

# STATE OF NEW YORK

5267

2021-2022 Regular Sessions

## IN ASSEMBLY

February 12, 2021

Introduced by M. of A. WALKER -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law and the economic development law, in relation to the creation of the empire state music production credit and the empire state digital gaming media production credit; to repeal subdivision 13 of section 352 of the economic development law relating thereto; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 45 to read  
2 as follows:

3 § 45. Empire state music production credit. (a) Allowance of credit.  
4 (1) A taxpayer which is a music production entity engaged in qualified  
5 music production, or who is a sole proprietor of or a member of a part-  
6 nership, which is a music production entity engaged in qualified music  
7 production, and is subject to tax under article nine-A or twenty-two of  
8 this chapter, shall be allowed a credit against such tax to be computed  
9 as provided herein.

10 (2) The amount of the credit shall be the product (or pro rata share  
11 of the product, in the case of a member of a partnership or limited  
12 liability company) of twenty-five percent and the eligible production  
13 costs of one or more qualified music productions.

14 (3) Eligible production costs for a qualified music production  
15 incurred and paid in this state but outside such metropolitan commuter  
16 transportation district shall be eligible for a credit of ten percent of  
17 such eligible production costs in addition to the credit specified in  
18 paragraph two of this subdivision.

19 (4) Eligible production costs shall not include those costs used by  
20 the taxpayer or another taxpayer as the basis calculation of any other  
21 tax credit allowed under this chapter or allowed in any other state.

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

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1 (b) Allocation of credit. The aggregate amount of tax credits allowed  
2 under this section, subdivision fifty-five of section two hundred ten-B  
3 and subsection (kkk) of section six hundred six of this chapter in any  
4 taxable year shall be fifty million dollars. The aggregate amount of  
5 credits for any taxable year shall be distributed on a regional basis as  
6 follows: fifty percent of the aggregate amount of credits shall be  
7 available for qualified music productions that incur at least sixty  
8 percent of eligible production costs for a qualified music production in  
9 region one; twenty percent of the aggregate amount of credits shall be  
10 available for qualified music productions that incur at least sixty  
11 percent of eligible production costs for a qualified music production in  
12 region two; and thirty percent of the aggregate amount of credits shall  
13 be available for qualified music productions that incur at least sixty  
14 percent of eligible production costs for a qualified music production in  
15 region three. If such regional distribution is not fully allocated in  
16 any taxable year, the remainder of such credits shall be available for  
17 allocation to any region in the subsequent tax year. For the purposes  
18 of this section region one shall contain the city of New York; region  
19 two shall contain the counties of Westchester, Rockland, Nassau and  
20 Suffolk; and region three shall contain any county not contained in  
21 regions one and two. Such credit shall be allocated by the empire state  
22 development corporation among taxpayers in order of priority based upon  
23 the date of filing an application for allocation of music production  
24 credits with such office. If the total amount of allocated credits  
25 applied for in any particular year exceeds the aggregate amount of tax  
26 credits allowed for such year under this section, such excess shall be  
27 treated as having been applied for on the first day of the subsequent  
28 taxable year.

29 (c) Definitions. As used in this section:

30 (1) "Music production" means the creation of a sound recording and any  
31 related music video, either of which is intended for commercial release.  
32 A "music production" does not include recordings that are primarily  
33 spoken word or wildlife or nature sounds, or produced for instructional  
34 use or advertising or promotional purposes.

35 (2) "Qualified music production" is a music production in which eligi-  
36 ble production costs equal to or are in excess of seven thousand five  
37 hundred dollars if incurred and paid in this state in the twelve months  
38 preceding the date on which the credit is claimed. Provided, however, if  
39 such production costs are incurred and paid outside the metropolitan  
40 commuter transportation district in this state, such production costs  
41 shall be equal to or in excess of three thousand seven hundred fifty  
42 dollars to be a qualified music production for the purposes of this  
43 paragraph.

