STATE OF NEW YORK

2509--B

IN SENATE

January 20, 2021

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

AN ACT 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, in relation to the imposition of a pass-through business 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 the taxation of certain corporations classed as a taxicab or omnibus (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); intentionally omitted (Part G); intentionally omitted (Part H); Intentionally Omitted (Part I); to amend the tax law, to impose 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); intentionally omitted (Part K); to amend the tax law, in relation to the authority of counties to impose sales and compensating use taxes; and to repeal certain provisions of such law relating thereto (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(Part O); to amend the tax law, in relation to restrictions on certain retail dealers whose registrations have been revoked or who have been forbidden from selling cigarettes or tobacco products (Part P); to amend the tax

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

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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); to amend the real property law and the tax law, in relation to electronic submission of consolidated real property transfer forms; and to repeal certain provisions of the real property law relating thereto (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, the real property tax law and the tax law, in relation to exemptions for manufactured home park owners or operators and mobile home owners; and to repeal certain provisions of the real property law relating thereto (Subpart E)(Part V); to amend the real property tax law, in relation to facilitating the administration of the real property tax, and to repeal section 307 of such law relating thereto (Part W); to amend the real property tax law and the general municipal law, in relation to promoting the development of renewable energy projects (Part X); to amend the racing, pari-mutuel wagering and breeding law, in relation to the regulation of sports betting and authorizing mobile sports wagering; and providing for the repeal of certain provisions of such law relating thereto (Part Y); intentionally omitted (Part Z); to amend the tax law, in relation to a keno style lottery game (Part AA); to amend the tax law, in relation to restrictions on certain lottery draw game offerings (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 two years (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); to amend the general business law, in relation to requiring the implementation of the secure choice program by a certain date (Part KK); in relation to temporarily suspending certain racing support payments (Part LL); to amend the racing, pari-mutuel wagering and breeding law, in relation to converting video lottery terminal facilities in Queens and Westchester counties to destination resort gaming facilities (Part MM); clarifying for certain tax credit programs that work performed remotely within the state due to the outbreak of novel coronavirus, COVID-19, qualifies for certain tax credit programs; and providing for the repeal of such provisions upon expiration thereof (Part NN); to amend the tax law, in relation to the amount of the business income base and capital base for the computation of tax (Part OO); to amend the tax law, in relation to imposing an additional tax on income from capital gain (Part PP); to amend the tax law and the administrative code of the city of New York, in relation to investment income (Part QQ); to amend the tax law, in relation to the computation of estate tax (Part RR); to amend the real property law and the uniform commercial code, in relation to requiring the recording of mezzanine debt and preferred equity investments; and to amend the tax law, in relation to including mezzanine debt in the mortgage recording tax (Part SS); to amend the tax law, in relation to filing fees for limited liability companies and partnerships (Part TT); and to amend the tax law, in relation to the real property tax relief credit (Part UU)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2021-2022 state fiscal year. Each component is wholly contained within a Part identified as Parts A through UU. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $43,000	$1,202 plus 5.9% of excess over $27,900
Over $43,000 but not over $161,550	$2,093 plus 5.97% of excess over $43,000
Over $161,550 but not over $323,200	$9,170 plus 6.33% of excess over $161,550
Over $323,200 but not over $2,155,350	$19,403 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $10,000,000	$144,905 plus [~~8.82~~] 9.85% of excess over $2,155,350
Over $10,000,000 but not over $50,000,000	$917,603 plus 10.85% of excess over $10,000,000
Over $50,000,000	$5,257,603 plus 11.85% of excess over $50,000,000

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.85% of excess over $27,900
Over $161,550 but not over $323,200	$9,021 plus 6.25% of excess over $161,550
Over $323,200 but not over $2,155,350	$19,124 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $10,000,000	$144,626 plus [~~8.82~~] 9.85% of excess over $2,155,350
Over $10,000,000 but not over $50,000,000	$917,324 plus 10.85% of excess over $10,000,000
Over $50,000,000	$5,257,324 plus 11.85% of excess over $50,000,000

(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 $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.73% of excess over $27,900
Over $161,550 but not over $323,200	$8,860 plus 6.17% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,834 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $10,000,000	$144,336 plus [~~8.82~~] 9.85% of excess over $2,155,350

Over $10,000,000 but not over $50,000,000	**$917,034 plus 10.85% of excess over $10,000,000**
Over $50,000,000	**$5,257,034 plus 11.85% of excess over $50,000,000**

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.61% of excess over $27,900
Over $161,550 but not over $323,200	$8,700 plus 6.09% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,544 plus 6.85% of excess over $323,200
Over $2,155,350	$144,047 plus [~~8.82~~] **9.85**% of excess over $2,155,350
but not over $10,000,000	
Over $10,000,000 but not over $50,000,000	**$916,745 plus 10.85% of excess over $10,000,000**
Over $50,000,000	**$5,256,745 plus 11.85% of excess over $50,000,000**

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.5% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $10,000,000	**$143,754 plus 9.85% of excess over $2,155,350**
Over $10,000,000 but not over $50,000,000	**$916,745 plus 10.85% of excess over $10,000,000**
Over $50,000,000	**$5,256,745 plus 11.85% of excess over $50,000,000**

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

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

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over

	$17,650
Over $20,900 but not over $32,200	$901 plus 5.9% of excess over $20,900
Over $32,200 but not over $107,650	$1,568 plus 5.97% of excess over $32,200
Over $107,650 but not over $269,300	$6,072 plus 6.33% of excess over $107,650
Over $269,300 but not over $1,616,450	$16,304 plus 6.85% of excess over $269,300
Over $1,616,450	$108,584 plus [~~8.82~~] 9.85% of excess over $1,616,450
but not over $7,500,000	
Over $7,500,000	$688,114 plus 10.85% of excess over $7,500,000
but not over $37,500,000	
Over $37,500,000	$3,943,114 plus 11.85% of excess over $37,500,000

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

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.85% of excess over $20,900
Over $107,650 but not over $269,300	$5,976 plus 6.25% of excess over $107,650
Over $269,300 but not over $1,616,450	$16,079 plus 6.85% of excess over $269,300
Over $1,616,450	$108,359 plus [~~8.82~~] 9.85% of excess over $1,616,450
but not over $7,500,000	
Over $7,500,000	$687,889 plus 10.85% of excess over $7,500,000
but not over $37,500,000	
Over $37,500,000	$3,942,889 plus 11.85% of excess over $37,500,000

(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 $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.73% of excess over $20,900
Over $107,650 but not over $269,300	$5,872 plus 6.17% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,845 plus 6.85% of excess over $269,300
Over $1,616,450	$108,125 plus [~~8.82~~] 9.85% of excess over $1,616,450
but not over $7,500,000	
Over $7,500,000	$687,655 plus 10.85% of excess over $7,500,000
but not over $37,500,000	
Over $37,500,000	$3,942,655 plus 11.85% of excess over $37,500,000

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

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.61% of excess over $20,900
Over $107,650 but not over $269,300	$5,768 plus 6.09% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,612 plus 6.85% of excess over $269,300
Over $1,616,450	$107,892 plus [~~8.82~~] 9.85% of excess over $1,616,450
but not over $7,500,000	
Over $7,500,000	$687,421 plus 10.85% of excess over $7,500,000
but not over $37,500,000	
Over $37,500,000	$3,942,421 plus 11.85% of excess over $37,500,000

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

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.5% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $7,500,000	$107,651 plus 9.85% of excess over $1,616,450
Over $7,500,000 but not over $37,500,000	$687,180 plus 10.85% of excess over $7,500,000
Over $37,500,000	$3,942,180 plus 11.85% of excess over $37,500,000

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

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

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $21,400	$600 plus 5.9% of excess over $13,900
Over $21,400 but not over $80,650	$1,042 plus 5.97% of excess over

	$21,400
Over $80,650 but not over $215,400	$4,579 plus 6.33% of excess over $80,650
Over $215,400 but not over $1,077,550	$13,109 plus 6.85% of excess over $215,400
Over $1,077,550	$72,166 plus [~~8.82~~] 9.85% of excess over $1,077,550
but not over $5,000,000	
Over $5,000,000 but not over $25,000,000;	**$458,527 plus 10.85% of excess over $5,000,000**
Over $25,000,000	**$2,628,527 plus 11.85% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.85% of excess over $13,900
Over $80,650 but not over $215,400	$4,504 plus 6.25% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,926 plus 6.85% of excess over $215,400
Over $1,077,550	$71,984 plus [~~8.82~~] 9.85% of excess over $1,077,550
but not over $5,000,000	
Over $5,000,000 but not over $25,000,000	**$458,345 plus 10.85% of excess over $5,000,000**
Over $25,000,000	**$2,628,345 plus 11.85% of excess over $25,000,000**

(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 $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.73% of excess over $13,900
Over $80,650 but not over $215,400	$4,424 plus 6.17% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,738 plus 6.85% of excess over $215,400
Over $1,077,550	$71,796 plus [~~8.82~~] 9.85% of excess over $1,077,550
but not over $5,000,000	
Over $5,000,000 but not over $25,000,000	**$458,158 plus 10.85% of excess over $5,000,000**
Over $25,000,000	**$2,628,158 plus 11.85% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over

	$8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.61% of excess over $13,900
Over $80,650 but not over $215,400	$4,344 plus 6.09% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,550 plus 6.85% of excess over $215,400
Over $1,077,550	$71,608 plus [~~8.82~~] 9.85% of excess over $1,077,550
but not over $5,000,000	
Over $5,000,000 but not over $25,000,000	**$457,970 plus 10.85% of excess over $5,000,000**
Over $25,000,000	**$2,627,970 plus 11.85% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,413 plus 9.85% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$457,775 plus 10.85% of excess over $5,000,000
Over $25,000,000	$2,627,775 plus 11.85% of excess over $25,000,000

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

(d-2) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d) of this section, for taxable years beginning on or after two thousand twenty-one, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d) of this section shall be read as a reference to this subsection.

(1) For resident married individuals filing joint returns and resident surviving spouses, the supplemental tax shall be an amount equal to the sum of the tax table benefits described in subparagraphs (A), (B), (C) D), (E), and (F) of this paragraph multiplied by their respective fractions in such subparagraphs. Furthermore, in making the calculations described in these subparagraphs in taxable years beginning after tax year two thousand seventeen, the applicable tax rates specified in subparagraph (B) of paragraph one of subsection (a) of this section shall be substituted for the rates referenced in these subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection

(a) of this section not subject to the 6.45 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one hundred thousand dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 6.65 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the tax table benefit in subparagraph (A) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one hundred fifty thousand dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 6.65 percent tax rate.

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 6.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax table benefit in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over three hundred thousand dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 6.85 percent tax rate.

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

(E) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (a) of this section not subject to the 10.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (a) of this section less the sum of the tax benefits in subparagraphs (A), (B), (C), and (D) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the

excess of New York adjusted gross income for the taxable year over ten million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twenty-one.

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

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

(2) For resident heads of households, the supplemental tax shall be an amount equal to the sum of the tax table benefits described in subparagraphs (A), (B), (C), (D), and (E) of this paragraph multiplied by their respective fractions in such subparagraphs. Furthermore, in making the calculations described in these subparagraphs in taxable years beginning after tax year two thousand seventeen, the applicable tax rates specified in subparagraph (B) of paragraph one of subsection (b) of this section shall be substituted for the rates referenced in these subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 6.65 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one hundred thousand dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 6.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section less the tax table benefit in subparagraph (A) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over two hundred fifty thousand dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 6.85 percent tax rate.

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 9.85 percent rate of tax for the

taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section less the sum of the tax benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million five hundred thousand dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twenty-one.

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

(E) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (b) of this section not subject to the 11.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (b) of this section less the sum of the tax table benefits in subparagraphs (A), (B), (C), and (D) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over thirty-seven million five hundred thousand dollars and the denominator is fifty thousand dollars. This subparagraph shall apply to taxable years beginning on or after January first, two thousand twenty-one.

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

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts, the supplemental tax shall be an amount equal to the sum of the tax table benefits described in subparagraphs (A), (B), (C), (D), and (E) of this paragraph multiplied by their respective fractions in such subparagraphs. Furthermore, in making the calculations described in these subparagraphs in taxable years beginning after tax year two thousand seventeen, the applicable tax rates specified in subparagraph (B) of paragraph one of subsection (c) of this section shall be substituted for the rates referenced in these subparagraphs.

