery tax credit. (1) Definitions. For purposes  
34 of this subdivision, the following terms have the following meanings:

35 (A) "Accommodation sector" means the portion of the economy consisting  
36 of establishments that provide lodging or short-term accommodations for  
37 travelers, vacationers, and others.

38 (B) "Arts, entertainment, and recreation sector" means the portion of  
39 the economy consisting of establishments that operate facilities or  
40 provide services to meet cultural, entertainment, and recreational  
41 interests of their patrons. This sector consists of: (i) establishments  
42 that are involved in producing, promoting, or participating in live  
43 performances, events, or exhibits intended for public viewing; (ii)  
44 establishments that preserve and exhibit objects and sites of histor-  
45 ical, cultural, or educational interest; and (iii) establishments that  
46 operate facilities or provide services that enable patrons to partic-  
47 ipate in recreational activities or pursue amusement, hobby, and  
48 leisure-time interests.

49 (C) "Average starting full-time employment" means the average number  
50 of full-time equivalent positions employed by a qualifying small busi-  
51 ness between January first, two thousand twenty-one, and March thirty-  
52 first, two thousand twenty-one.

53 (D) "Average ending full-time employment" means the average number of  
54 full-time equivalent positions employed by a qualifying small business



1 between April first, two thousand twenty-one, and December thirty-first,  
2 two thousand twenty-one.

3 (E) "Certificate of tax credit" means the document issued to a quali-  
4 ifying small business by the department of finance specifying the amount  
5 of the small business recovery tax credit that such qualifying small  
6 business may claim pursuant to this subdivision.

7 (F) "Chain" means a set of establishments that share a common brand or  
8 that are characterized by standardized options for decor, marketing,  
9 packaging, products and services.

10 (G) "Food services sector" means the portion of the economy consisting  
11 of establishments that are primarily organized and operated to prepare  
12 and provide food or beverages to customers for consumption.

13 (H) "Landlord" means a person who grants the right to use or occupy  
14 premises to any lessee, sublessee, licensee or concessionaire, whether  
15 or not such person is the owner of the premises.

16 (I) "Rent expense" means the consideration paid by a qualifying small  
17 business for the use or occupancy of business premises located within  
18 the city, valued in money, whether received in money or otherwise,  
19 including all credits and property or services of any kind and including  
20 any payment required to be made by the qualifying small business on  
21 behalf of the owner or landlord of the business premises for real estate  
22 taxes, water rents or charges, sewer rents or any other expenses,  
23 including insurance, normally payable by an owner or landlord, other  
24 than expenses for the improvement, repair or maintenance of the business  
25 premises, less the amounts received by such qualifying small business  
26 for the same period from any person for the use or occupancy of any part  
27 of such business premises.

28 (J) "Qualifying small business" means a natural person, or a business  
29 entity that is independently owned and operated and not part of a chain,  
30 that:

31 (i) operates predominantly in the accommodation sector, arts, enter-  
32 tainment, and recreation sector, or food services sector, provided that  
33 any such natural person or business entity operating in the food  
34 services sector both: (1) offered, prior to March two thousand twenty,  
35 the opportunity for consumption of food or beverages on the business  
36 premises operated by such person or entity; and (2) was required to  
37 close indoor dining in March two thousand twenty as a result of a ban on  
38 indoor dining arising from the COVID-19 pandemic;

39 (ii) pays rent as a lessee, sublessee, licensee or concessionaire to  
40 use or occupy business premises located within the city; and

41 (iii) has a total income of less than one million two hundred thousand  
42 dollars.

43 (K) "Small business recovery tax credit" means the small business  
44 recovery tax credit authorized by this subdivision.

45 (L) "Total income" means gross receipts minus the costs of goods sold  
46 as reported for federal income tax purposes on the federal income tax  
47 return of the taxpayer for the tax year immediately preceding the period  
48 for which the taxpayer is applying for the small business recovery tax  
49 credit.

50 (2) Eligibility criteria. To be eligible for the small business recov-  
51 ery tax credit, a taxpayer must:

52 (A) be a qualifying small business;

53 (B) file a return pursuant to subdivision (a) of section 11-514 of  
54 this chapter, even if, pursuant to paragraph four of such subdivision  
55 (a), such taxpayer is not required to file such a return because the

1 unincorporated business gross income of such taxpayer is less than nine-  
2 ty-five thousand dollars;

3 (C) operate a business premises at a location within the city that  
4 charges for admission or accepts payment for goods or services from  
5 retail customers who pay for such goods or receive such services on such  
6 premises; and

7 (D) demonstrate that its average ending full-time employment was not  
8 less than its average starting full-time employment.

9 (3) Application and approval process. (A) To apply for the small  
10 business recovery tax credit, a taxpayer must submit an application in  
11 the form and manner as prescribed by the commissioner of finance.

12 (B) The commissioner of finance shall establish procedures, including  
13 any application deadlines, for the submission of applications by taxpay-  
14 ers. As part of the application, each taxpayer must:

15 (i) demonstrate in a form and manner prescribed by the commissioner of  
16 finance that such taxpayer is eligible for the small business recovery  
17 tax credit pursuant to paragraph two of this subdivision;

18 (ii) notwithstanding section 11-538 of this chapter, agree to allow  
19 the department of finance to share information related to such taxpayer  
20 with any other state or city agency as necessary for the implementation  
21 and administration of the small business recovery tax credit, provided,  
22 however, that any information shared pursuant to this clause shall not  
23 be available for disclosure or inspection pursuant to article six of the  
24 public officers law; and

25 (iii) agree to provide any additional information deemed necessary by  
26 the department of finance for the implementation and administration of  
27 the small business recovery tax credit.