44 (3) (A) "Eligible production costs for a qualified music production"  
45 are costs incurred and paid in this state for tangible property and  
46 services used in the production of qualified music production, as deter-  
47 mined by the department of economic development, including, but not  
48 limited to: (i) studio rental fees and related costs, (ii) instrument  
49 and equipment rental fees, (iii) production session fees for musicians,  
50 programmers, engineers, and technicians and (iv) mixing and mastering  
51 services.

52 (B) Eligible production costs shall not include: (i) costs for tangi-  
53 ble property or services used or performed outside of this state, (ii)  
54 performance fees for featured artists or featured guest artists receiv-  
55 ing royalties or advances on royalties or special performance fees  
56 (other than those that would normally be collected by a performing

1 rights organization) pursuant to an agreement directly with the producer  
 2 or employer, (iii) salaries or related compensation for producers or  
 3 songwriters, (iv) composer, artist or producer residual royalties or  
 4 advances, (v) licensing fees for samples, (vi) interpolations or other  
 5 music clearance costs, (vii) mastering or post-production expenditures  
 6 for projects that were not principally tracked and recorded in this  
 7 state, (viii) any costs associated with manufacturing, duplication,  
 8 packaging, distribution, promotion, marketing or touring not specif-  
 9 ically outlined in this subparagraph, or (ix) local transportation  
 10 expenditures directly related to music production and provided at or to  
 11 the site of such music production. With respect to the production of a  
 12 music video, eligible production costs are those defined in paragraph  
 13 two of subdivision (b) of section twenty-four of this article. Such  
 14 total production costs incurred and paid in this state shall be equal to  
 15 or exceed seventy-five percent of total cost of an eligible production  
 16 incurred and paid within and without this state.

17 (d) Cross-references. For applications of the credit provided for in  
 18 this section, see the following provisions of this chapter:

19 (1) Article nine-A: section two hundred ten-B, subdivision fifty-five.

20 (2) Article twenty-two: section six hundred six, subsection (i), para-  
 21 graph one, subparagraph (B), clause (xlvi).

22 (3) Article twenty-two: section six hundred six, subsection (kkk).

23 § 2. Section 210-B of the tax law is amended by adding a new subdivi-  
 24 sion 55 to read as follows:

25 55. Empire state music production credit. (a) Allowance of credit. A  
 26 taxpayer who is eligible pursuant to section forty-five of this chapter  
 27 shall be allowed a credit to be computed as provided in such section  
 28 forty-five against the tax imposed by this article.

29 (b) Application of credit. The credit allowed under this subdivision  
 30 for any taxable year shall not reduce the tax due for such year to less  
 31 than the amount prescribed in paragraph (d) of subdivision one of  
 32 section two hundred ten of this article. Provided, however, that if the  
 33 amount of the credit allowable under this subdivision for any taxable  
 34 year reduces the tax to such amount, the excess shall be treated as an  
 35 overpayment of tax to be credited or refunded in accordance with the  
 36 provisions of section one thousand eighty-six of this chapter, provided,  
 37 however, no interest shall be paid thereon.

38 § 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
 39 of the tax law is amended by adding a new clause (xlvi) to read as  
 40 follows:

41 <u>(xlvi) Empire state music</u>	<u>Amount of credit under</u>
42 <u>production credit under</u>	<u>subdivision fifty-five</u>
43 <u>subsection (kkk)</u>	<u>of section two hundred ten-B</u>

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

46 (kkk) Empire state music production credit. (1) Allowance of credit. A  
 47 taxpayer who is eligible pursuant to section forty-five of this chapter  
 48 shall be allowed a credit to be computed as provided in such section  
 49 forty-five against the tax imposed by this article.

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

1 § 5. The tax law is amended by adding a new section 46 to read as  
2 follows:

3 § 46. Empire state digital gaming media production credit. (a) Allow-  
4 ance of credit. (1) A taxpayer which is a digital gaming media  
5 production entity engaged in qualified digital gaming production,  
6 or who is a sole proprietor of or a member of a partnership, which is a  
7 digital gaming media production entity engaged in qualified digital  
8 gaming media production, and is subject to tax under article nine-A or  
9 twenty-two of this chapter, shall be allowed a credit against such tax  
10 to be computed as provided herein.