(A) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 6.65 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable

to the taxable year in paragraph one of subsection (c) of this section. The fraction is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one hundred thousand dollars and the denominator is fifty thousand dollars.

(B) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 6.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (c) of this section less the tax table benefit in subparagraph (A) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over two hundred thousand dollars and the denominator is fifty thousand dollars. Provided, however, this subparagraph shall not apply to taxpayers who are not subject to the 6.85 percent tax rate.

(C) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 9.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (c) of this section less the sum of the tax benefits in subparagraphs (A) and (B) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over one million dollars and the denominator is fifty thousand dollars. This subparagraph shall apply only to taxable years beginning on or after January first, two thousand twenty-one.

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

(E) The tax table benefit is the difference between (i) the amount of taxable income set forth in the tax table in paragraph one of subsection (c) of this section not subject to the 11.85 percent rate of tax for the taxable year multiplied by such rate and (ii) the dollar denominated tax for such amount of taxable income set forth in the tax table applicable to the taxable year in paragraph one of subsection (c) of this section less the sum of the tax table benefits in subparagraphs (A), (B), (C), and (D) of this paragraph. The fraction for this subparagraph is computed as follows: the numerator is the lesser of fifty thousand dollars or the excess of New York adjusted gross income for the taxable year over twenty-five million dollars and the denominator is fifty

thousand dollars. This subparagraph shall apply to taxable years beginning on or after January first, two thousand twenty-one.

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

§ 5. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2021 and shall apply to taxable years on and after such date.

PART B

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 BUSINESS TAX

Section 860. Definitions.
861. Imposition and rate of tax.
862. Credits.
863. Payment of estimated tax.
864. Filing of return and payment of tax.
865. Accounting periods and methods.
866. Procedural provisions.

§ 860. Definitions. For purposes of this article:

(a) Affected partnership. Affected partnership means any partnership that has elected pursuant to subsection (b) of section eight hundred sixty-one of this article to be subject to the tax imposed by this article.

(b) Affected S corporation. Affected S corporation means any New York S corporation that has elected pursuant to subsection (b) of section eight hundred sixty-one of this article to be subject to the tax imposed by this article.

(c) Affected pass-through entity. Affected pass-through entity means any affected partnership or any affected S corporation.

(d) Lower-tier affected pass-through entity. A lower-tier affected pass-through entity means any affected pass-through entity in which an affected pass-through entity has a direct or indirect ownership interest.

(e) New York S corporation. New York S corporation means, with respect to any taxable year, any entity for which an election is in effect pursuant to subsection (a) of section six hundred sixty of this chapter, including any corporation for which such election has been deemed to have been made pursuant to the provisions of subsection (i) of section six hundred sixty of this chapter.

(f) Partnership. Partnership means any partnership as provided in section 7701(a)(2) of the Internal Revenue Code and the regulations promulgated thereunder. A partnership includes any limited liability company or other entity that is treated as a partnership for federal income tax purposes.

(g) Pass-through business net income or loss. Pass-through business net income or loss of an affected pass-through entity means the sepa-

rately and nonseparately computed items, as described in section 702(a) of the Internal Revenue Code with respect to a partnership or section 1366 of the Internal Revenue Code with respect to an S corporation, of the affected pass-through entity, adjusted as follows:

(1) increased or decreased by any modification described in subsections (b), (c) or (d) of section six hundred twelve of this chapter, subsection (c) or paragraphs two or three of subsection (d) of section six hundred fifteen of this chapter;

(2) the portion of any of the affected pass-through entity's separately and nonseparately computed items that are allocable to nonresident individuals, trusts, or estates for purposes of article twenty-two of this chapter shall be excluded to the extent such portion is not derived from or connected with New York sources; and

(3) the affected pass-through entity's separately and nonseparately computed items that would otherwise be passed through to such entity from any lower-tier affected pass-through entity shall be excluded to the extent such items are taken into account in determining the tax paid by a lower-tier affected pass-through entity pursuant to section eight hundred sixty-one of this article.

For purposes of this subsection, the portion of any separately and nonseparately computed item that is not derived from or connected with New York sources shall be determined under regulations or guidance issued by the tax commission consistent with the applicable rules used to determine the portion of a taxpayer's distributive share of partnership income or pro rata share of New York S corporation income that is derived from New York sources pursuant to the rules set forth in section six hundred thirty-two of this chapter.

§ 861. Imposition and rate of tax. (a) General. A tax is hereby imposed for each taxable year on the pass-through business net income of every affected pass-through entity doing business within this state. This tax shall be in addition to any other taxes imposed and shall be at the rate of 6.85 percent for each taxable year beginning on or after January first, two thousand twenty-one. In the case of an affected pass-through entity that is a partnership or a New York S corporation for only a portion of its taxable year, the affected partnership or affected S corporation shall be subject to this tax on only that portion of its pass-through business net income attributable to the portion of the year for which it is a partnership or a New York S corporation, as determined pursuant to regulations and guidance set forth by the commissioner.

(b) Election. Any partnership or New York S corporation may elect to have New York income tax imposed at the entity level under subsection (a) of this section. An election under this subsection shall be made on the pass-through entity business tax return for the affected pass-through entity in such manner as the commissioner may prescribe by regulation or instruction. An election under this subsection must be made on an annual basis and shall be effective for the affected pass-through entity only for the taxable year for which the election is made.

§ 862. Credits. (a) General. An affected pass-through entity shall be allowed a credit against the tax otherwise due under this article for any income tax imposed for the taxable year by another state of the United States, a political subdivision of such state, the District of Columbia or a province of Canada, upon income both derived therefrom and included in the affected pass-through entity's pass-through business net income or loss under this article. The term "income tax imposed" in the previous sentence shall include: (1) any income tax imposed upon or payable by the affected pass-through entity itself, provided such tax

imposition or payment results from a tax that the commissioner determines is substantially similar to the tax imposed by this article; and (2) any income tax imposed upon or payable by any direct or indirect partner or shareholder of the affected pass-through entity who is a resident individual, estate, or trust for purposes of article twenty-two of this chapter.

(b) Limitations. (1) The credit under this section shall not exceed the percentage of the tax otherwise due under this article determined by dividing the portion of the taxpayer's pass-through business net income that is subject to taxation by such other jurisdiction by the total amount of the taxpayer's pass-through business net income.

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

(3) In the case of tax paid by a direct or indirect partner or shareholder that elects to claim the foreign tax credit for federal income tax purposes, the credit under this section for income tax imposed by a province of Canada shall be allowed for that portion of the provincial tax not claimed for federal purposes for the taxable year or a preceding taxable year, provided however, to the extent the provincial tax is claimed for federal purposes for a succeeding taxable year, the credit under this section must be added back in such succeeding taxable year. The provincial tax shall be deemed to be claimed last for federal income tax purposes and for purposes of this subsection.

§ 863. Payment of estimated tax. (a) Definition of estimated tax. Estimated tax means the amount that an affected pass-through entity estimates to be the tax imposed for the current taxable year by section eight hundred sixty-one of this article.

(b) Annual estimated tax payment. The required annual estimated tax payment is the lesser of (1) ninety percent of the estimated tax for the year or (2) one hundred ten percent of the tax shown on the return of the affected pass-through entity for the preceding taxable year. If the affected pass-through entity was not in existence in the previous year or did not elect to be subject to the tax imposed by this article in the preceding year, then no estimated tax is due for the current taxable year.

(c) General. The annual estimated tax payment shall be paid as follows for an affected pass-through entity that reports on a calendar year basis:

(1) If such annual estimated tax payment can reasonably be expected to exceed one thousand dollars on or before March fifteenth of the taxable year, the annual estimated tax payment shall be paid in four equal installments on March fifteenth, June fifteenth, September fifteenth and December fifteenth;

(2) If such annual estimated tax payment can reasonably be expected to exceed one thousand dollars after March fifteenth and not after June fifteenth of the taxable year, the annual estimated tax payment shall be paid in three equal installments on June fifteenth, September fifteenth and December fifteenth;

(3) If such annual estimated tax payment can reasonably be expected to exceed one thousand dollars after June fifteenth and not after September fifteenth of the taxable year, the annual estimated tax payment shall be paid in two equal installments on September fifteenth and December fifteenth; and

(4) If such annual estimated tax payment can reasonably be expected to exceed one thousand dollars after September fifteenth of the taxable year, the annual estimated tax payment shall be paid on December fifteenth.

(d) This section shall apply to a taxable year of less than twelve months in accordance with procedures established by the commissioner.

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

(f) An affected pass-through entity may elect to pay any installment of its estimated tax prior to the date prescribed for the payment thereof.

§ 864. Filing of return and payment of tax. (a) General. On or before the fifteenth day of the fourth month following the close of the taxable year, each affected pass-through entity shall be required to transmit to the commissioner a return in a form prescribed by the commissioner.

(b) Information on return. Each affected pass-through entity shall report any tax due under this article on the face of such return and such other pertinent information as the commissioner may by regulations and instructions prescribe. The balance of any tax shown on the face of such return, not previously paid as installments of estimated tax, shall be paid with such return.

§ 865. Accounting periods and methods. (a) Accounting periods. An affected pass-through entity's taxable year under this article shall be the same as the affected pass-through entity's taxable year for federal income tax purposes.

(b) Accounting methods. An affected pass-through entity's method of accounting under this article shall be the same as the affected pass-through entity's method of accounting for federal income tax purposes.

(c) Change of accounting period or method. (1) If an affected pass-through entity's taxable year or method of accounting is changed for federal income tax purposes, the taxable year or method of accounting for purposes of this article shall be similarly changed.

(2) If an affected pass-through entity's method of accounting is changed, any additional tax that results from adjustments determined to be necessary solely by reason of such change shall not be greater than if such adjustments were ratably allocated and included for the taxable year of the change and the preceding taxable years, not in excess of two, during which the affected partnership used the method of accounting from which the change is made.

§ 866. Procedural provisions. (a) General. All procedural provisions of article twenty-two of this chapter will apply to the provisions of this article in the same manner and with the same force and effect as if the language of article twenty-two of this chapter had been incorporated in full into this article and had been specifically adjusted for and expressly referred to the tax imposed by this article, except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to this article.

(b) Liability for tax. Only the affected pass-through entity shall be liable for the tax under this article, and no partner or shareholder that has a direct or indirect ownership interest in the affected pass-through entity shall be personally liable for such tax.

(c) Deposit and disposition of revenue. All taxes, interest, penalties, and fees collected or received by the commissioner under this article shall be deposited and disposed of pursuant to the provisions of section one hundred seventy-one-a of this chapter.

(d) Secrecy provision. All the provisions of subsection (a) of section six hundred ninety-seven of this chapter will be applied to the provisions of this article. Notwithstanding any provisions of this chapter to the contrary, the commissioner may disclose information and returns regarding the calculation and payment of the tax imposed by this article to an affected pass-through entity, to its lower-tiered affected pass-through entity or entities, and to any partner or shareholder that has a direct or indirect ownership interest in the affected pass-through entity and to which is allocable any separately or nonseparately computed items, as described in section 702(a) of the Internal Revenue Code with respect to a partnership or section 1366 of the Internal Revenue Code with respect to an S corporation.

§ 2. The opening paragraph of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 10 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

For taxable years beginning before January first, two thousand sixteen, the amount prescribed by this paragraph shall be computed at the rate of seven and one-tenth percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand sixteen, the amount prescribed by this paragraph shall be six and one-half percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph. Notwithstanding the provisions of this paragraph, with respect to any taxpayer that has a direct or indirect ownership interest in one or more pass-through entities that has elected to be subject to tax pursuant to subsection (a) of section eight hundred sixty-one of this chapter, including any taxpayer that is a small business taxpayer, a manufacturer, or a qualified emerging technology company, the taxpayer's business income base will be decreased by an amount equal to the product of (1) the sum of the portions of the taxpayer's distributive or pro rata share of each separately and nonseparately computed item as described in section 702(a) or section 1366 of the Internal Revenue Code that is derived from or connected with New York sources as computed pursuant to subsection (g) of section eight hundred sixty of this chapter that is being taken into account in determining the tax paid by an affected pass-through entity pursuant to subsection (a) of section eight hundred sixty-one of this chapter and (2) a fraction, the numerator of which is the tax rate imposed on affected pass-through entities by subsection (a) of section eight hundred sixty-one of this chapter and the denominator of which is the tax rate imposed on the business income base of the taxpayer pursuant to this paragraph. If the amount of the reduction allowable to the taxpayer under the previous sentence for any taxable year shall exceed the taxpayer's tax base for such year, the excess allowed for the taxable year may be carried over to the following year or years and may be used to reduce the taxpayer's tax base in such subsequent year or years.