28 (C) After reviewing a completed application of a taxpayer and deter-  
29 mining that such taxpayer meets the eligibility criteria for the small  
30 business recovery tax credit as set forth in this subdivision, the  
31 department of finance shall issue to such taxpayer a certificate of tax  
32 credit. A taxpayer may claim the amount identified on the certificate  
33 of tax credit only on its tax return for the taxable year that includes  
34 December thirty-first, two thousand twenty-one. Issuance or denial of a  
35 certificate of tax credit shall constitute a final determination of the  
36 department of finance unless, within thirty days, the taxpayer seeks  
37 administrative review by the commissioner of finance of such determi-  
38 nation.

39 (4) Amount of the small business recovery tax credit. (A) Except as  
40 otherwise provided in subparagraphs (B), (C), and (D) of this paragraph,  
41 a taxpayer that meets the eligibility requirements set forth in para-  
42 graph two of this subdivision shall be allowed a credit against the tax  
43 imposed by this chapter in an amount equal to six percent of the rent  
44 expense of such taxpayer for calendar year two thousand twenty-one,  
45 provided that such amount shall not exceed ten thousand dollars.

46 (B) Notwithstanding subparagraph (A) of this paragraph, a taxpayer  
47 that meets the eligibility requirements set forth in paragraph two of  
48 this subdivision and has a total income that is greater than one million  
49 dollars but less than one million two hundred thousand dollars shall be  
50 allowed a credit in an amount that is the product of: (i) the amount  
51 that would otherwise be allowed under subparagraph (A) of this para-  
52 graph; and (ii) a fraction, the numerator of which is one million two  
53 hundred thousand dollars less the total income of the taxpayer, and the  
54 denominator of which is two hundred thousand dollars.

55 (C) To the extent the amount of the credit allowed by this subdivision  
56 exceeds the amount of tax due pursuant to this chapter, as calculated

1 without such credit, such excess amount shall be treated as an overpay-  
2 ment of tax to be credited or refunded in accordance with the provisions  
3 of section 11-526 of this chapter, provided, however, that notwithstand-  
4 ing the requirements of section 11-528 of this chapter to the contrary,  
5 no interest shall be paid thereon.

6 (D) Notwithstanding subparagraph (A) of this paragraph, the aggregate  
7 amount of credits allowed pursuant to this subdivision, subdivision  
8 twenty-three of section 11-604 , and subdivision twenty-three of section  
9 11-654 of this title, shall not exceed fifty million dollars. If, after  
10 aggregating the amount of the credits allowed pursuant to each of such  
11 subdivisions, the department of finance determines that the value of  
12 such credits is greater than fifty million dollars, the department of  
13 finance shall allocate the amount of such credits among eligible taxpay-  
14 ers on a pro rata basis. The amount of the credit allocated to each  
15 taxpayer shall be the product of: (i) the amount of the credit  
16 prescribed by subparagraph (A) of this paragraph; and (ii) a fraction,  
17 the numerator of which is fifty million dollars, and the denominator of  
18 which is the aggregate amount of the credits allowed by the department  
19 of finance pursuant to this subdivision, subdivision twenty-three of  
20 section 11-604, and subdivision twenty-three of section 11-654 of this  
21 title.

22 (E) The commissioner of finance shall revoke a certificate of tax  
23 credit issued by the department of finance pursuant to this subdivision  
24 if it appears that the taxpayer is not a qualified small business or  
25 does not satisfy one or more of the other eligibility criteria set forth  
26 in paragraph two of this subdivision, or that any other requirement of  
27 the small business recovery tax credit has not been satisfied. Upon  
28 determining that a certificate of tax credit issued by the department of  
29 finance pursuant to this subdivision should be revoked, the amount of  
30 the credit claimed by such taxpayer prior to such revocation shall be  
31 added to the tax due pursuant to this chapter for the taxable year in  
32 which any such revocation becomes final. The commissioner of finance  
33 shall modify a certificate of tax credit issued by the department of  
34 finance pursuant to this subdivision if it appears that the rent expense  
35 provided by such taxpayer is not accurate and shall adjust the tax due  
36 pursuant to this subchapter for the taxable year in which any such  
37 modification becomes final in an amount consistent with such modifica-  
38 tion.

39 (5) Powers and duties of the commissioner. (A) The commissioner of  
40 finance may promulgate rules necessary to implement the provisions of  
41 this subdivision. Such rules shall establish an application process and  
42 eligibility criteria for the small business recovery tax credit,  
43 consistent with this subdivision, so as not to exceed the annual limita-  
44 tion on the aggregate amount of the tax credit authorized by this subdivi-  
45 vision, the small business recovery tax credit authorized by subdivision  
46 twenty-three of section 11-604, and the small business recovery tax  
47 credit authorized by subdivision twenty-three of section 11-654 of this  
48 title set forth in subparagraph (D) of paragraph four of this subdivi-  
49 sion.

50 (B) The commissioner of finance shall develop a certificate of tax  
51 credit that shall be issued to taxpayers that apply and are determined  
52 to be eligible for the small business recovery tax credit pursuant to  
53 this subdivision. Such certificate shall contain such information as  
54 required by the department of finance.

55 § 2. Section 11-604 of the administrative code of the city of New York  
56 is amended by adding a new subdivision 23 to read as follows:

1 23. Small business recovery tax credit. (a) Definitions. For purposes  
2 of this subdivision, the following terms have the following meanings:

3 (1) "Accommodation sector" means the portion of the economy consisting  
4 of establishments that provide lodging or short-term accommodations for  
5 travelers, vacationers, and others.

6 (2) "Arts, entertainment, and recreation sector" means the portion of  
7 the economy consisting of establishments that operate facilities or  
8 provide services to meet cultural, entertainment, and recreational  
9 interests of their patrons. This sector consists of: (i) establishments  
10 that are involved in producing, promoting, or participating in live  
11 performances, events, or exhibits intended for public viewing; (ii)  
12 establishments that preserve and exhibit objects and sites of histor-  
13 ical, cultural, or educational interest; and (iii) establishments that  
14 operate facilities or provide services that enable patrons to partic-  
15 ipate in recreational activities or pursue amusement, hobby, and  
16 leisure-time interests.