11 (2) The amount of the credit shall be the product (or pro rata share  
12 of the product, in the case of a member of a partnership or limited  
13 liability company) of twenty-five percent and the eligible production  
14 costs of one or more qualified digital gaming media productions.

15 (3) Eligible digital gaming media production costs for a qualified  
16 digital gaming media production incurred and paid in this state but  
17 outside such metropolitan commuter transportation district shall be  
18 eligible for a credit of ten percent of such eligible production costs  
19 in addition to the credit specified in paragraph two of this subdivi-  
20 sion.

21 (4) Eligible production costs shall not include those costs used by  
22 the taxpayer or another taxpayer as the basis calculation of any other  
23 tax credit allowed under this chapter or allowed in any other state.

24 (b) Allocation of credit. The aggregate amount of tax credits allowed  
25 under this section, subdivision fifty-six of section two hundred ten-B  
26 and subsection (lll) of section six hundred six of this chapter in any  
27 taxable year shall be fifty million dollars. The aggregate amount of  
28 credits for any taxable year must be distributed on a regional basis as  
29 follows: fifty percent of the aggregate amount of credits shall be  
30 available for qualified digital gaming media productions that incur at  
31 least sixty percent of eligible production costs for a qualified digital  
32 gaming media production in region one; twenty percent of the aggregate  
33 amount of credits shall be available for qualified digital gaming media  
34 productions that incur at least sixty percent of eligible production  
35 costs for a qualified digital gaming media production in region two; and  
36 thirty percent of the aggregate amount of credits shall be available for  
37 qualified digital gaming media productions that incur at least sixty  
38 percent of eligible production costs for a qualified digital gaming  
39 media production in region three. If such regional distribution is not  
40 fully allocated in any taxable year, the remainder of such credits shall  
41 be available for allocation to any region in the subsequent tax year.  
42 For the purposes of this section region one shall contain the city of  
43 New York; region two shall contain the counties of Westchester, Rock-  
44 land, Nassau and Suffolk; and region three shall contain any county not  
45 contained in regions one and two. Such credit shall be allocated by the  
46 empire state development corporation among taxpayers in order of priori-  
47 ty based upon the date of filing an application for allocation of  
48 digital gaming media production credit with such office. If the total  
49 amount of allocated credits applied for in any particular year exceeds  
50 the aggregate amount of tax credits allowed for such year under this  
51 section, such excess shall be treated as having been applied for on the  
52 first day of the subsequent taxable year.

53 (c) Definitions. As used in this section:

54 (1) "Qualified digital gaming media production" means: (i) a website,  
55 the digital media production costs of which are paid or incurred predo-  
56 minately in connection with (A) video simulation, animation, text,

1 audio, graphics or similar gaming related property embodied in digital  
2 format, and (B) interactive features of digital gaming (e.g., links,  
3 message boards, communities or content manipulation); (ii) video or  
4 interactive games produced primarily for distribution over the internet,  
5 wireless network or successors thereto; (iii) animation, simulation or  
6 embedded graphics digital gaming related software intended for commer-  
7 cial distribution regardless of medium; and (iv) a digital gaming media  
8 production in which qualified digital gaming media production costs  
9 equal to or are in excess of seven thousand five hundred dollars if  
10 incurred and paid in this state in twelve months preceding the date on  
11 which the credit is claimed. Provided, however, if such production costs  
12 are incurred and paid outside the metropolitan commuter transportation  
13 district in this state, such production costs shall be equal to or in  
14 excess of three thousand seven hundred fifty dollars to be a qualified  
15 digital gaming media production for purposes of this paragraph. A quali-  
16 fied digital gaming media production does not include a website, video,  
17 interactive game or software that is used predominately for: electronic  
18 commerce (retail or wholesale purposes other than the sale of video or  
19 interactive games), gambling (including activities regulated by a New  
20 York gaming agency), exclusive local consumption for entities not acces-  
21 sible by the general public including industrial or other private  
22 purposes, and political advocacy purposes.