§ 3. Section 209-B of the tax law is amended by adding a new subdivision 7 to read as follows:

7. In determining the amount of the surcharge to be imposed on a taxpayer pursuant to this section, the amount of such surcharge will be determined without taking into account any affected pass-through entity reduction computed pursuant to paragraph (a) of subdivision one of section two hundred ten of this chapter.

§ 4. Subsection (a) of section 611 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(a) General. The New York taxable income of a resident individual shall be his New York adjusted gross income less his New York deduction and New York exemptions, as determined under this part. **Notwithstanding the foregoing provision, with respect to any resident individual that has a direct or indirect ownership interest in one or more affected pass-through entities subject to the tax imposed pursuant to article twenty-four-A of this chapter, the resident individual's New York taxable income shall be adjusted to exclude such individual's distributive or pro rata shares of each separately and nonseparately computed item, as described in section 702(a) of the Internal Revenue Code with respect to a partnership or section 1366 of the Internal Revenue Code with respect to an S corporation, from all affected pass-through entities in which the taxpayer has a direct or indirect ownership interest. If the amount of the adjustment made pursuant to the previous sentence shall exceed the resident individual's New York taxable income for such year, the excess allowed for the taxable year may be carried over to the following year or years and may be used to reduce the resident individual's New York taxable income in such subsequent year or years.**

§ 5. Section 618 of the tax law is amended by adding a new subsection 6 to read as follows:

(6) With respect to a resident estate or trust that has a direct or indirect ownership interest in one or more affected pass-through entities subject to the tax imposed pursuant to article twenty-four-A of this chapter, the resident estate's or trust's New York taxable income shall be adjusted to exclude such estate's or trust's distributive or pro rata shares of each separately and nonseparately computed item, as described in section 702(a) of the Internal Revenue Code with respect to a partnership or section 1366 of the Internal Revenue Code with respect to an S corporation, from all affected pass-through entities in which the taxpayer has a direct or indirect ownership interest. If the amount of the adjustment made pursuant to the previous sentence shall exceed the estate's or the trust's New York taxable income for such year, the excess allowed for the taxable year may be carried over to the following year or years and may be used to reduce the estate's or trust's New York taxable income in such subsequent year or years.

§ 6. Subsection (e) of section 601 of the tax law is amended by adding a new paragraph 5 to read as follows:

(5) Nonresident partners and shareholders in affected pass-through entities. Notwithstanding any other provision of this subsection, with respect to every nonresident and part-year resident individual and trust and every nonresident estate that has a direct or indirect ownership interest in one or more affected pass-through entities subject to the tax imposed pursuant to article twenty-four-A of this chapter, the tax imposed pursuant to paragraph one of this subsection shall be an amount equal to the sum of the modified tax base and the surtax tax base multiplied by their respective applicable New York source fractions.

(A) Modified tax base. The modified tax base of a taxpayer under this paragraph shall be calculated in the same manner as the tax base in paragraph two of this subsection, except that, notwithstanding subsection (a) of section six hundred eleven or subsection six of section six hundred eighteen of this article, separately and nonseparately computed items with respect to such affected pass-through entities shall not be excluded, and the rate tables under subsections (a), (b) and (c) and the supplemental tax under subsection (d-1) of this section shall be applied by reducing each tax rate in excess of 6.85% to 6.85%, and adjusting each tax table accordingly. The applicable New York source fraction for the modified tax base shall be calculated in the same manner as the New York source fraction under paragraph three of this subsection, including the exclusion of separately and nonseparately computed items with respect to such affected pass-through entities under subsection (a) of section six hundred eleven or subsection six of section six hundred eighteen of this article, as applicable, in calculating the numerator of such fraction. If the amount of such separately and nonseparately computed items so excluded exceeds the numerator of the New York source fraction for such year before such exclusion, the excess may be carried over to the following year or years and may be used to reduce the numerator of the taxpayer's applicable New York source fraction under this subparagraph for such taxable years.

(B) Surtax tax base. The surtax tax base of a taxpayer under this paragraph shall be equal to the portion of the taxpayer's New York taxable income to which the 8.82% rate would have applied in computing the taxpayer's modified tax base under the preceding subparagraph (after taking into account the tax table benefit recapture provisions under subsection (d-1) of this section) if the tax rate had not been capped at 6.85% under that subparagraph multiplied by a factor of 1.97%. The applicable New York source fraction for the surtax tax base shall be calculated in the same manner as the New York source fraction under paragraph three of this subsection, except that separately and nonseparately computed items with respect to such affected pass-through entities shall not be excluded in calculating the numerator of such fraction.

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

(kkk) Taxpayers with direct or indirect ownership interests in affected pass-through entities. Notwithstanding the other provisions of this subsection, a taxpayer that has a direct or indirect ownership interest in an affected pass-through entity that is subject to tax pursuant to article twenty-four-A of this chapter is not entitled to claim a credit otherwise provided by this section to the extent that the credit was claimed by the affected pass-through entity for purposes of determining its tax liability under article twenty-four-A of this chapter.

§ 8. Subsection (d) of section 620 of the tax law, as added by chapter 166 of the laws of 1991, is amended to read as follows:

(d) S corporation shareholders and partners. In the case of a shareholder of an S corporation, the term "income tax" in subsection (a) of this section shall [~~not~~] include (1) any such tax imposed upon or payable by the [~~corporation, but shall include any such tax~~] shareholder with respect to the income of the corporation [~~imposed upon or payable by the shareholder~~], without regard to whether an election independent of the federal S election was required to effect such imposition upon the shareholder of such S corporation and (2) such shareholder's pro

rata share of any such tax imposed upon or payable by the corporation, provided such tax imposition or payment results from a tax that the commissioner determines is substantially similar to the tax imposed by article twenty-four-A of this chapter. In the case of a partner in a partnership, the term "income tax" in subsection (a) of this section shall (1) include any such tax imposed upon or payable by the partner with respect to the income of the partnership and (2) such partner's distributive share of any such tax imposed upon or payable by the partnership, provided such tax imposition or payment results from a tax that the commissioner determines is substantially similar to the tax imposed by article twenty-four-A of this chapter.

§ 9. Section 620 of the tax law is amended by adding a new subsection (e) to read as follows:

(e) Taxpayers with direct or indirect ownership interests in affected pass-through entities. Notwithstanding the other provisions of this section, a taxpayer that has a direct or indirect ownership interest in an affected pass-through entity that is subject to tax pursuant to article twenty-four-A of this chapter is not entitled to claim a credit otherwise provided by this section to the extent that any income tax is claimed as a credit pursuant to section eight hundred sixty-two of this chapter by the affected pass-through entity for purposes of determining its tax liability under article twenty-four-A of this chapter.

§ 10. Subparagraph (A) of paragraph 4 of subsection (c) of section 658 of the tax law, as amended by section 72 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(A) General. Every entity other than an entity subject to tax under article twenty-four-A of this chapter, which is a partnership, other than a publicly traded partnership as defined in section 7704 of the federal Internal Revenue Code, subchapter K limited liability company or an S corporation for which the election provided for in subsection (a) of section six hundred sixty of this part is in effect, which has partners, members or shareholders who are nonresident individuals, as defined under subsection (b) of section six hundred five of this article, or C corporations, and which has any income derived from New York sources, determined in accordance with the applicable rules of section six hundred thirty-one of this article as in the case of a nonresident individual, shall pay estimated tax on such income on behalf of such partners, members or shareholders in the manner and at the times prescribed by subsection (c) of section six hundred eighty-five of this article. For purposes of this paragraph, the term "estimated tax" shall mean a partner's, member's or shareholder's distributive share or pro rata share of the entity income derived from New York sources, multiplied by the highest rate of tax prescribed by section six hundred one of this article for the taxable year of any partner, member or shareholder who is an individual taxpayer, or paragraph (a) of subdivision one of section two hundred ten of this chapter for the taxable year of any partner, member or shareholder which is a C corporation, whether or not such C corporation is subject to tax under article nine, nine-A or thirty-three of this chapter, and reduced by the distributive share or pro rata share of any credits determined under section one hundred eighty-seven, one hundred eighty-seven-a, six hundred six or fifteen hundred eleven of this chapter, whichever is applicable, derived from the entity.

§ 11. Section 612 of the tax law is amended by adding a new subsection (y) to read as follows:

(y) The election by a partnership or S corporation pursuant to subsection (b) of section eight hundred sixty-one of this chapter shall have no impact on the additions and subtractions to be taken into account under subsection (n) of this section and such election shall have no impact on the determination of the basis of a partner or shareholder in an interest in the partnership or in the stock or indebtedness of the S corporation.

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

1. All taxes, interest, penalties and fees collected or received by the commissioner or the commissioner's duly authorized agent under articles nine (except section one hundred eighty-two-a thereof and except as otherwise provided in section two hundred five thereof), nine-A, twelve-A (except as otherwise provided in section two hundred eighty-four-d thereof), thirteen, thirteen-A (except as otherwise provided in section three hundred twelve thereof), eighteen, nineteen, twenty (except as otherwise provided in section four hundred eighty-two thereof), twenty-B, twenty-D, twenty-one, twenty-two, [~~twenty-four~~] **twenty-four-A**, twenty-six, twenty-eight (except as otherwise provided in section eleven hundred two or eleven hundred three thereof), twenty-eight-A, twenty-nine-B, thirty-one (except as otherwise provided in section fourteen hundred twenty-one thereof), thirty-three and thirty-three-A of this chapter shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, to the credit of the comptroller. Such an account may be established in one or more of such depositories. Such deposits shall be kept separate and apart from all other money in the possession of the comptroller. The comptroller shall require adequate security from all such depositories. Of the total revenue collected or received under such articles of this chapter, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements under such articles of this chapter out of which amount the comptroller shall pay any refunds or reimbursements to which taxpayers shall be entitled under the provisions of such articles of this chapter. The commissioner and the comptroller shall maintain a system of accounts showing the amount of revenue collected or received from each of the taxes imposed by such articles. The comptroller, after reserving the amount to pay such refunds or reimbursements, shall, on or before the tenth day of each month, pay into the state treasury to the credit of the general fund all revenue deposited under this section during the preceding calendar month and remaining to the comptroller's credit on the last day of such preceding month, (i) except that the comptroller shall pay to the state department of social services that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against past-due support pursuant to subdivision six of section one hundred seventy-one-c of this article, (ii) and except that the comptroller shall pay to the New York state higher education services corporation and the state university of New York or the city university of New York respectively that amount of overpayments of tax imposed by article twenty-two of this chapter and the interest on such amount which is certified to the comptroller by the commissioner as the amount to be credited against the amount of defaults in repayment of guaranteed student loans and state university loans or city university

loans pursuant to subdivision five of section one hundred seventy-one-d and subdivision six of section one hundred seventy-one-e of this article, (iii) and except further that, notwithstanding any law, the comptroller shall credit to the revenue arrearage account, pursuant to section ninety-one-a of the state finance law, that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter, and any interest thereon, which is certified to the comptroller by the commissioner as the amount to be credited against a past-due legally enforceable debt owed to a state agency pursuant to paragraph (a) of subdivision six of section one hundred seventy-one-f of this article, provided, however, he shall credit to the special offset fiduciary account, pursuant to section ninety-one-c of the state finance law, any such amount creditable as a liability as set forth in paragraph (b) of subdivision six of section one hundred seventy-one-f of this article, (iv) and except further that the comptroller shall pay to the city of New York that amount of overpayment of tax imposed by article nine, nine-A, twenty-two, thirty, thirty-A, thirty-B or thirty-three of this chapter and any interest thereon that is certified to the comptroller by the commissioner as the amount to be credited against city of New York tax warrant judgment debt pursuant to section one hundred seventy-one-l of this article, (v) and except further that the comptroller shall pay to a non-obligated spouse that amount of overpayment of tax imposed by article twenty-two of this chapter and the interest on such amount which has been credited pursuant to section one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f or one hundred seventy-one-l of this article and which is certified to the comptroller by the commissioner as the amount due such non-obligated spouse pursuant to paragraph six of subsection (b) of section six hundred fifty-one of this chapter; and (vi) the comptroller shall deduct a like amount which the comptroller shall pay into the treasury to the credit of the general fund from amounts subsequently payable to the department of social services, the state university of New York, the city university of New York, or the higher education services corporation, or the revenue arrearage account or special offset fiduciary account pursuant to section ninety-one-a or ninety-one-c of the state finance law, as the case may be, whichever had been credited the amount originally withheld from such overpayment, and (vii) with respect to amounts originally withheld from such overpayment pursuant to section one hundred seventy-one-l of this article and paid to the city of New York, the comptroller shall collect a like amount from the city of New York.