17 (3) "Average starting full-time employment" means the average number  
18 of full-time equivalent positions employed by a qualifying small busi-  
19 ness between January first, two thousand twenty-one, and March thirty-  
20 first, two thousand twenty-one.

21 (4) "Average ending full-time employment" mean the average number of  
22 full-time equivalent positions employed by a qualifying small business  
23 between April first, two thousand twenty-one, and December thirty-first,  
24 two thousand twenty-one.

25 (5) "Certificate of tax credit" means the document issued to a quali-  
26 fying small business by the department of finance specifying the amount  
27 of the small business recovery tax credit that such qualifying small  
28 business may claim pursuant to this subdivision.

29 (6) "Chain" means a set of establishments that share a common brand or  
30 that are characterized by standardized options for decor, marketing,  
31 packaging, products and services.

32 (7) "Food services sector" means the portion of the economy consisting  
33 of establishments that are primarily organized and operated to prepare  
34 and provide food or beverages to customers for consumption.

35 (8) "Landlord" means a person who grants the right to use or occupy  
36 premises to any lessee, sublessee, licensee or concessionaire, whether  
37 or not such person is the owner of the premises.

38 (9) "Qualifying small business" means a natural person, or a business  
39 entity that is independently owned and operated and not part of a chain,  
40 that:

41 (i) operates predominantly in the accommodation sector, arts, enter-  
42 tainment, and recreation sector, or food services sector, provided that  
43 any such natural person or business entity operating in the food  
44 services sector both: (A) offered, prior to March two thousand twenty,  
45 the opportunity for consumption of food or beverages on the business  
46 premises operated by such person or entity; and

47 (B) was required to close indoor dining in March two thousand twenty  
48 as a result of a ban on indoor dining arising from the COVID-19 pandem-  
49 ic;

50 (ii) pays rent as a lessee, sublessee, licensee or concessionaire to  
51 use or occupy business premises located within the city; and

52 (iii) has a total income of less than one million two hundred thousand  
53 dollars.

54 (10) "Rent expense" means the consideration paid by a qualifying small  
55 business for the use or occupancy of business premises located within  
56 the city, valued in money, whether received in money or otherwise,

1 including all credits and property or services of any kind and including  
2 any payment required to be made by a qualifying small business on behalf  
3 of the owner or landlord of the business premises for real estate taxes,  
4 water rents or charges, sewer rents or any other expenses, including  
5 insurance, normally payable by an owner or landlord, other than expenses  
6 for the improvement, repair or maintenance of the business premises,  
7 less the amounts received by such qualifying small business for the same  
8 period from any person for the use or occupancy of any part of such  
9 business premises.

10 (11) "Small business recovery tax credit" means the small business  
11 recovery tax credit authorized by this subdivision.

12 (12) "Total income" means gross receipts minus the cost of goods sold,  
13 as would have been reported by the taxpayer for federal income tax  
14 purposes on the federal income tax return of the taxpayer for the tax  
15 year immediately preceding the period for which the taxpayer is applying  
16 for the small business recovery tax credit if such taxpayer had not made  
17 an election under subchapter s of chapter one of the internal revenue  
18 code.

19 (b) Eligibility criteria. To be eligible for the small business recov-  
20 ery tax credit, a taxpayer must:

21 (1) be a qualifying small business;

22 (2) file a report pursuant to section 11-605 of this chapter, provided  
23 that such taxpayer may not file a combined report pursuant to subdivi-  
24 sion four of such section;

25 (3) operate a business premises at a location within the city that  
26 charges for admission or accepts payment for goods or services from  
27 retail customers who pay for such goods or receive such services on such  
28 premises; and

29 (4) demonstrate that its average ending full-time employment was not  
30 less than its average starting full-time employment.

31 (c) Application and approval process. (1) To apply for the small  
32 business recovery tax credit, a taxpayer must submit an application in  
33 the form and manner as prescribed by the commissioner of finance.

34 (2) The commissioner of finance shall establish procedures, including  
35 any application deadlines, for the submission of applications by taxpay-  
36 ers. As part of the application each taxpayer must:

37 (i) demonstrate in a form and manner prescribed by the commissioner of  
38 finance that such taxpayer is eligible for the small business recovery  
39 tax credit pursuant to paragraph (b) of this subdivision;

40 (ii) notwithstanding section 11-688 of this chapter, agree to allow  
41 the department of finance to share information related to such taxpayer  
42 with any other state or local agency as necessary for the implementation  
43 and administration of the small business recovery tax credit, provided,  
44 however, that any information shared pursuant to this clause shall not  
45 be available for disclosure or inspection pursuant to article six of the  
46 public officers law; and

47 (iii) agree to provide any additional information deemed necessary by  
48 the department of finance for the implementation and administration of  
49 the small business recovery tax credit.

50 (3) After reviewing a completed application of a taxpayer and deter-  
51 mining that such taxpayer meets the eligibility criteria for the small  
52 business recovery tax credit as set forth in this subdivision, the  
53 department of finance shall issue to such taxpayer a certificate of tax  
54 credit. A taxpayer may claim the amount identified on the certificate of  
55 tax credit only on its tax return for the taxable year that includes  
56 December thirty-first, two thousand twenty-one. Issuance or denial of a



1 certificate of tax credit shall constitute a final determination of the  
2 department of finance unless, within thirty days, the taxpayer seeks  
3 administrative review by the commissioner of finance of such determi-  
4 nation.

5 (d) Amount of the small business recovery tax credit.

6 (1) Except as otherwise provided in subparagraphs two, three and four  
7 of this paragraph, a taxpayer that meets the eligibility requirements  
8 set forth in paragraph (b) of this subdivision shall be allowed a credit  
9 against the tax imposed by this subchapter in an amount equal to six  
10 percent of the rent expense of such taxpayer for calendar year two thou-  
11 sand twenty-one, provided that such amount shall not exceed ten thousand  
12 dollars.