23 (2) "Digital gaming media production costs" means any costs for prop-  
24 erty used and wages or salaries paid to individuals directly employed  
25 for services performed by those individuals directly and predominately  
26 in the creation of a digital gaming media production or productions.  
27 Digital gaming media production costs include but shall not be limited  
28 to payments for property used and services performed directly and predo-  
29 minately in the development (including concept creation), design,  
30 production (including concept creation), design, production (including  
31 testing), editing (including encoding) and compositing (including the  
32 integration of digital files for interaction by end users) of digital  
33 gaming media. Digital gaming media production costs shall not include  
34 expenses incurred for the distribution, marketing, promotion, or adver-  
35 tising content generated by end-users or other costs not directly and  
36 predominately related to the creation, production or modification of  
37 digital gaming media. In addition, salaries or other income distribution  
38 related to the creation of digital gaming media for any person who  
39 serves in the role of chief executive officer, chief financial officer,  
40 president, treasurer or similar position shall not be included as  
41 digital gaming media production costs. Furthermore, any income or other  
42 distribution to any individual who holds an ownership interest in a  
43 digital gaming media production entity shall not be included as digital  
44 gaming media production costs.

45 (3) "Qualified digital gaming media production costs" means digital  
46 gaming media production costs only to the extent such costs are attrib-  
47 utable to the use of property or the performance of services by any  
48 persons within the state directly and predominantly in the creation,  
49 production or modification of digital gaming related media. Such total  
50 production costs incurred and paid in this state shall be equal to or  
51 exceed seventy-five percent of total cost of an eligible production  
52 incurred and paid within and without this state.

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

55 (1) Article nine-A: section two hundred ten-B, subdivision fifty-six.

1 (2) Article twenty-two: section six hundred six, subsection (i), para-  
2 graph one, subparagraph (B), clause (xlvii).

3 (3) Article twenty-two: section six hundred six, subsection (111).

4 § 6. Section 210-B of the tax law is amended by adding a new subdivi-  
5 sion 56 to read as follows:

6 56. Empire state digital gaming media production credit. (a) Allowance  
7 of credit. A taxpayer who is eligible pursuant to section forty-six of  
8 this chapter shall be allowed a credit to be computed as provided in  
9 such section forty-six against the tax imposed by this article.

10 (b) Application of credit. The credit allowed under this subdivision  
11 for any taxable year shall not reduce the tax due for such year to less  
12 than the amount prescribed in paragraph (d) of subdivision one of  
13 section two hundred ten of this article. Provided, however, that if the  
14 amount of the credit allowable under this subdivision for any taxable  
15 year reduces the tax to such amount, the excess shall be treated as an  
16 overpayment of tax to be credited or refunded in accordance with the  
17 provisions of section one thousand eighty-six of this chapter, provided,  
18 however, no interest shall be paid thereon.

19 § 7. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
20 of the tax law is amended by adding a new clause (xlvii) to read as  
21 follows:

22 <u>(xlvii) Empire state digital</u>	<u>Amount of credit</u>
23 <u>gaming media production</u>	<u>under subdivision</u>
24 <u>credit under subsection (111)</u>	<u>fifty-six of section</u>
25	<u>two hundred ten-B</u>

26 § 8. Section 606 of the tax law is amended by adding a new subsection  
27 (111) to read as follows:

28 (111) Empire state digital gaming media production credit. (1) Allow-  
29 ance of credit. A taxpayer who is eligible pursuant to section forty-six  
30 of this chapter shall be allowed a credit to be computed as provided in  
31 such section forty-six against the tax imposed by this article.

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

37 § 9. The state commissioner of economic development, after consulting  
38 with the state commissioner of taxation and finance, shall promulgate  
39 regulations by December 31, 2021 to establish procedures for the allo-  
40 cation of tax credits as required by subdivision (a) of section 45 and  
41 subdivision (a) of section 46 of the tax law. Such rules and regulations  
42 shall include provisions describing the application process, the due  
43 dates for such applications, the standards which shall be used to evalu-  
44 ate the applications, the documentation that will be provided to taxpay-  
45 ers to substantiate to the New York state department of taxation and  
46 finance the amount of tax credits allocated to such taxpayers, under  
47 what conditions all or a portion of this tax credit may be revoked, and  
48 such other provisions as deemed necessary and appropriate. Notwithstand-  
49 ing any other provisions to the contrary in the state administrative  
50 procedure act, such rules and regulations may be adopted on an emergency  
51 basis if necessary to meet such December 31, 2021 deadline.