§ 13. Section 601 of the tax law is amended by adding a new subsection (j) to read as follows:

(j) For every resident individual, estate or trust that has a direct or indirect ownership interest in one or more pass-through entities that has elected to be subject to tax pursuant to subsection (a) of section eight hundred sixty-one of this chapter, there is hereby imposed for each taxable year a surtax at the rate of 1.97% on the amount by which the portion of such individual's, estate's or trust's New York taxable income subject to tax at the rate of 8.82% would increase if the resident individual's, estate's or trust's New York taxable income was adjusted to add back such individual's, estate's or trust's distributive or pro rata shares of separately or nonseparately computed items from such pass-through entities.

§ 14. Paragraph 1 of subsection (e) of section 601 of the tax law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

(1) General. [~~There~~] **Except as provided in paragraph five of this subsection, there** is hereby imposed for each taxable year on the taxable income which is derived from sources in this state of every nonresident and part-year resident individual and trust and every nonresident estate a tax which shall be equal to the tax base multiplied by the New York source fraction.

§ 15. This act shall take effect immediately and shall apply for taxable years beginning on or after January 1, 2021; provided, however that the amendments to subdivision 1 of section 171-a of the tax law made by section twelve of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith.

PART D

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

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

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

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

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

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

(m) as a participant operating in one of the industries listed in paragraphs (a) through (k) of this subdivision and operating or sponsoring child care services to its employees as defined in section three hundred fifty-two of this article.

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

2. Excelsior investment tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit on qualified

investments. In a project that is not a green project, the credit shall be equal to two percent of the cost or other basis for federal income tax purposes of the qualified investment. In a green project, the credit shall be equal to five percent of the cost or other basis for federal income tax purposes of the qualified investment. **In a project for child care services, the credit shall be equal to five percent of the cost or other basis for federal income tax purposes of the qualified investment in child care services.** A participant may not claim both the excelsior investment tax credit component and the investment tax credit set forth in subdivision one of section two hundred ten-B, subsection (a) of section six hundred six, the former subsection (i) of section fourteen hundred fifty-six, or subdivision (q) of section fifteen hundred eleven of the tax law for the same property in any taxable year, except that a participant may claim both the excelsior investment tax credit component and the investment tax credit for research and development property. In addition, a taxpayer who or which is qualified to claim the excelsior investment tax credit component and is also qualified to claim the brownfield tangible property credit component under section twenty-one of the tax law may claim either the excelsior investment tax credit component or such tangible property credit component, but not both with regard to a particular piece of property. A credit may not be claimed until a business enterprise has received a certificate of tax credit, provided that qualified investments made on or after the issuance of the certificate of eligibility but before the issuance of the certificate of tax credit to the business enterprise, may be claimed in the first taxable year for which the business enterprise is allowed to claim the credit. Expenses incurred prior to the date the certificate of eligibility is issued are not eligible to be included in the calculation of the credit.

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

6. Claim of tax credit. The business enterprise shall be allowed to claim the credit as prescribed in section thirty-one of the tax law. No costs used by an entertainment company as the basis for the allowance of a tax credit described in this section shall be used by such entertainment company to claim any other credit allowed pursuant to the tax law. **No costs or expenditures for child care services used by a participant to claim the credit as prescribed in section forty-four of the tax law shall be used for the allowance of a tax credit described in this section.**

§ 3-a. Section 358 of the economic development law is amended by adding two new subdivisions 3 and 4 to read as follows:

3. Beginning June thirtieth, two thousand twenty-one, and every three months thereafter, the quarterly report shall also include: the number of projects receiving the child care services program tax credit; the number of projects claiming the investment credit for child care services expenditures; the number of employees provided child care services due to the credits; and the number of children being served by these child care services.

4. The commissioner shall submit to the governor, the temporary president of the senate, and the speaker of the assembly, an annual report to be submitted on February first of each year evaluating the effec-

tiveness of the excelsior jobs program. The report shall include, but not be limited to, the following: an annual compilation of the information included in the quarterly reports issued under subdivisions two and three of this section; the amount of credits allocated per net new job created; the total number of applicants to the program annually; the number of applicants denied credits; data on the number of participants and net new jobs per economic development region; and such other information as the commissioner determines. This annual report shall also be posted on the department's website.

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

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

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

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

§ 6. This act shall take effect immediately; provided, however, section five of this act shall apply to taxable years beginning on or after January 1, 2022.

PART E

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

(b) (1) A corporation classed as a "taxicab" or "omnibus",

(i) which is organized, incorporated or formed under the laws of any other state, country or sovereignty, and

(ii) which neither owns nor leases property in this state in a corporate or organized capacity, nor

(iii) maintains an office in this state in a corporate or organized capacity, but

(iv) which is doing business or employing capital in this state by conducting at least one but fewer than twelve trips into this state during the calendar year, shall [~~annually pay a tax equal to fifteen dollars for each trip conducted into this state~~] not be taxed under the provisions of this article. If the only property a corporation owns or leases in this state is a vehicle or vehicles used to conduct trips, it shall not be considered, for purposes of clause (ii) of this subparagraph, to be owning or leasing property in this state.

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

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

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

§ 2. This act shall take effect immediately, provided, however, that section one of this act shall apply to taxable years beginning on or after January 1, 2021.

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 member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, music directors, producers and performers, including background actors with no scripted lines) by a qualified film production company or a qualified independent film production company for services performed by those individuals in one of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant to the authority of this paragraph shall be five million dollars each year during the period two thousand fifteen through two thousand [~~twenty-five~~] twenty-six of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. Such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing an application for allocation of film production credit with such office. If the total amount of allocated credits applied for under this paragraph in any year exceeds the aggregate amount of tax credits allowed for such year under this paragraph, such excess shall be treated as having been applied for on

the first day of the next year. If the total amount of allocated tax credits applied for under this paragraph at the conclusion of any year is less than five million dollars, the remainder shall be treated as part of the annual allocation made available to the program pursuant to paragraph four of subdivision (e) of this section. However, in no event may the total of the credits allocated under this paragraph and the credits allocated under paragraph five of subdivision (a) of section thirty-one of this article exceed five million dollars in any year during the period two thousand fifteen through two thousand [~~twenty-five~~] twenty-six.

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

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand [~~twenty-five~~] twenty-six provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen, twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand [~~twenty-five~~] twenty-six and five million dollars of the annual allocation shall be made available for the television writers' and directors' fees and salaries credit pursuant to section twenty-four-b of this article in each year starting in two thousand twenty through two thousand [~~twenty-five~~] twenty-six. This amount shall be allocated by the governor's office for motion picture and television development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The governor's office for motion picture and television development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire

state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2, no empire state film production credit shall be claimed before the later of the taxable year the production of the qualified film is complete, or the taxable year immediately following the allocation year for which the film has been allocated credit by the governor's office for motion picture and television development.

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

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand [~~twenty-four~~] twenty-six provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen and twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand [~~twenty-four~~] twenty-six. This amount shall be allocated by the governor's office for motion picture and television development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The governor's office for motion picture and television development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2, no empire state film production credit shall be claimed before the later of the taxable year the production of the qualified film is complete, or the taxable year immediately following the allocation year for which the

film has been allocated credit by the governor's office for motion picture and television development.

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

(6) 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 member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, music directors, producers and performers, including background actors with no scripted lines) for services performed by those individuals in one of the counties specified in this paragraph in connection with the post production work on a qualified film with a minimum budget of five hundred thousand dollars at a qualified post production facility in one of the counties listed in this paragraph. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits allowed pursuant to the authority of this paragraph shall be five million dollars each year during the period two thousand fifteen through two thousand [~~twenty-five~~] twenty-six of the annual allocation made available to the empire state film post production credit pursuant to paragraph four of subdivision (e) of section twenty-four of this article. Such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing an application for allocation of post production credit with such office. If the total amount of allocated credits applied for under this paragraph in any year exceeds the aggregate amount of tax credits allowed for such year under this paragraph, such excess shall be treated as having been applied for on the first day of the next year. If the total amount of allocated tax credits applied for under this paragraph at the conclusion of any year is less than five million dollars, the remainder shall be treated as part of the annual allocation for two thousand seventeen made available to the empire state film post production credit pursuant to paragraph four of subdivision (e) of section twenty-four of this article. However, in no event may the total of the credits allocated under this paragraph and the credits allocated under paragraph five of subdivision (a) of section twenty-four of this article exceed five million dollars in any year during the period two thousand fifteen through two thousand [~~twenty-five~~] twenty-six.

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

(3) "Qualified film" means a feature-length film, television film, relocated television production, television pilot or television series, regardless of the medium by means of which the film, pilot or series is created or conveyed. For the purposes of the credit provided by this

section only, a "qualified film" [~~with the exception of a television pilot,~~] whose majority of principal photography shooting days in the production of the qualified film are shot in Westchester, Rockland, Nassau, or Suffolk county or any of the five New York City boroughs shall have a minimum budget of one million dollars. A "qualified film", [~~with the exception of a television pilot,~~] whose majority of principal photography shooting days in the production of the qualified film are shot in any other county of the state than those listed in the preceding sentence shall have a minimum budget of two hundred fifty thousand dollars. "Qualified film" shall not include: (i) a documentary film, news or current affairs program, interview or talk program, "how-to" (i.e., instructional) film or program, film or program consisting primarily of stock footage, sporting event or sporting program, game show, award ceremony, film or program intended primarily for industrial, corporate or institutional end-users, fundraising film or program, daytime drama (i.e., daytime "soap opera"), commercials, music videos or "reality" program; (ii) a production for which records are required under section 2257 of title 18, United States code, to be maintained with respect to any performer in such production (reporting of books, films, etc. with respect to sexually explicit conduct); or (iii) other than a relocated television production, a television series commonly known as variety entertainment, variety sketch and variety talk, i.e., a program with components of improvisational or scripted content (monologues, sketches, interviews), either exclusively or in combination with other entertainment elements such as musical performances, dancing, cooking, crafts, pranks, stunts, and games and which may be further defined in regulations of the commissioner of economic development. However, a qualified film shall include a television series as described in subparagraph (iii) of this paragraph only if an application for such series has been deemed conditionally eligible for the tax credit under this section prior to April first, two thousand twenty, such series remains in continuous production for each season, and an annual application for each season of such series is continually submitted for such series after April first, two thousand twenty.

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

PART G

Intentionally Omitted

PART H

Intentionally Omitted

PART I

Intentionally Omitted

PART J

Section 1. Sections 227, 306 and 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 are REPEALED.

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

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

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

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

§ 4. Subdivision (a) of section 1146 of the tax law, as amended by chapter 65 of the laws of 1985, is amended to read as follows:

(a) Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the [~~tax commission, any tax~~] **commissioner**, any officer or employee of the department of taxation and finance, any person engaged or retained by such department on an independent contract basis, or any person who in any manner may acquire knowledge of the contents of a return or report filed with the [~~tax commission~~] **commissioner** pursuant to this article, to divulge or make known in any manner any particulars set forth or disclosed in any such return or report. The officers charged with the custody of such returns and reports shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the [~~tax commission~~] **commissioner** in an action or proceeding under the provisions of the tax law or in any other action or proceeding involving the collection of a tax due under this chapter to which the state or the [~~tax commission~~] **commissioner** is a party or a

claimant, or on behalf of any party to any action, proceeding or hearing under the provisions of this article when the returns, reports or facts shown thereby are directly involved in such action, proceeding or hearing, in any of which events the court, or in the case of a hearing, the [~~tax commission~~] commissioner may require the production of, and may admit into evidence, so much of said returns, reports or of the facts shown thereby, as are pertinent to the action, proceeding or hearing and no more. The [~~tax commission~~] commissioner may, nevertheless, publish a copy or a summary of any decision rendered after a hearing required by this article. Nothing herein shall be construed to prohibit the delivery to a person who has filed a return or report or his duly authorized representative of a certified copy of any return or report filed in connection with his tax. Nor shall anything herein be construed to prohibit the delivery to a person required to collect the tax under this article or a purchaser, transferee or assignee personally liable under the provisions of subdivision (c) of section eleven hundred forty-one of this chapter for the tax due from the seller, transferor or assignor, of any return or report filed under this article in connection with such tax provided, however, that there may be delivered only so much of said return, report or of the facts shown thereby as are pertinent to a determination of the taxes due or liability owed by such person or purchaser, transferee or assignee and no more or to prohibit the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the inspection by the attorney general or other legal representatives of the state of the return or report of any person required to collect or pay the tax who shall bring action to review the tax based thereon, or against whom an action or proceeding under this chapter has been recommended by the commissioner of taxation and finance or the attorney general or has been instituted, or the inspection of the returns or reports required under this article by the comptroller or duly designated officer or employee of the state department of audit and control, for purposes of the audit of a refund of any tax paid by a person required to collect or pay the tax under this article. Provided, further, nothing herein shall be construed to prohibit the disclosure, in such manner as the [~~tax commission~~] commissioner deems appropriate, of the names and other appropriate identifying information of those persons holding certificates of authority pursuant to section eleven hundred thirty-four of this article, those persons whose certificates of authority have been suspended or revoked, those persons whose certificates of authority have expired, those persons who have filed a certificate of registration for a certificate of authority where the [~~tax commission~~] commissioner has refused to issue a certificate of authority, those persons holding direct payment permits pursuant to section eleven hundred thirty-two or those persons whose direct payment permits have been suspended or revoked by the [~~tax commission~~] commissioner; and provided further that nothing herein shall be construed to prohibit the disclosure, in such manner as the commissioner deems appropriate, of information related to the tax on admissions to race tracks and simulcast facilities to the gaming commission or the division of the budget.