13 (2) Notwithstanding subparagraph one of this paragraph, a taxpayer  
14 that meets the eligibility requirements set forth in paragraph (b) of  
15 this subdivision and has a total income that is greater than one million  
16 dollars but less than one million two hundred thousand dollars shall be  
17 allowed a credit in an amount that is the product of: (i) the amount  
18 that would otherwise be allowed under subparagraph one of this para-  
19 graph; and (ii) a fraction, the numerator of which is one million two  
20 hundred thousand dollars less the total income of the taxpayer, and the  
21 denominator of which is two hundred thousand dollars.

22 (3) To the extent the amount of the credit allowed by this subdivision  
23 exceeds the amount of tax due pursuant to this subchapter, as calculated  
24 without such credit, such excess amount shall be treated as an overpay-  
25 ment of tax to be credited or refunded in accordance with the provisions  
26 of section 11-677 of this chapter, provided, however, that notwithstand-  
27 ing the requirements of section 11-679 of this chapter to the contrary,  
28 no interest shall be paid thereon.

29 (4) Notwithstanding subparagraph one of this paragraph, the aggregate  
30 amount of credits allowed pursuant to this subdivision, subdivision (q)  
31 of section 11-503 of this title and subdivision twenty-three of section  
32 11-654 of this chapter shall not exceed fifty million dollars. If, after  
33 aggregating the amount of the credits allowed pursuant to each of such  
34 subdivisions, the department of finance determines that the value of  
35 such credits is greater than fifty million dollars, the department of  
36 finance shall allocate the amount of such credits among eligible taxpay-  
37 ers on a pro rata basis. The amount of the credit allocated to each  
38 taxpayer shall be the product of: (i) the amount of the credit  
39 prescribed by subparagraph one of this paragraph; and (ii) a fraction,  
40 the numerator of which is fifty million dollars, and the denominator of  
41 which is the aggregate amount of the credits allowed by the department  
42 of finance pursuant to this subdivision, subdivision (q) of section  
43 11-503 of this title and subdivision twenty-three of section 11-654 of  
44 this chapter.

45 (5) The commissioner of finance shall revoke a certificate of tax  
46 credit issued by the department of finance pursuant to this subdivision  
47 if it appears that the taxpayer is not a qualified small business or  
48 does not satisfy one or more of the other eligibility criteria set forth  
49 in paragraph (b) of this subdivision, or that any other requirement of  
50 the small business recovery tax credit has not been satisfied. Upon  
51 determining that a certificate of tax credit issued by the department of  
52 finance pursuant to this subdivision should be revoked, the amount of  
53 credit claimed by the taxpayer prior to such revocation shall be added  
54 to the tax due pursuant to this subchapter for the taxable year in which  
55 any such revocation becomes final. The commissioner of finance shall  
56 modify a certificate of tax credit issued by the department of finance

1 pursuant to this subdivision if it appears that the rent expense  
2 provided by such taxpayer is not accurate and shall adjust the tax due  
3 pursuant to this subchapter for the taxable year in which any such  
4 modification becomes final in an amount consistent with such modifica-  
5 tion.

6 (e) Powers and duties of the commissioner. (1) The commissioner of  
7 finance may promulgate rules necessary to implement the provisions of  
8 this subdivision. Such rules shall establish an application process and  
9 eligibility criteria for the small business recovery tax credit,  
10 consistent with this subdivision, so as not to exceed the annual limita-  
11 tion on the aggregate amount of the small business recovery tax credit  
12 authorized by this subdivision, the small business recovery tax credit  
13 authorized by subdivision (g) of section 11-503 of this title, and the  
14 small business recovery tax credit authorized by subdivision twenty-  
15 three of section 11-654 of this chapter set forth in subparagraph four  
16 of paragraph (d) of this subdivision.

17 (2) The commissioner of finance shall develop a certificate of tax  
18 credit that shall be issued to taxpayers that apply and are determined  
19 to be eligible for the small business recovery tax credit pursuant to  
20 this subdivision. Such certificate shall contain such information as  
21 required by the department of finance.

22 § 3. Section 11-654 of the administrative code of the city of New York  
23 is amended by adding a new subdivision 23 to read as follows:

24 23. Small business recovery tax credit. (a) Definitions. For purposes  
25 of this subdivision, the following terms have the following meanings:

26 (1) "Accommodation sector" means the portion of the economy consisting  
27 of establishments that provide lodging or short-term accommodations for  
28 travelers, vacationers, and others.

29 (2) "Arts, entertainment, and recreation sector" means the portion of  
30 the economy consisting of establishments that operate facilities or  
31 provide services to meet cultural, entertainment, and recreational  
32 interests of their patrons. This sector consists of: (i) establishments  
33 that are involved in producing, promoting, or participating in live  
34 performances, events, or exhibits intended for public viewing; (ii)  
35 establishments that preserve and exhibit objects and sites of histor-  
36 ical, cultural, or educational interest; and (iii) establishments that  
37 operate facilities or provide services that enable patrons to partic-  
38 ipate in recreational activities or pursue amusement, hobby, and  
39 leisure-time interests.

40 (3) "Average starting full-time employment" means the average number  
41 of full-time equivalent positions employed by a qualifying small busi-  
42 ness between January first, two thousand twenty-one, and March thirty-  
43 first, two thousand twenty-one.

44 (4) "Average ending full-time employment" means the average number of  
45 full-time equivalent positions employed by a qualifying small business  
46 between April first, two thousand twenty-one, and December thirty-first,  
47 two thousand twenty-one.

48 (5) "Certificate of tax credit" means the document issued to a quali-  
49 fying small business by the department of finance specifying the amount  
50 of the small business recovery tax credit that such qualifying small  
51 business may claim pursuant to this subdivision.

52 (6) "Chain" means a set of establishments that share a common brand or  
53 that are characterized by standardized options for decor, marketing,  
54 packaging, products and services.