52 § 10. Subdivision 13 of section 352 of the economic development law is  
53 REPEALED.

54 § 11. Subdivisions 1, 3 and 5 of section 353 of the economic develop-  
55 ment law, subdivision 1 as amended by section 2 of part L of chapter 59

1 of the laws of 2020, subdivision 3 as separately amended by section 2 of  
2 part K of chapter 59 of the laws of 2017 and section 2 of part ZZ of  
3 chapter 59 of the laws of 2017 and subdivision 5 as amended by section 2  
4 of part K of chapter 59 of the laws of 2015, are amended to read as  
5 follows:

6 1. To be a participant in the excelsior jobs program, a business enti-  
7 ty shall operate in New York state predominantly:

8 (a) as a financial services data center or a financial services back  
9 office operation;

10 (b) in manufacturing;

11 (c) in software development and new media;

12 (d) in scientific research and development;

13 (e) in agriculture;

14 (f) in the creation or expansion of back office operations in the  
15 state;

16 (g) in a distribution center;

17 (h) in an industry with significant potential for private-sector  
18 economic growth and development in this state as established by the  
19 commissioner in regulations promulgated pursuant to this article. In  
20 promulgating such regulations the commissioner shall include job and  
21 investment criteria;

22 (i) as an entertainment company;

23 (j) [~~in music production,~~

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

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

28 3. For the purposes of this article, in order to participate in the  
29 excelsior jobs program, a business entity operating predominantly in  
30 manufacturing must create at least five net new jobs; a business entity  
31 operating predominately in agriculture must create at least five net new  
32 jobs; a business entity operating predominantly as a financial service  
33 data center or financial services customer back office operation must  
34 create at least twenty-five net new jobs; a business entity operating  
35 predominantly in scientific research and development must create at  
36 least five net new jobs; a business entity operating predominantly in  
37 software development must create at least five net new jobs; a business  
38 entity creating or expanding back office operations must create at least  
39 twenty-five net new jobs; [~~a business entity operating predominately in  
40 music production must create at least five net new jobs,~~] a business  
41 entity operating predominantly as an entertainment company must create  
42 or obtain at least one hundred net new jobs; or a business entity oper-  
43 ating predominantly as a distribution center in the state must create at  
44 least fifty net new jobs, notwithstanding subdivision five of this  
45 section; or a business entity operating predominately as a life sciences  
46 company must create at least five net new jobs; or a business entity  
47 must be a regionally significant project as defined in this article; or

48 5. A not-for-profit business entity, a business entity whose primary  
49 function is the provision of services including personal services, busi-  
50 ness services, or the provision of utilities, and a business entity  
51 engaged predominantly in the retail or entertainment industry, other  
52 than a business operating as an entertainment company as defined in this  
53 article [~~and other than a business entity engaged in music production~~],  
54 and a company engaged in the generation or distribution of electricity,  
55 the distribution of natural gas, or the production of steam associated

1 with the generation of electricity are not eligible to receive the tax  
2 credit described in this article.

3 § 12. Subdivision 23 of section 352 of the economic development law,  
4 as amended by section 1 of part K of chapter 59 of the laws of 2017, is  
5 amended to read as follows:

6 23. "Software development" means the creation of coded computer  
7 instructions [~~or production or post-production of video games, as~~  
8 ~~defined in subdivision one-a of section six hundred eleven of the gener-~~  
9 ~~al business law, other than those embedded and used exclusively in~~  
10 ~~advertising, promotional websites or microsites,~~] and [also] includes  
11 new media as defined by the commissioner in regulations.