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

(1) Either, all of the taxes described in article twenty-eight of this chapter, at the same uniform rate, as to which taxes all provisions of

the local laws, ordinances or resolutions imposing such taxes shall be identical, except as to rate and except as otherwise provided, with the corresponding provisions in such article twenty-eight, including the definition and exemption provisions of such article, so far as the provisions of such article twenty-eight can be made applicable to the taxes imposed by such city or county and with such limitations and special provisions as are set forth in this article. The taxes authorized under this subdivision may not be imposed by a city or county unless the local law, ordinance or resolution imposes such taxes so as to include all portions and all types of receipts, charges or rents, subject to state tax under sections eleven hundred five and eleven hundred ten of this chapter, except as otherwise provided. **Notwithstanding the foregoing, a tax imposed by a city or county authorized under this subdivision shall not include the tax imposed on charges for admission to race tracks and simulcast facilities under subdivision (f) of section eleven hundred five of this chapter.** (i) Any local law, ordinance or resolution enacted by any city of less than one million or by any county or school district, imposing the taxes authorized by this subdivision, shall, notwithstanding any provision of law to the contrary, exclude from the operation of such local taxes all sales of tangible personal property for use or consumption directly and predominantly in the production of tangible personal property, gas, electricity, refrigeration or steam, for sale, by manufacturing, processing, generating, assembly, refining, mining or extracting; and all sales of tangible personal property for use or consumption predominantly either in the production of tangible personal property, for sale, by farming or in a commercial horse boarding operation, or in both; and all sales of fuel sold for use in commercial aircraft and general aviation aircraft; and, unless such city, county or school district elects otherwise, shall omit the provision for credit or refund contained in clause six of subdivision (a) or subdivision (d) of section eleven hundred nineteen of this chapter. (ii) Any local law, ordinance or resolution enacted by any city, county or school district, imposing the taxes authorized by this subdivision, shall omit the residential solar energy systems equipment and electricity exemption provided for in subdivision (ee), the commercial solar energy systems equipment and electricity exemption provided for in subdivision (ii), the commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption provided for in subdivision (kk) and the clothing and footwear exemption provided for in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, unless such city, county or school district elects otherwise as to such residential solar energy systems equipment and electricity exemption, such commercial solar energy systems equipment and electricity exemption, commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption or such clothing and footwear exemption.

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

(1) Or, one or more of the taxes described in subdivisions (b), (d), (e) and (f) of section eleven hundred five of this chapter, at the same uniform rate, including the transitional provisions in section eleven hundred six of this chapter covering such taxes, but not the taxes described in subdivisions (a) and (c) of section eleven hundred five of this chapter. Provided, further, that where the tax described in subdivision (b) of section eleven hundred five of this chapter is imposed,

the compensating use taxes described in clauses (E), (G) and (H) of subdivision (a) of section eleven hundred ten of this chapter shall also be imposed. Provided, further, that where the taxes described in subdivision (b) of section eleven hundred five **of this chapter** are imposed, such taxes shall omit: (A) the provision for refund or credit contained in subdivision (d) of section eleven hundred nineteen of this chapter with respect to such taxes described in such subdivision (b) of section eleven hundred five unless such city or county elects to provide such provision or, if so elected, to repeal such provision; (B) the exemption provided in paragraph two of subdivision (ee) of section eleven hundred fifteen of this chapter unless such county or city elects otherwise; (C) the exemption provided in paragraph two of subdivision (ii) of section eleven hundred fifteen of this chapter, unless such county or city elects otherwise; and (D) the exemption provided in paragraph two of subdivision (kk) of section eleven hundred fifteen of this chapter, unless such county or city elects otherwise**; and provided further that where the tax described in subdivision (f) of such section eleven hundred five is imposed, such tax shall not apply to charges for admission to race tracks and simulcast facilities**.

§ 7. Notwithstanding any provisions of law to the contrary and notwithstanding the repeal of sections 227, 306 and 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 by section one of this act, all provisions of such sections 227, 306 and 406, subparagraph (ii) of paragraph b of subdivision 4 of section 1008 and paragraph b of subdivision 5 of section 1009, in respect to the imposition, exemption, assessment, payment, payment over, determination, collection, and credit or refund of tax, interest and penalty imposed thereunder, the filing of forms and returns, the preservation of records for the purposes of such tax, the disposition of revenues, and any civil and criminal penalties applicable to the violation of the provisions of such sections 227, 306 and 406, subparagraph (ii) of paragraph b of subdivision 4 of section 1008 and paragraph b of subdivision 5 of section 1009, shall continue in full force and effect with respect to all such tax accrued for periods prior to the effective date of this act in the same manner as they might if such provisions were not repealed.

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

PART K

Intentionally Omitted

PART L

Section 1. Subparagraph (i) of the opening paragraph of section 1210 of the tax law is REPEALED and a new subparagraph (i) is added to read as follows:

(i) with respect to a city of one million or more and the following counties: (1) any such city having a population of one million or more is hereby authorized and empowered to adopt and amend local laws, ordinances or resolutions imposing such taxes in any such city, at the rate of four and one-half percent;

(2) the following counties that impose taxes described in subdivision (a) of this section at the rate of three percent as authorized above in this paragraph are hereby further authorized and empowered to adopt and amend local laws, ordinances, or resolutions imposing such taxes at additional rates, in quarter percent increments, not to exceed the following rates, which rates are additional to the three percent rate authorized above in this paragraph:

(A) One percent - Albany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, Yates;

(B) One and one-quarter percent - Herkimer, Nassau, Suffolk;

(C) One and one-half percent - Allegany;

(D) One and three-quarters percent - Erie, Oneida.

Provided, however, that (I) the county of Rockland may impose additional rates of five-eighths percent and three-eighths percent, in lieu of imposing such additional rate in quarter percent increments; (II) the county of Ontario may impose additional rates of one-eighth percent and three-eighths percent, in lieu of imposing such additional rate in quarter percent increments; (III) three-quarters percent of the additional rate authorized to be imposed by the county of Nassau shall be subject to the limitation set forth in section twelve hundred sixty-two-e of this article.

§ 2. Subparagraph (ii) of the opening paragraph of section 1210 of the tax law is REPEALED and a new subparagraph (ii) is added to read as follows:

(ii) the following cities that impose taxes described in subdivision (a) of this section at the rate of one and one-half percent or higher as authorized above in this paragraph for such cities are hereby further authorized and empowered to adopt and amend local laws, ordinances, or resolutions imposing such taxes at additional rates, in quarter percent increments, not to exceed the following rates, which rates are additional to the one and one-half percent or higher rates authorized above in this paragraph:

(1) One percent - Mount Vernon; New Rochelle; Oswego; White Plains;

(2) One and one quarter percent - None;

(3) One and one-half percent - Yonkers.

§ 3. Subparagraphs (iii) and (iv) of the opening paragraph of section 1210 of the tax law are REPEALED and a new subparagraph (iii) is added to read as follows:

(iii) the maximum rate referred to in section twelve hundred twenty-four of this article shall be calculated without reference to the additional rates authorized for counties, other than the counties of Cayuga, Cortland, Fulton, Madison, and Otsego, in clause two of subparagraph (i) and the cities in subparagraph (ii) of this paragraph.

§ 4. Section 1210 of the tax law is amended by adding a new subdivision (p) to read as follows:

(p) Notwithstanding any provision of this section or other law to the contrary, a county authorized to impose an additional rate or rates of sales and compensating use taxes by clause two of subparagraph (i) of the opening paragraph of this section, or a city, other than the city of Mount Vernon, authorized to impose an additional rate of such taxes by

subparagraph (ii) of such opening paragraph, may adopt a local law, ordinance or resolution by a majority vote of its governing body imposing such rate or rates for a period not to exceed two years, and any such period must end on November thirtieth of an odd-numbered year. Notwithstanding the preceding sentence, the city of White Plains is authorized to exceed such two-year limitation to impose the tax authorized by subparagraph (ii) of such opening paragraph for the period commencing on September first, two thousand twenty-one and ending on November thirtieth, two thousand twenty-three. Any such local law, ordinance, or resolution shall also be subject to the provisions of subdivisions (d) and (e) of this section.

§ 5. Section 1210-E of the tax law is REPEALED.

§ 6. Subdivisions (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (z-1), (aa), (bb), (cc), (dd), (ee), (ff), (gg), (hh), (ii) and (jj) of section 1224 of the tax law are REPEALED.

§ 7. Section 1224 of the tax law is amended by adding three new subdivisions (d), (e), and (f) to read as follows:

(d) For purposes of this section, the term "prior right" shall mean the preferential right to impose any tax described in sections twelve hundred two and twelve hundred three, or twelve hundred ten and twelve hundred eleven, of this article and thereby to preempt such tax and to preclude another municipal corporation from imposing or continuing the imposition of such tax to the extent that such right is exercised. However, the right of preemption shall only apply within the territorial limits of the taxing jurisdiction having the right of preemption.

(e) Each of the following counties and cities shall have the sole right to impose the following additional rate of sales and compensating use taxes in excess of three percent that such county or city is authorized to impose pursuant to clause two of subparagraph (i) or subparagraph (ii) of the opening paragraph of section twelve hundred ten of this article. Such additional rates of tax shall not be subject to preemption.

(1) Counties:

(A) One percent - Albany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Genesee, Greene, Hamilton, Jefferson, Lewis, Livingston, Monroe, Montgomery, Niagara, Onondaga, Ontario, Orange, Orleans, Oswego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, Yates;

(B) One and one-quarter percent - Herkimer, Nassau, Suffolk;

(C) One and one-half percent - Allegany;

(D) One and three-quarters percent - Erie, Oneida;

Provided, however that the county of Westchester shall have the sole right to impose the additional one percent rate of tax authorized by clause two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article in the area of such county outside the cities of Mount Vernon, New Rochelle, White Plains and Yonkers.

(2) Cities:

(A) One-quarter of one percent - Rome;

(B) One-half of one percent - None;

(C) Three-quarters of one percent - None;

(D) One percent - Mount Vernon, New Rochelle, White Plains;

(E) One and one quarter percent - None;

(F) One and one-half percent - Yonkers.

(f) Each of the following cities is authorized to preempt the taxes imposed by the county in which it is located pursuant to the authority of section twelve hundred ten of this article, to the extent of one-half the maximum aggregate rate authorized under section twelve hundred ten of this article, including the additional rate that the county in which such city is located is authorized to impose: Auburn, in Cayuga county; Cortland, in Cortland county; Gloversville and Johnstown, in Fulton county; Oneida, in Madison county; Oneonta, in Otsego county. As of the date this subdivision takes effect, any such preemption by such a city in effect on such date shall continue in full force and effect until the effective date of a local law, ordinance, or resolution adopted or amended by the city to change such preemption. Any preemption by such a city pursuant to this subdivision that takes effect after the effective date of this subdivision shall be subject to the notice requirements in section twelve hundred twenty-three of this subpart and to the other requirements of this article.