1 (7) "Food services sector" means the portion of the economy consisting  
2 of establishments that are primarily organized and operated to prepare  
3 and provide food or beverages to customers for consumption.

4 (8) "Landlord" means a person who grants the right to use or occupy  
5 premises to any lessee, sublessee, licensee or concessionaire, whether  
6 or not such person is the owner of the premises.

7 (9) "Qualifying small business" means a natural person, or a business  
8 entity that is independently owned and operated and not part of a chain,  
9 that:

10 (i) operates predominantly in the accommodation sector, arts, enter-  
11 tainment, and recreation sector, or food services sector, provided that  
12 any such natural person or business entity operating in the food  
13 services sector both: (A) offered, prior to March two thousand twenty,  
14 the opportunity for consumption of food or beverages on the business  
15 premises operated by such person or entity; and

16 (B) was required to close indoor dining in March two thousand twenty  
17 as a result of a ban on indoor dining arising from the COVID-19 pandem-  
18 ic;

19 (ii) pays rent as a lessee, sublessee, licensee or concessionaire to  
20 use or occupy business premises located within the city; and

21 (iii) has a total income of less than one million two hundred thousand  
22 dollars.

23 (10) "Rent expense" means the consideration paid by a qualifying small  
24 business for the use or occupancy of business premises located within  
25 the city, valued in money, whether received in money or otherwise,  
26 including all credits and property or services of any kind and including  
27 any payment required to be made by the qualifying small business on  
28 behalf of the owner or landlord of the business premises for real estate  
29 taxes, water rents or charges, sewer rents or any other expenses,  
30 including insurance, normally payable by an owner or landlord, other  
31 than expenses for the improvement, repair or maintenance of the business  
32 premises, less the amounts received by such qualifying small business  
33 for the same period from any person for the use or occupancy of any part  
34 of such business premises.

35 (11) "Small business recovery tax credit" means the small business  
36 recovery tax credit authorized by this subdivision.

37 (12) "Total income" means gross receipts minus the cost of goods sold  
38 as reported for federal income tax purposes on the federal income tax  
39 return of the taxpayer for the tax year immediately preceding the period  
40 for which the taxpayer is applying for the small business recovery tax  
41 credit.

42 (b) Eligibility criteria. To be eligible for the small business recov-  
43 ery tax credit, a taxpayer must:

44 (1) be a qualifying small business;

45 (2) file a report pursuant to section 11-655 of this subchapter, and  
46 not file a combined report pursuant to section 11-654.3 of this subchap-  
47 ter;

48 (3) operate a business premises at a location within the city that  
49 charges for admission or accepts payment for goods or services from  
50 retail customers who pay for such goods or receive such service on such  
51 premises; and

52 (4) demonstrate that its average ending full-time employment was not  
53 less than its average starting full-time employment.

54 (c) Application and approval process.

1 (1) To apply for the small business recovery tax credit, a taxpayer  
2 must submit an application in the form and manner as prescribed by the  
3 commissioner of finance.

4 (2) The commissioner of finance shall establish procedures, including  
5 any application deadlines, for the submission of applications by taxpay-  
6 ers. As part of the application, each taxpayer must:

7 (i) demonstrate in a form and manner prescribed by the commissioner of  
8 finance that such taxpayer is eligible for the small business recovery  
9 tax credit pursuant to paragraph (b) of this subdivision;

10 (ii) notwithstanding section 11-688 of this chapter, agree to allow  
11 the department of finance to share information related to such taxpayer  
12 with any other state or local agency as necessary for the implementation  
13 and administration of the small business recovery tax credit, provided,  
14 however, that any information shared pursuant to this clause shall not  
15 be available for disclosure or inspection pursuant to article six of the  
16 public officers law; and

17 (iii) agree to provide any additional information deemed necessary by  
18 the department of finance for the implementation and administration of  
19 the small business recovery tax credit.

20 (3) After reviewing a completed application of a taxpayer and deter-  
21 mining that such taxpayer meets the eligibility criteria for the small  
22 business recovery tax credit as set forth in this subdivision, the  
23 department of finance shall issue to such taxpayer a certificate of tax  
24 credit. A taxpayer may claim the amount identified on the certificate of  
25 tax credit only on its tax return for the taxable year that includes  
26 December thirty-first, two thousand twenty-one. Issuance or denial of a  
27 certificate of tax credit shall constitute a final determination of the  
28 department of finance unless, within thirty days, the taxpayer seeks  
29 administrative review by the commissioner of finance of such determi-  
30 nation.

31 (d) Amount of the small business recovery tax credit. (1) Except as  
32 otherwise provided in subparagraphs two, three and four of this para-  
33 graph, a taxpayer that meets the eligibility requirements set forth in  
34 paragraph (b) of this subdivision shall be allowed a credit against the  
35 tax imposed by this subchapter in an amount equal to six percent of the  
36 rent expense of such taxpayer for calendar year two thousand twenty-one,  
37 provided that such amount shall not exceed ten thousand dollars.

38 (2) Notwithstanding subparagraph one of this paragraph, a taxpayer  
39 that meets the eligibility requirements set forth in paragraph (b) of  
40 this subdivision and has a total income that is greater than one million  
41 dollars but less than one million two hundred thousand dollars shall be  
42 allowed a credit in an amount that is the product of: (i) the amount  
43 that would otherwise be allowed under subparagraph one of this para-  
44 graph; and (ii) a fraction, the numerator of which is one million two  
45 hundred thousand dollars less the total income of the taxpayer, and the  
46 denominator of which is two hundred thousand dollars.

47 (3) To the extent the amount of the credit allowed by this subdivision  
48 exceeds the amount of tax due pursuant to this subchapter, as calculated  
49 without such credit, such excess amount shall be treated as an overpay-  
50 ment of tax to be credited or refunded in accordance with the provisions  
51 of section 11-677 of this chapter, provided, however, that notwithstand-  
52 ing the requirements of section 11-679 of this chapter to the contrary,  
53 no interest shall be paid thereon.