12 § 13. The economic development law is amended by adding a new section  
13 243 to read as follows:

14 § 243. Reports on the music and digital gaming industries in New York.  
15 1. The empire state development corporation shall file a report on a  
16 biannual basis with the director of the division of the budget and the  
17 chairpersons of the assembly ways and means committee and senate finance  
18 committee. The report shall be filed no later than thirty days before  
19 the mid-point and the end of the state fiscal year. The first report  
20 shall cover the calendar half year that begins on January first, two  
21 thousand twenty-three. Each report must contain the following informa-  
22 tion for the covered calendar half year:

23 (a) the total dollar amount of credits allocated pursuant to sections  
24 forty-five and forty-six of the tax law during the half year, broken  
25 down by month;

26 (b) the number of music and digital gaming projects, which have been  
27 allocated tax credits of less than one million dollars per project, and  
28 the total dollar amount of credits allocated to those projects distrib-  
29 uted by region pursuant to subdivision (b) of sections forty-five and  
30 forty-six of the tax law;

31 (c) the number of music and digital gaming projects, which have been  
32 allocated tax credits of more than one million dollars, and the total  
33 dollar amount of credits allocated to those projects distributed by  
34 region pursuant to subdivision (b) of sections forty-five and forty-six  
35 of the tax law;

36 (d) a list of each eligible music and digital gaming project, which  
37 has been allocated a tax credit enumerated by region pursuant to subdi-  
38 vision (b) of sections forty-five and forty-six of the tax law, and for  
39 each of those projects, (i) the estimated number of employees associated  
40 with the project, (ii) the estimated qualifying costs for the projects,  
41 (iii) the estimated total costs of the project, (iv) the credit eligible  
42 employee hours for each project, and (v) total wages for such credit  
43 eligible employee hours for each project; and

44 (e) (i) the name of each taxpayer allocated a tax credit for each  
45 project and the county of residence or incorporation of such taxpayer  
46 or, if the taxpayer does not reside or is not incorporated in New York,  
47 the state of residence or incorporation; however, if the taxpayer claims  
48 a tax credit because the taxpayer is a member of a limited liability  
49 company, a partner in a partnership or a shareholder in a subchapter S  
50 corporation, the name of each limited liability company, partnership or  
51 subchapter S corporation earning any of those tax credits must be  
52 included in the report instead of information about the taxpayer claim-  
53 ing the tax credit, (ii) the amount of tax credit allocated to each  
54 taxpayer; provided however, if the taxpayer claims a tax credit because  
55 the taxpayer is a member of a limited liability company, a partner in a  
56 partnership or a shareholder in a subchapter S corporation, the amount

1 of tax credit earned by each entity must be included in the report  
2 instead of information about the taxpayer claiming the tax credit, and  
3 (iii) information identifying the project associated with each taxpayer  
4 for which a tax credit was claimed under section forty-five or forty-six  
5 of the tax law.

6 2. The empire state development corporation shall file a report on a  
7 triennial basis with the director of the division of the budget and the  
8 chairpersons of the assembly ways and means committee and senate finance  
9 committee. The first report shall be filed no later than March first,  
10 two thousand twenty-five. The report must be prepared by an independent  
11 third party auditor and include: (a) information regarding the empire  
12 state music production credit and the empire state digital gaming  
13 production credit programs including the efficiency of operations, reli-  
14 ability of financial reporting, compliance with laws and regulations and  
15 distribution of assets and funds; (b) an economic impact study prepared  
16 by an independent third party of the program with special emphasis on  
17 the regional impact by region and the total dollar amount of credits  
18 allocated to those projects distributed by region pursuant to subdivi-  
19 sion (b) of sections forty-five and forty-six of the tax law; and (c)  
20 any other information or statistical information that the commissioner  
21 of economic development deems to be useful in analyzing the effects of  
22 the programs.

23 § 14. This act shall take effect immediately and shall apply to taxa-  
24 ble years beginning on January 1, 2022 and before January 1, 2027;  
25 provided that sections one through eight of this act shall expire and be  
26 deemed repealed December 31, 2026.