§ 8. Section 1262-g of the tax law, as amended by section 2 of item DD of subpart C of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

§ 1262-g. Oneida county allocation and distribution of net collections from the additional [~~one percent rate~~] rates of sales and compensating use taxes. Notwithstanding any contrary provision of law, (a) if the county of Oneida imposes sales and compensating use taxes at a rate which is one percent additional to the three percent rate authorized by section twelve hundred ten of this article, as authorized by such section, [~~(a)~~] (i) where a city in such county imposes tax pursuant to the authority of subdivision (a) of such section twelve hundred ten, such county shall allocate, distribute and pay in cash quarterly to such city one-half of the net collections attributable to such additional one percent rate of the county's taxes collected in such city's boundaries; [~~(b)~~] (ii) where a city in such county does not impose tax pursuant to the authority of such subdivision (a) of such section twelve hundred ten, such county shall allocate, distribute and pay in cash quarterly to such city not so imposing tax a portion of the net collections attributable to one-half of the county's additional one percent rate of tax calculated on the basis of the ratio which such city's population bears to the county's total population, such populations as determined in accordance with the latest decennial federal census or special population census taken pursuant to section twenty of the general municipal law completed and published prior to the end of the quarter for which the allocation is made, which special census must include the entire area of the county; [~~and (c)~~] provided, however, that such county shall dedicate the first one million five hundred thousand dollars of net collections attributable to such additional one percent rate of tax received by such county after the county receives in the aggregate eighteen million five hundred thousand dollars of net collections from such additional one percent rate of tax [~~imposed for any of the periods: September first, two thousand twelve through August thirty-first, two thousand thirteen; September first, two thousand thirteen through August thirty-first, two thousand fourteen; and September first, two thousand fourteen through August thirty-first, two thousand fifteen; September first, two thousand fifteen through August thirty-first, two thousand sixteen; and September first, two thousand sixteen through August thirty-first, two thousand seventeen; September first, two thousand seventeen through August thirty-first, two thousand eighteen; September first, two thousand eighteen through August thirty-first, two thousand~~

~~twenty; and September first, two thousand twenty through August thirty-first, two thousand twenty-three,~~] to an allocation on a per capita basis, utilizing figures from the latest decennial federal census or special population census taken pursuant to section twenty of the general municipal law, completed and published prior to the end of the year for which such allocation is made, which special census must include the entire area of such county, to be allocated and distributed among the towns of Oneida county by appropriation of its board of legislators; provided, further, that nothing herein shall require such board of legislators to make any such appropriation until it has been notified by any town by appropriate resolution and, in any case where there is a village wholly or partly located within a town, a resolution of every such village, embodying the agreement of such town and village or villages upon the amount of such appropriation to be distributed to such village or villages out of the allocation to the town or towns in which it is located.

(b) if the county of Oneida imposes sales and compensating use taxes at a rate which is one and three-quarters percent additional to the three percent rate authorized by section twelve hundred ten of this article, as authorized pursuant to clause two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article, net collections attributable to the additional three-quarters percent of such additional rate shall not be subject to any revenue distribution agreement entered into by the county and the cities in the county pursuant to the authority of subdivision (c) of section twelve hundred sixty-two of this part.

§ 9. The opening paragraph of section 1262-r of the tax law, as added by chapter 37 of the laws of 2006, is amended to read as follows:

(1) Notwithstanding any contrary provision of law, if the county of Ontario imposes the additional one-eighth of one percent and the additional three-eighths of one percent rates of tax authorized pursuant to clause two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article, net collections from the such additional three-eighths of one percent rate of such taxes shall be set aside for county purposes and shall not be subject to any agreement entered into by the county and the cities in the county pursuant to the authority of subdivision (c) of section twelve hundred sixty-two of this part or this section.

(2) Notwithstanding the provisions of subdivision (c) of section twelve hundred sixty-two of this part to the contrary, if the cities of Canandaigua and Geneva in the county of Ontario do not impose sales and compensating use taxes pursuant to the authority of section twelve hundred ten of this article and such cities and county enter into an agreement pursuant to the authority of subdivision (c) of section twelve hundred sixty-two of this part to be effective March first, two thousand six, such agreement may provide that:

§ 10. The tax law is amended by adding a new section 1262-v to read as follows:

§ 1262-v. Disposition of net collections from the additional rate of sales and compensating use tax in Clinton county. Notwithstanding any contrary provision of law, if the county of Clinton imposes the additional one percent rate of sales and compensating use taxes authorized pursuant to clause two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article, net collections from such additional rate shall be paid to the county and the county shall set aside such net collections and use them solely for county purposes. Such

net collections shall not be subject to any revenue distribution agreement entered into by the county and the city in the county pursuant to the authority of subdivision (c) of section twelve hundred sixty-two of this part.

§ 11. Section 1262-s of the tax law, as amended by section 3 of item U of subpart C of part XXX of chapter 58 of the laws of 2020, is amended to read as follows:

§ 1262-s. Disposition of net collections from the additional one-quarter of one percent rate of sales and compensating use taxes in the county of Herkimer. Notwithstanding any contrary provision of law, if the county of Herkimer imposes [~~the additional~~] sales and compensating use tax at a rate that is one and one-quarter [~~of one~~] percent [~~rate of sales and compensating use taxes~~] additional to the three percent rate authorized by section twelve hundred ten of this article, as authorized by [~~section twelve hundred ten-E~~] clause two of subparagraph (i) of the opening paragraph of section twelve hundred ten of this article [~~for all or any portion of the period beginning December first, two thousand seven and ending November thirtieth, two thousand twenty-three~~], the county shall use all net collections [~~from such~~] attributable to the additional one-quarter [~~of one~~] percent of such additional rate to pay the county's expenses for the construction of additional correctional facilities. The net collections from [~~the~~] such additional one-quarter percent of such additional rate [~~imposed pursuant to section twelve hundred ten-E of this article~~] shall be deposited in a special fund to be created by such county separate and apart from any other funds and accounts of the county. Any and all remaining net collections from such additional tax, after the expenses of such construction are paid, shall be deposited by the county of Herkimer in the general fund of such county for any county purpose.

§ 12. The tax law is amended by adding a new section 1265 to read as follows:

§ 1265. References to certain provisions authorizing additional rates or to expirations of a period. Notwithstanding any provision of law to the contrary: (a) any reference in any section of this chapter or other law, or in any local law, ordinance, or resolution adopted pursuant to the authority of this article, to net collections or revenues from a tax imposed by a county or city pursuant to the authority of a clause, or to a subclause of a clause, of subparagraph (i) or (ii) of the opening paragraph of section twelve hundred ten of this article repealed by section one or two of the chapter of the laws of two thousand twenty-one that added this section or pursuant to section twelve hundred ten-E of this article repealed by section five of such chapter shall be deemed to be a reference to net collections or revenues from a tax imposed by that county or city pursuant to the authority of the equivalent provision of clause two of subparagraph (i) or to subparagraph (ii) of the opening paragraph of such section twelve hundred ten as added by such section one or two of such chapter of the laws of two thousand twenty-one; (b) any reference in this chapter or in any other law relating to the expiration of a provision concerning the distribution of revenue from the taxes authorized to be imposed by the opening paragraph of section twelve hundred ten of this article shall be disregarded, and such provision shall continue in effect unless later amended or repealed.

§ 13. This act shall take effect immediately.

PART M

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

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

§ 2. This act shall take effect immediately.

PART N

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

(vi) every person described in subparagraph (i), (ii), (iii), (iv) or (v) of this paragraph or every person who is a vendor solely by reason of clause (D), (E) or (F) of subparagraph (i) of paragraph eight of subdivision (b) of section eleven hundred one of this article who or which has had its certificate of authority revoked under paragraph four of this subdivision, shall file with the commissioner a certificate of registration, in a form prescribed by the commissioner, at least twenty days prior to commencing business or opening a new place of business or such purchasing, selling or taking of possession or payment, whichever comes first. Every person who is a vendor solely by reason of clause (D) of subparagraph (i) of paragraph eight of subdivision (b) of section eleven hundred one of this article shall file with the commissioner a certificate of registration, in a form prescribed by such commissioner, within thirty days after the day on which the cumulative total number of occasions that such person came into the state to deliver property or services, for the immediately preceding four quarterly periods ending on the last day of February, May, August and November, exceeds twelve.

Every person who is a vendor solely by reason of clause (E) of subparagraph (i) of paragraph eight of subdivision (b) of section eleven hundred one of this article shall file with the commissioner a certificate of registration, in a form prescribed by such commissioner, within thirty days after the day on which the cumulative total, for the immediately preceding four quarterly periods ending on the last day of February, May, August and November, of such person's gross receipts from sales of property delivered in this state exceeds [~~three~~] five hundred thousand dollars and number of such sales exceeds one hundred. Every person who is a vendor solely by reason of clause (F) of subparagraph (i) of paragraph eight of subdivision (b) of section eleven hundred one of this article shall file with the commissioner a certificate of registration, in a form prescribed by such commissioner, within thirty days after the day on which tangible personal property in which such person retains an ownership interest is brought into this state by the person to whom such property is sold, where the person to whom such property is sold becomes or is a resident or uses such property in any manner in carrying on in this state any employment, trade, business or profession. Information with respect to the notice requirements of a purchaser, transferee or assignee and such person's liability pursuant to the provisions of subdivision (c) of section eleven hundred forty-one of this chapter shall be included in or accompany the certificate of registration form furnished the applicant. The commissioner shall also include with such information furnished to each applicant general information about the tax imposed under this article including information on records to be kept, returns and payments, notification requirements and forms. Such certificate of registration may be amended in accordance with rules promulgated by the commissioner.

§ 2. This act shall take effect immediately.

PART O

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

(a) **(1)** "Person" means an individual, partnership, limited liability company, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.

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

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

(a) The real estate transfer tax **imposed pursuant to section fourteen hundred two of this article** shall be paid by the grantor **and such tax shall not be payable, directly or indirectly, by the grantee except as provided in a contract between grantor and grantee or as otherwise provided in this section**. If the grantor has failed to pay the tax imposed by this article at the time required by section fourteen hundred

ten of this article or if the grantor is exempt from such tax, the grantee shall have the duty to pay the tax. Where the grantee has the duty to pay the tax because the grantor has failed to pay, such tax shall be the joint and several liability of the grantor and the grantee**; provided that in the event of such failure, the grantee shall have a cause of action against the grantor for recovery of payment of such tax, interest and penalties by the grantee**. **In the case of a conveyance of residential real property as defined in subdivision (a) of section fourteen hundred two-a of this article, if the tax imposed by this article is paid by the grantee pursuant to a contract between the grantor and the grantee, the amount of such tax shall be excluded from the calculation of consideration subject to tax under this article.**

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

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

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

(2) When the grantor or grantee of a deed for **a building used as** residential real property containing [~~one to four~~] **up to four** family dwelling units is a limited liability company, the joint return shall not be accepted for filing unless it is accompanied by a document which identifies the names and business addresses of all members, managers, and any other authorized persons, if any, of such limited liability company and the names and business addresses or, if none, the business addresses of all shareholders, directors, officers, members, managers and partners of any limited liability company or other business entity that are to be the members, managers or authorized persons, if any, of such limited liability company. The identification of such names and addresses shall not be deemed an unwarranted invasion of personal privacy pursuant to article six of the public officers law. If any such member, manager or authorized person of the limited liability company is itself a limited liability company or other business entity **other than a publicly traded entity, a REIT, a UPREIT, or a mutual fund**, the names and addresses of the shareholders, directors, officers, members, managers and partners of the limited liability company or other business entity shall also be disclosed until full disclosure of ultimate ownership by natural persons is achieved. For purposes of this subdivision, the terms "members", "managers", "authorized person", "limited liability company" and "other business entity" shall have the same meaning as those terms are defined in section one hundred two of the limited liability company law.

(3) The return shall be filed with the recording officer before the instrument effecting the conveyance may be recorded. However, if the tax is paid to the commissioner pursuant to section fourteen hundred ten of this article, the return shall be filed with such commissioner at the time the tax is paid. In that instance, a receipt evidencing the filing of the return and the payment of tax shall be filed with the recording officer before the instrument effecting the conveyance may be recorded.

The recording officer shall handle such receipt in the same manner as a return filed with the recording officer.