54 (4) Notwithstanding subparagraph one of this paragraph, the aggregate  
55 amount of credits allowed pursuant to this subdivision, subdivision (g)  
56 of section 11-503 of this title, and subdivision twenty-three of section

1 11-604 of this chapter shall not exceed fifty million dollars. If, after  
2 aggregating the amount of the credits allowed pursuant to each of such  
3 subdivisions, the department of finance determines that the value of  
4 such credits is greater than fifty million dollars, the department of  
5 finance shall allocate the amount of such credits among eligible taxpay-  
6 ers on a pro rata basis. The amount of the credit allocated to each  
7 taxpayer shall be the product of: (i) the amount of the credit  
8 prescribed by subparagraph one of this paragraph; and (ii) a fraction,  
9 the numerator of which is fifty million dollars, and the denominator of  
10 which is the aggregate amount of the credits allowed by the department  
11 of finance pursuant to this subdivision, subdivision (q) of section  
12 11-503 of this title and subdivision twenty-three of section 11-604 of  
13 this chapter.

14 (5) The commissioner of finance shall revoke a certificate of tax  
15 credit issued by the department of finance pursuant to this subdivision  
16 if it appears that the taxpayer is not a qualified small business or  
17 does not satisfy one or more of the other eligibility criteria set forth  
18 in paragraph (b) of this subdivision, or that any other requirement of  
19 the small business recovery tax credit has not been satisfied. Upon  
20 determining that a certificate of tax credit issued by the department of  
21 finance pursuant to this subdivision should be revoked, the amount of  
22 the credit claimed by such taxpayer prior to such revocation shall be  
23 added to the tax due pursuant to this subchapter for the taxable year in  
24 which any such revocation becomes final. The commissioner shall modify a  
25 certificate of tax credit issued by the department of finance pursuant  
26 to this subdivision if it appears that the rent expense provided by such  
27 taxpayer is not accurate and shall adjust the tax due pursuant to this  
28 subchapter for the taxable year in which any such modification becomes  
29 final in an amount consistent with such modification.

30 (e) Powers and duties of the commissioner. (1) The commissioner of  
31 finance may promulgate rules necessary to implement the provisions of  
32 this subdivision. Such rules shall establish an application process and  
33 eligibility criteria for the small business recovery tax credit consist-  
34 ent with this subdivision, so as not to exceed the annual limitation on  
35 the aggregate amount of the tax credit authorized by this subdivision,  
36 the small business recovery tax credit authorized by subdivision (q) of  
37 section 11-503 of this title, and the small business recovery tax credit  
38 authorized by subdivision twenty-three of section 11-604 of this chap-  
39 ter, set forth in subparagraph four of paragraph (d) of this subdivi-  
40 sion.

41 (2) The commissioner of finance shall develop a certificate of tax  
42 credit that shall be issued to taxpayers that apply and are determined  
43 to be eligible for the small business recovery tax credit pursuant to  
44 this subdivision. Such certificate shall contain such information as  
45 required by the department of finance.

46 § 4. This act shall take effect immediately.

47 PART ZZ

48 Section 1. Subdivision (a) of section 1115 of the tax law is amended  
49 by adding a new paragraph 46 to read as follows:

50 (46) Breast pump replacement parts and breast pump collection and  
51 storage supplies to an individual purchaser for home use. For purposes  
52 of this subdivision:

53 (A) "Breast pump replacement parts" shall mean items used in conjunc-  
54 tion with a breast pump to collect milk expressed from a human breast



1 and shall include, but not be limited to: breast shields and breast  
2 shield connectors; breast pump tubes and tubing adapters; breast pump  
3 valves and membranes; backflow protectors and backflow protector adapt-  
4 ers; and bottles and bottle caps specific to the operation of the breast  
5 pump.

6 (B) "Breast pump collection and storage supplies" shall mean breast  
7 milk storage bags used to collect breast milk and to store collected  
8 breast milk until it is ready for consumption.

9 § 2. This act shall take effect on the first day of a sales tax quar-  
10 terly period, as described in subdivision (b) of section 1136 of the tax  
11 law, beginning at least ninety days after the date this act shall have  
12 become a law and shall apply to sales made on or after such date.

13 PART AAA

14 Section 1. The section heading of section 421-f of the real property  
15 tax law, as amended by chapter 590 of the laws of 1994, is amended to  
16 read as follows:

17 Exemption of capital improvements to residential buildings and certain  
18 new construction.

19 § 2. Section 421-f of the real property tax law is amended by adding a  
20 new subdivision 1-a to read as follows:

21 1-a. Buildings classified as class one property in section eighteen  
22 hundred two of this chapter reconstructed, altered, improved, or newly  
23 constructed in a special assessing unit that is not a city shall be  
24 exempt from taxation and special ad valorem levies to the extent  
25 provided hereinafter in the same manner and to the same extent to coun-  
26 ty, town, special district and school district taxes levied on the  
27 assessment roll prepared by such special assessing unit. Additional  
28 buildings and yard improvements shall be excluded from receiving this  
29 exemption. An application shall not be required to receive the  
30 exemption.

31 § 3. Subdivisions 2 and 3 of section 421-f of the real property tax  
32 law, as amended by chapter 590 of the laws of 1994, subparagraph (ii) of  
33 paragraph (a) of subdivision 2 and subdivision 3 as further amended by  
34 subdivision (b) of section 1 of part W of chapter 56 of the laws of  
35 2010, are amended to read as follows:

36 2. (a) Such buildings shall be exempt for a period of one year to the  
37 extent of one hundred per centum of the increase in assessed value ther-  
38 eof attributable to such reconstruction, alteration or improvement, and  
39 new construction pursuant to subdivision one-a of this section, and for  
40 an additional period of seven years subject to the following:

41 (i) The extent of such exemption shall be decreased by twelve and  
42 one-half per centum of the "exemption base" each year during such addi-  
43 tional period. The "exemption base" shall be the increase in assessed  
44 value as determined in the initial year of the term of the exemption,  
45 except as provided in subparagraph (ii) of this paragraph.

46 (ii) In any year in which a change in level of assessment of fifteen  
47 percent or more is certified for a final assessment roll pursuant to the  
48 rules of the commissioner, the exemption base shall be multiplied by a  
49 fraction, the numerator of which shall be the total assessed value of  
50 the parcel on such final assessment roll (after accounting for any phys-  
51 ical or quantity changes to the parcel since the immediately preceding  
52 assessment roll), and the denominator of which shall be the total  
53 assessed value of the parcel on the immediately preceding final assess-  
54 ment roll. The result shall be the new exemption base. The exemption

1 shall thereupon be recomputed to take into account the new exemption  
2 base, notwithstanding the fact that the assessor receives certification  
3 of the change in level of assessment after the completion, verification  
4 and filing of the final assessment roll. In the event the assessor does  
5 not have custody of the roll when such certification is received, the  
6 assessor shall certify the recomputed exemption to the local officers  
7 having custody and control of the roll, and such local officers are  
8 hereby directed and authorized to enter the recomputed exemption certi-  
9 fied by the assessor on the roll. The assessor shall give written notice  
10 of such recomputed exemption to the property owner, who may, if he or  
11 she believes that the exemption was recomputed incorrectly, apply for a  
12 correction in the manner provided by title three of article five of this  
13 chapter for the correction of clerical errors.

14 (iii) [~~Such~~] Except in a special assessing unit that is not a city,  
15 such exemption shall be limited to eighty thousand dollars in increased  
16 market value, or such other sum less than eighty thousand dollars, but  
17 not less than five thousand dollars as may be provided by the local law  
18 or resolution, of the property attributable to such reconstruction,  
19 alteration or improvement and any increase in market value greater than  
20 such amount shall not be eligible for the exemption pursuant to this  
21 section. In a special assessing unit that is not a city, the exemption  
22 shall be limited to seven hundred fifty thousand dollars in increased  
23 market value. For the purposes of this section, the market value of the  
24 reconstruction, alteration or improvement, or new construction as  
25 authorized by subdivision one-a of this section, shall be equal to the  
26 increased assessed value attributable to such reconstruction, alteration  
27 [~~or~~], improvement or new construction divided by the class [~~±~~] one ratio  
28 in a special assessing unit or the most recently established state  
29 equalization rate or special equalization rate in the remainder of the  
30 state, except where the state equalization rate or special equalization  
31 rate equals or exceeds ninety-five percent, in which case the increase  
32 in assessed value attributable to such reconstruction, alteration [~~or~~],  
33 improvement or new construction shall be deemed to equal the market  
34 value of such reconstruction, alteration or improvement.

35 (b) [~~No~~] Except in a special assessing unit that is not a city, no  
36 such exemption shall be granted for reconstruction, alterations or  
37 improvements unless:

38 (i) such reconstruction, alteration or improvement was commenced  
39 subsequent to the effective date of the local law or resolution adopted  
40 pursuant to subdivision one of this section; and

41 (ii) the value of such reconstruction, alteration or improvement  
42 exceeds three thousand dollars; and

43 (iii) the greater portion, as so determined by square footage, of the  
44 building reconstructed, altered or improved is at least five years old.

45 (c) For purposes of this section the terms reconstruction, alteration  
46 and improvement shall not include ordinary maintenance and repairs.

47 3. [~~Such~~] Except in a special assessing unit that is not a city, such  
48 exemption shall be granted only upon application by the owner of such  
49 building on a form prescribed by the commissioner. The application shall  
50 be filed with the assessor of the city, town, village or county having  
51 the power to assess property for taxation on or before the appropriate  
52 taxable status date of such city, town, village or county. In a special  
53 assessing unit that is not a city, the exemption shall be applied based  
54 upon that completion of reconstruction, alteration, improvement or new  
55 construction on or before the applicable taxable status date of the  
56 special assessing unit; provided, however that the exemption for such

1 reconstruction, alteration, improvement or new construction that  
 2 occurred after the taxable status date of such special assessing unit  
 3 for the two thousand nineteen -- two thousand twenty assessment roll  
 4 and on or before the taxable status date of such special assessing unit  
 5 for the two thousand twenty -- two thousand twenty-one assessment roll  
 6 shall be applied beginning with the two thousand twenty-one -- two thou-  
 7 sand twenty-two assessment roll.

8 § 4. Subdivisions 5, 6 and 7 of section 421-f of the real property tax  
 9 law, as amended by chapter 590 of the laws of 1994, are amended to read  
 10 as follows:

11 5. For the purposes of this section, except in a special assessing  
 12 unit that is not a city, a residential building shall mean any building  
 13 or structure designed and occupied exclusively for residential purposes  
 14 by not more than two families.

15 6. In the event that a building granted an exemption pursuant to this  
 16 section ceases to be used primarily for residential purposes [~~or~~], is no  
 17 longer classified as class one property in a special assessing unit that  
 18 is not a city, or title thereto is transferred to other than the heirs  
 19 or distributees of the owner in other than a special assessing unit that  
 20 is not a city, the exemption granted pursuant to this section shall  
 21 cease.

22 7. (a) [~~A~~] Except for a special assessing unit that is not a city, a  
 23 county, city, town or village may, by its local law, or school district,  
 24 by its resolution:

25 (i) reduce the per centum of exemption otherwise allowed pursuant to  
 26 this section;

27 (ii) limit eligibility for the exemption to those forms of recon-  
 28 struction, alterations or improvements as are prescribed in such local  
 29 law or resolution;

30 (iii) provide that the exemption shall be applicable only to those  
 31 improvements which would otherwise result in an increase in the assessed  
 32 valuation of the real property but which consist of an addition, remodel-  
 33 ing or modernization to an existing residential structure to prevent  
 34 physical deterioration of the structure or to comply with applicable  
 35 building, sanitary, health and/or fire codes.