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

(h) Notwithstanding the provisions of subdivision (a) of this section, the commissioner may furnish information relating to real property transfers obtained or derived from returns filed pursuant to this article in relation to the real estate transfer tax, to the extent that such information is also required to be reported to the commissioner by section three hundred thirty-three of the real property law and section five hundred seventy-four of the real property tax law and the rules adopted thereunder, provided such information was collected through a combined process established pursuant to an agreement entered into with the commissioner pursuant to paragraph viii of subdivision one-e of section three hundred thirty-three of the real property law. The commissioner may redisclose such information to the extent authorized by section five hundred seventy-four of the real property tax law. **The commissioner may also disclose any information reported pursuant to paragraph two of subdivision (a) of section fourteen hundred nine of this article.**

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

PART P

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

6. (a) No retail dealer who has its retail dealer registration cancelled, suspended or revoked pursuant to this section or has been forbidden from selling cigarettes or tobacco products pursuant to paragraph (j) of subdivision one of section four hundred eighty of this article shall possess cigarettes or tobacco products in any place of business, cart, stand, truck or other merchandising device in this state beginning on the tenth day after such cancellation, suspension, revocation, or forbiddance and continuing for the duration of the same; provided however, such retail dealer shall not be prohibited before the tenth day after such cancellation, suspension, revocation, or forbiddance from selling or transferring its inventory of lawfully stamped cigarettes or tobacco products on which the taxes imposed by this article have been assumed or paid to a properly registered retail dealer whose registration is not cancelled, suspended, or revoked or who has not been forbidden from selling cigarettes or tobacco products.

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

(c) The possession of cigarettes or tobacco products in violation of paragraph (a) or (b) of this subdivision shall be presumptive evidence

that such cigarettes or tobacco products are being sold in violation of this section and section four hundred eighty of this article and, in addition to any other applicable penalties, shall be subject to the penalties authorized by subdivision three of this section.

§ 2. Subparagraph (A) of paragraph (4) of subdivision (a) of section eleven hundred thirty-four of the tax law, as amended by chapter 59 of the laws of 2020, is amended to read as follows: (A) Where a person who holds a certificate of authority (i) willfully fails to file a report or return required by this article, (ii) willfully files, causes to be filed, gives or causes to be given a report, return, certificate or affidavit required under this article which is false, (iii) willfully fails to comply with the provisions of paragraph two or three of subdivision (e) of section eleven hundred thirty-seven of this article, (iv) willfully fails to prepay, collect, truthfully account for or pay over any tax imposed under this article or pursuant to the authority of article twenty-nine of this chapter, (v) fails to obtain a bond pursuant to paragraph two of subdivision (e) of section eleven hundred thirty-seven of this part, or fails to comply with a notice issued by the commissioner pursuant to paragraph three of such subdivision, (vi) has been convicted of a crime provided for in this chapter, [~~or~~] (vii) where such person, or any person affiliated with such person as such term is defined in subdivision twenty-one of section four hundred seventy of this chapter, has had a retail dealer registration issued pursuant to section four hundred eighty-a of this chapter revoked pursuant to subparagraph (iii) of paragraph (a) of subdivision four of such section four hundred eighty-a, or (viii) has not obtained a valid retail dealer registration under section four hundred eighty-a of this chapter and such person possesses or sells unstamped or unlawfully stamped packages of cigarettes three or more times within a period of five years, the commissioner may revoke or suspend such certificate of authority and all duplicates thereof. Provided, however, that the commissioner may revoke or suspend a certificate of authority based on (a) the grounds set forth in clause (vi) of this subparagraph only where the conviction referred to occurred not more than one year prior to the date of revocation or suspension; and provided further that where the commissioner revokes or suspends a certificate of authority based on the grounds set forth in clause (vii) of this subparagraph, such suspension or revocation shall continue for as long as the revocation of the retail dealer registration pursuant to section four hundred eighty-a of this chapter remains in effect, or (b) the grounds set forth in clause (viii) of this subparagraph, such suspension or revocation shall be for a period of five years.

§ 3. Subparagraph (B) of paragraph (4) of subdivision (a) of section eleven hundred thirty-four of the tax law, as amended by chapter 59 of the laws of 2020, is amended to read as follows:

(B) Where a person files a certificate of registration for a certificate of authority under this subdivision and in considering such application the commissioner ascertains that (i) any tax imposed under this chapter or any related statute, as defined in section eighteen hundred of this chapter, has been finally determined to be due from such person and has not been paid in full, (ii) a tax due under this article or any law, ordinance or resolution enacted pursuant to the authority of article twenty-nine of this chapter has been finally determined to be due from an officer, director, partner or employee of such person, and, where such person is a limited liability company, also a member or manager of such person, in the officer's, director's, partner's,

member's, manager's or employee's capacity as a person required to collect tax on behalf of such person or another person and has not been paid, (iii) such person has been convicted of a crime provided for in this chapter within one year from the date on which such certificate of registration is filed, (iv) an officer, director, partner or employee of such person, and, where such person is a limited liability company, also a member or manager of such person, which officer, director, partner, member, manager or employee is a person required to collect tax on behalf of such person filing a certificate of registration has in the officer's, director's, partner's, member's, manager's or employee's capacity as a person required to collect tax on behalf of such person or of another person been convicted of a crime provided for in this chapter within one year from the date on which such certificate of registration is filed, (v) a shareholder owning more than fifty percent of the number of shares of stock of such person (where such person is a corporation) entitling the holder thereof to vote for the election of directors or trustees, who owned more than fifty percent of the number of such shares of another person (where such other person is a corporation) at the time any tax imposed under this chapter or any related statute as defined in section eighteen hundred of this chapter was finally determined to be due and where such tax has not been paid in full, or at the time such other person was convicted of a crime provided for in this chapter within one year from the date on which such certificate of registration is filed, (vi) a certificate of authority issued to such person has been revoked or suspended pursuant to subparagraph (A) of this paragraph within one year from the date on which such certificate of registration is filed, [~~or~~] (vii) a retail dealer registration issued pursuant to section four hundred eighty-a of this chapter to such person, or to any person affiliated with such person as such term is defined in subdivision twenty-one of section four hundred seventy of this chapter, has been revoked pursuant to subparagraph (iii) of paragraph (a) of subdivision four of such section four hundred eighty-a, where such revocation remains in effect, **or (viii) such person has not obtained a valid retail dealer registration under section four hundred eighty-a of this chapter and has possessed or sold unstamped or unlawfully stamped packages of cigarettes three or more times within a period of five years,** the commissioner may refuse to issue a certificate of authority**; provided however that under the circumstances described in clause (viii) of this subparagraph, such person shall not be eligible to submit a certificate of registration for a certificate of authority until five years after its last possession or sale of unstamped or unlawfully stamped packages of cigarettes within such five year period**.

§ 4. Any retail dealer who, prior to the effective date of this act, had its retail dealer registration cancelled, suspended, or revoked pursuant to section four hundred eighty-a of the tax law or was forbidden from selling cigarettes or tobacco products pursuant to paragraph (j) of subdivision one of section four hundred eighty of the tax law and such cancellation, suspension, revocation, or forbiddance remains in effect as of the effective date of this act, shall be prohibited from possessing cigarettes and tobacco products beginning on the tenth day after the effective date of this act and continuing for as long as such cancellation, suspension, revocation, or forbiddance shall remain in effect; provided however, such retail dealer shall not be prohibited before the tenth day after the effective date of this act from selling or transferring its inventory of lawfully stamped cigarettes or tobacco products on which the taxes imposed by this article have been assumed or

paid to a properly registered retail dealer whose registration is not cancelled, suspended, or revoked or who has not been forbidden from selling cigarettes or tobacco products.

§ 5. This act shall take effect immediately.

PART Q

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

1. Every distributor, noncommercial importer or other person shall, on or before the twentieth day of each month, file with the department of taxation and finance a return, on forms to be prescribed by the [~~tax commission~~] **commissioner** and furnished by such department, stating separately the number of gallons, or lesser quantity, of beers, and the number of liters, or lesser quantity, of wines and liquors sold or used by such distributor, noncommercial importer or other person in this state during the preceding calendar month, except that the [~~tax commission~~] **commissioner** may, if [~~it~~] **he or she** deems it necessary [~~in order~~] to [~~insure~~] **facilitate** the **efficient reporting and** payment of the tax imposed by this article, require returns to be made at such times and covering such periods as [~~it~~] **he or she** may deem necessary. Such return shall contain such further information as the [~~tax commission~~] **commissioner** shall require. The fact that the name of the distributor, noncommercial importer or other person is signed to a filed return shall be prima facie evidence for all purposes that the return was actually signed by such distributor, noncommercial importer or other person.

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

§ 505. Returns. Every carrier subject to this article and every carrier to whom a certificate of registration was issued shall file on or before the last day of each month a return for the preceding calendar month where a carrier's total tax liability under this article for the preceding calendar year exceeded [~~four~~] **twelve** thousand dollars. Where a carrier's total tax liability under this article for the preceding calendar year did not exceed [~~four~~] **twelve** thousand dollars or where a carrier was not subject to such tax in the preceding calendar year, returns shall be filed quarterly, on or before the last day of the calendar month following each of the calendar quarters: January through March, April through June, July through September and October through December. Provided, however, if the commissioner consents thereto in writing, any carrier may file a return on or before the thirtieth day after the close of any different period, if the carrier's books are regularly kept on a periodic basis other than a calendar month or quarter. The commissioner may permit the filing of returns on an annual basis, provided the carrier was subject to the tax under this article during the entire preceding calendar year and the carrier's total tax liability under this article for such year did not exceed [~~two hundred fifty~~] **twelve hundred** dollars. Such annual returns shall be filed on or before January thirty-first of the succeeding calendar year. Returns shall be filed with the commissioner on forms to be furnished by such commissioner for such purpose and shall contain such data, information or matter as the commissioner may require to be included therein. The fact that a carrier's name is signed to a filed return shall be prima facie evidence for all purposes that the return was actually signed by such carrier. The commissioner may grant a reasonable extension of time for filing returns whenever good cause exists and may waive the filing

of returns if a carrier is not subject to the tax imposed by this article for the period covered by the return. Every return shall have annexed thereto a certification to the effect that the statements contained therein are true.

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

PART R

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

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

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

(b) **(1)** If the taxicab owner has designated an agent, then the agent shall be jointly liable with the taxicab owner for the tax on trips occurring during the period that such designation is in effect. Even if the TLC has specified that the taxicab owner's agent cannot operate as an agent, that agent shall be jointly liable with the taxicab owner if the agent has acted for the taxicab owner. During the period that a taxicab owner's designation of an agent is in effect, the agent shall file the returns required by this article and pay any tax due with such return, but the taxicab owner shall not be relieved of liability for tax, penalty or interest due under this article, or for the filing of returns required to be filed, unless the agent has timely filed accurate returns and timely paid the tax required to be paid under this article. If a taxicab owner has designated an agent, then the agent must perform any act this article requires the taxicab owner to perform, but the failure of such agent to perform any such act shall not relieve the taxicab owner from the obligation to perform such act or from any liability that may arise from failure to perform the act.

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

(B) The TSP, after retaining the fees described in subparagraph (A) of this paragraph, shall also remit the taxes due on any taxicab trip or HAIL vehicle trip for which it maintained the trip record but did not collect the fare, from any fares it collected on behalf of any such taxicab owner or HAIL vehicle owner, before it releases any proceeds to the taxicab owner or HAIL vehicle owner. If the TSP fails to comply with the requirements of this subparagraph, such TSP shall be liable for the taxes due on such trips up to the amount it released to the taxicab owner or HAIL vehicle owner, or any person on behalf of such taxicab owner or HAIL vehicle owner. However, the taxicab owner, HAIL vehicle owner or their agents shall not be relieved of any liability for the tax, penalty or interest due under this article, or for filing of

returns required to be filed, unless the TSP has timely filed accurate returns and timely paid the tax required to be paid under this article.

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

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

(2) the TSP, after retaining the fees described in paragraph one of this subdivision, shall also remit the surcharges due on any taxicab trip or HAIL vehicle trip for which it maintained the trip record but did not collect the fare, from any fares it collected on behalf of any such taxicab owner or HAIL vehicle owner, before it releases any proceeds to the taxicab owner or HAIL vehicle owner. Whenever the TSP fails to comply with the requirements of the preceding sentence, the TSP shall be liable for the surcharges due on such trips up to the amount it released to the taxicab owner or HAIL vehicle owner, or any person on behalf of such taxicab owner or HAIL vehicle owner. However, the taxicab owner or HAIL base shall be jointly and severally liable with the TSP for such surcharges. For purposes of this section, the terms "taxicab trips," "HAIL vehicle trips," "taxicab owner," [~~and~~] "HAIL base", and "TSP" shall have the same meaning as they do in section twelve hundred eighty of this chapter.