36 (b) No such local law or resolution shall reduce or repeal an  
 37 exemption granted pursuant to this section until the expiration of the  
 38 period for which such exemption was granted.

39 § 5. Applicability. This act shall be applicable beginning with the  
 40 two thousand twenty -- two thousand twenty-one assessment roll through  
 41 and including the two thousand twenty-two -- two thousand twenty-three  
 42 assessment roll.

43 § 6. Severability. If any clause, sentence, paragraph, section or part  
 44 of this act shall be adjudged by any court of competent jurisdiction to  
 45 be invalid and after exhaustion of all further judicial review, the  
 46 judgment shall not affect, impair or invalidate the remainder thereof,  
 47 but shall be confined in its operation to the clause, sentence, para-  
 48 graph, section or part of this act directly involved in the controversy  
 49 in which the judgment shall have been rendered.

50 § 7. This act shall take effect immediately.

51

## PART BBB

52 Section 1. The agriculture and markets law is amended by adding a new  
 53 article 27 to read as follows:

ARTICLE 27NOURISH NEW YORKSection 450. Declaration of legislative findings and intent.451. Definitions.452. Nourish New York program.

§ 450. Declaration of legislative findings and intent. While the Nourish New York program was developed in response to disrupted food supply chains due to the COVID-19 pandemic, it has emerged as an important innovation, significantly supporting the state's farms while providing nourishing fresh foods to people experiencing food insecurity. The COVID-19 crisis unveiled the weaknesses in our state's food supply system and has caused serious economic hardships for the state's farms and agribusinesses. But, in the ten months since its inception, Nourish New York has already strengthened the state's food supply network and expanded markets for New York farm products. The local food movement has also gained significant momentum during the pandemic, with increasing numbers of New Yorkers wanting to know where their food is sourced. This presents the state with a major opportunity to support our local economies and create greater equity in our food system by providing greater access to local, healthy options in food insecure areas through making the Nourish New York program permanent.

§ 451. Definitions. 1. "Food relief organization" means a religious organization or other not-for-profit that provides food for free to persons experiencing food insecurity, including but not limited to a food pantry, food bank, or soup kitchen or community-based organization that provides food for free to persons experiencing food insecurity.

2. "Surplus agricultural products" means consumable or edible agricultural products, including processed products, grown, produced or harvested in New York but shall not include beverages containing alcohol.

§ 452. Nourish New York program. 1. The commissioner, in cooperation with the commissioner of health, shall, to the extent permitted by state or federal appropriations for such purpose, facilitate and promote the purchase, processing and distribution of surplus agricultural products that are provided to food-insecure New Yorkers through food relief organizations at competitive wholesale prices. The goal of such program is to benefit as many food-insecure households and farmers as possible, but also, whenever possible, to:

(a) promote such agricultural products and processed food products sourced from small family-owned farms and businesses, including minority- or women-owned farms, food processing and food-service businesses;

(b) promote the preparation and packaging and delivery of such food for food-insecure households in a manner that: is practical for pickup or delivery; is practical for food preparation and storage; reduces food waste; promotes food safety; and is culturally and religiously appropriate as necessary; and

(c) distribute such food or provide access to New York farm products for food-insecure households in a cost-effective manner that is accessible for such households through local, community-based sites including, but not limited to, food pantries, other not-for-profit food programs, farmers' markets, and small food businesses in underserved communities.

The commissioner shall, in coordination with the commissioner of health, solicit the input of representatives of farmers, food relief organizations, food businesses, institutions of higher education with expertise in agriculture, food preparation, distribution and food insecurity and any other representatives the commissioners deem necessary to

1 produce a report to provide advice, guidance, and recommendations on how  
2 best to achieve the goals of the program. The commissioners shall  
3 provide such written report of the findings identifying any proposed  
4 recommendations to the governor, the speaker of the assembly, and the  
5 temporary president of the senate on or before February first, two  
6 thousand twenty-two, and shall publish such report on the department's  
7 website.

8 2. The commissioner shall provide technical assistance and information  
9 about the program to food relief organizations, producers of surplus  
10 agricultural products and the public, including, but not limited to,  
11 information posted on the department's website.

12 3. The commissioner shall provide means, which may include posting on  
13 the department's website, for producers to make available surplus agri-  
14 cultural products and for food relief organizations to access surplus  
15 agricultural products.

16 4. The commissioner of health, in consultation with the commissioner,  
17 shall review the current funding structure, funding adequacy and current  
18 service levels of the hunger prevention nutrition assistance program in  
19 all regions of the state. Review of current service levels shall take  
20 into account the size of the service area, the population in need of  
21 such hunger prevention nutrition assistance program and the need for  
22 additional facilities within a region in order to address increasing  
23 food insecurity and hunger. Following such review, the commissioner of  
24 health shall make and report any recommendations, including but not  
25 limited to, increasing the maximum amount of money each food pantry may  
26 be allocated by such program, whether such program funding should be  
27 indexed for inflation annually, and any structural and funding adequacy  
28 changes deemed necessary. Such report shall be completed and submitted  
29 to the governor and the legislature no later than February first, two  
30 thousand twenty-two.

31 5. The commissioner of health, in consultation with the commissioner,  
32 shall review and report on the need to establish a grant program to fund  
33 the purchase of cold storage equipment and vehicles for regional food  
34 banks, food pantries and other emergency food organizations. Such grant  
35 program shall prioritize regions of the state that have the highest  
36 demand for emergency food and regions of the state where regional food  
37 banks and pantries have determined the need for more capacity to safely  
38 store and transport perishable food before such food is distributed.  
39 Such report shall be completed and submitted to the governor and the  
40 legislature no later than February first, two thousand twenty-two.

41 § 2. This act shall take effect immediately.

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

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