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

(e) Notwithstanding the provisions of subdivision (a) of this section, the commissioner may, in his or her discretion, permit the proper officer of the taxi and limousine commission of the city of New York (TLC) or the duly authorized representative of such officer, to inspect any return filed under this article, or may furnish to such officer or such officer's authorized representative an abstract of any such return or supply such person with information concerning an item contained in any such return, or disclosed by any investigation of tax liability under this article; but such permission shall be granted or such information furnished only if the TLC shall have furnished the commissioner with all information requested by the commissioner pursuant to this article and shall have permitted the commissioner or the commissioner's authorized representative to make any inspection of any records or reports concerning for-hire transportation trips subject to the surcharge imposed by this article, and any persons required to collect such surcharge, filed with or possessed by the TLC that the commissioner may have requested from the TLC. Provided, further, that the commissioner may disclose to the TLC whether or not a person liable for the surcharge imposed by this

article has paid all of the surcharges due under this article as of any given date.

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

PART S

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

(1) If a tax return preparer or facilitator is required to register or re-register with the department pursuant to paragraph one or three of subdivision (b) of this section, as applicable, and fails to do so in accordance with the terms of this section, then the tax return preparer [~~of~~] or facilitator must pay a penalty of [~~two~~] five hundred [~~fifty~~] dollars. Provided, however, that if the tax return preparer or facilitator complies with the registration requirements of this section within ninety calendar days after notification of assessment of this penalty is sent by the department, then this penalty must be abated. If the tax return preparer or facilitator continues to fail to register or re-register after the ninety calendar day period, the tax return preparer or facilitator must pay an additional penalty of [~~five hundred~~] one thousand dollars if the failure is for not more than one month, with an additional [~~five hundred~~] one thousand dollars for each additional month or fraction thereof during which the failure continues. Once the ninety calendar days specified in this paragraph have expired, the penalty can be waived only for good cause shown by the tax return preparer or facilitator.

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

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

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

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

(2) Tax return preparers and facilitators must prominently and conspicuously display at their place of business and at any other

location where they provide tax return preparation and/or facilitation services the following documents:

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

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

(3) A tax return preparer or facilitator who fails to comply with any of the requirements of this subdivision must pay a penalty of five hundred dollars; provided, however, that if the tax return preparer or facilitator complies with the display requirements of this section within ninety calendar days after notification of assessment of this penalty is sent by the department, then this penalty must be abated. If the tax return preparer or facilitator continues to fail to display a copy of their registration certificate, a current price list, the minimum fee charged for each service, and a copy of the most recent Consumer Bill of Rights Regarding Tax Preparers after the ninety calendar day period, the tax return preparer or facilitator must pay an additional penalty of one thousand dollars for each additional month or fraction thereof during which the failure continues. Once the ninety calendar days specified in this paragraph have expired, the penalty can be waived only for good cause shown by the tax return preparer or facilitator.

§ 4. The second subdivision (g) of section 32 of the tax law is relettered subdivision (i).

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

PART T

Intentionally Omitted

PART U

Section 1. Paragraphs i and v of subdivision 1-e of section 333 of the real property law, as amended by section 5 of part X of chapter 56 of the laws of 2010 and as further amended by subdivision (d) of section 1 of part W of chapter 56 of the laws of 2010, are amended to read as follows:

i. A recording officer shall not record or accept for [~~record~~] recording any conveyance of real property affecting land in New York state unless accompanied by one of the following:

(1) a receipt issued by the commissioner of taxation and finance pursuant to subdivision (c) of section fourteen hundred twenty-three of the tax law; or

(2) a transfer report form prescribed by the commissioner of taxation and finance [~~or in lieu thereof, confirmation from the commissioner that the required data has been reported to it pursuant to paragraph vii of~~

~~this subdivision~~], and the fee prescribed pursuant to subdivision three of this section.

v. **(1)** The provisions of this subdivision shall not operate to invalidate any conveyance of real property where one or more of the items designated as subparagraphs one through eight of paragraph ii of this subdivision, have not been reported or which has been erroneously reported, nor affect the record contrary to the provisions of this subdivision, nor impair any title founded on such conveyance or record. [~~Such~~]

(2) Subject to the provisions of section fourteen hundred twenty-three of the tax law, such form shall contain an affirmation as to the accuracy of the contents made both by the transferor or transferors and by the transferee or transferees. Provided, however, that if the conveyance of real property occurs as a result of a taking by eminent domain, tax foreclosure, or other involuntary proceeding such affirmation may be made only by either the condemnor, tax district, or other party to whom the property has been conveyed, or by that party's attorney. The affirmations required by this paragraph shall be made in the form and manner prescribed by the commissioner, provided that notwithstanding any provision of law to the contrary, affirmants may be allowed, but shall not be required, to sign such affirmations electronically.

§ 2. Paragraphs vii and viii of subdivision 1-e of section 333 of the real property law are REPEALED.

§ 3. Subdivision 3 of section 333 of the real property law, as amended by section 2 of part JJ of chapter 56 of the laws of 2009 and as further amended by subdivision (d) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

3. [~~The~~] **(i) When a** recording officer [~~of every county and the city of New York~~] **is presented with a conveyance for recording that is accompanied by a receipt issued by the commissioner of taxation and finance pursuant to subdivision (c) of section fourteen hundred twenty-three of the tax law, such recording officer shall be relieved of the responsibility to collect the fee described by this subdivision. He or she shall nonetheless be entitled to the portion of such fee that he or she would otherwise have deducted pursuant to this subdivision, as provided by subdivision (b) of section fourteen hundred twenty-three of the tax law.**

(ii) When a recording officer is presented with a conveyance for recording that is not accompanied by such a receipt, he or she shall impose a fee of two hundred fifty dollars, or in the case of a transfer involving qualifying residential or farm property as defined by paragraph iv of subdivision one-e of this section, a fee of one hundred twenty-five dollars, for every real property transfer reporting form submitted for recording as required under **subparagraph two of paragraph i of** subdivision one-e of this section. In the city of New York, the recording officer shall impose a fee of one hundred dollars for each real property transfer tax form filed in accordance with chapter twenty-one of title eleven of the administrative code of the city of New York, except where a real property transfer reporting form is also submitted for recording for the transfer as required under **subparagraph two of paragraph i of** subdivision one-e of this section. The recording officer shall deduct nine dollars from such fee and remit the remainder of the revenue collected to the commissioner of taxation and finance every month for deposit into the general fund. The amount duly deducted by the recording officer shall be retained by the county or by the city of New York.

§ 4. Subsection (d) of section 663 of the tax law, as amended by section 1 of part P of chapter 686 of the laws of 2003, is amended to read as follows:

(d) A recording officer shall not record or accept for [~~record~~] recording any deed unless one of the following conditions is satisfied:

(1) it is accompanied by a receipt issued by the commissioner indicating that the estimated tax required by this section has been paid to the commissioner either electronically or as otherwise prescribed by him or her;

(2) it is accompanied by a form prescribed by the commissioner pursuant to subsection (b) of this section and the payment of any estimated tax shown as payable on such form[~~,~~]; or [~~unless~~]

(3) such receipt or form includes a certification by the transferor that this section is inapplicable to the sale or transfer.

§ 5. Subdivision (c) of section 1407 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(c) [~~Every~~] 1. When a recording officer designated to act as such agent is presented with a conveyance for recording that is accompanied by a receipt issued by the commissioner pursuant to subdivision (c) of section fourteen hundred twenty-three of this article, such recording officer shall be relieved of the responsibility to collect the real estate transfer tax thereon. He or she shall nonetheless be entitled to the portion of such tax that he or she would otherwise have retained pursuant to this subdivision, as provided by subdivision (b) of section fourteen hundred twenty-three of the tax law.

2. When a recording officer is presented with a conveyance for recording that is not accompanied by a receipt described in paragraph one of this subdivision, he or she shall collect the applicable real estate transfer tax and shall retain, from the real estate transfer tax which he or she collects, the sum of one dollar for each of the first five thousand conveyances accepted for recording and for which he or she has issued a documentary stamp or metering machine stamp or upon which instrument effecting the conveyance he or she has noted payment of the tax or that no tax is due, pursuant to any other method for payment of the tax provided for in the regulations of the commissioner of taxation and finance, during each annual period commencing on the first day of August and ending on the next succeeding thirty-first day of July and seventy-five cents for each conveyance in excess of five thousand accepted for recording and for which he or she has issued such a stamp or upon which instrument effecting the conveyance he or she has noted payment of the tax or that no tax is due, pursuant to such other method, during such annual period. Such fee shall be payable even though the stamp issued or such notation shows that no tax is due. Such a fee paid to the register of the city of New York shall belong to the city of New York and such a fee paid to a recording officer of a county outside such city shall belong to such officer's county. With respect to any other agents designated to act pursuant to subdivision (a) of this section, the commissioner of taxation and finance shall have the power to provide, at his or her discretion, for payment of a fee to such agent, in such manner and amount and subject to such limitations as he or she may determine, but any such fee for any annual period shall not be greater than the sum of one dollar for each of the first five thousand conveyances for which such agent has issued a documentary stamp or metering machine stamp or upon which instrument effecting the conveyance he or she has noted payment of the tax or that no tax is due, pursuant to any other method for payment of the tax provided for in the regu-

lations of the commissioner of taxation and finance, during such annual period and seventy-five cents for each conveyance in excess of five thousand for which such agent has issued such a stamp or upon which instrument effecting the conveyance such agent has noted payment of the tax or that no tax is due, pursuant to such other method, during such annual period.

§ 6. Subdivision (b) of 1409 of the tax law, as added by chapter 61 of the laws of 1989, is amended to read as follows:

(b) [~~The~~] **Subject to the provisions of section fourteen hundred twenty-three of this article, the** return shall be signed by both the grantor and the grantee. Where a conveyance has more than one grantor or more than one grantee, the return shall be signed by all of such grantors and grantees. Where any or all of the grantors or any or all of the grantees have failed to sign a return, it shall be accepted as a return if signed by any one of the grantors or by any one of the grantees. Provided, however, those not signing the return shall not be relieved of any liability for the tax imposed by this article and the period of limitations for assessment of tax or of additional tax shall not apply to any such party.

§ 7. Subdivision (b) of section 1410 of the tax law, as added by chapter 61 of the laws of 1989, is amended to read as follows:

(b) A recording officer shall not record an instrument effecting a conveyance unless **one of the following conditions is satisfied:**

(1) the instrument is accompanied by a receipt issued by the commissioner pursuant to subdivision (c) of section fourteen hundred twenty-three of this article; or

(2) the return required by section fourteen hundred nine of this article has been filed and the real estate transfer tax due, if any, shall have been paid as provided in this section.

§ 8. The tax law is amended by adding a new section 1423 to read as follows:

§ 1423. Modernization of real property transfer reporting. (a) Notwithstanding any provision of law to the contrary, the commissioner is hereby authorized to implement a system for the electronic collection of data relating to transfers of real property. In connection therewith, the commissioner may combine the two forms referred to in paragraph one of this subdivision into a consolidated real property transfer form to be filed with him or her electronically; provided:

(1) The two forms that may be so combined are the real estate transfer tax return required by section fourteen hundred nine of this article, and the real property transfer report required by subdivision one-e of section three hundred thirty-three of the real property law. However, the commissioner shall continue to maintain both such return and such report as separate forms, so that a party who prefers not to file a consolidated real property transfer form with the commissioner electronically shall have the option of filing both such return and such report with the recording officer, as otherwise provided by law. Under no circumstances shall a consolidated real property transfer form be filed with, or accepted by, the recording officer.

(2) Notwithstanding the provisions of section fourteen hundred eighteen of this article, any information appearing on a consolidated real property transfer form that is required to be included on the real property transfer report required by subdivision one-e of section three hundred thirty-three of the real property law shall be subject to public disclosure.

(3) When a consolidated real property transfer form is electronically submitted to the department by either the grantor or grantee or a duly authorized agent thereof, the act of submitting such form shall be deemed to be the signing of the return as required by paragraph (v) of subdivision one-e of the real property law or subdivision (b) of section fourteen hundred nine of this article, and the requirement that all the grantors and grantees shall sign the return shall not apply. However, the fact that a grantor or grantee has not electronically submitted the form shall not relieve that grantor or grantee of any liability for the tax imposed by this article.

(b) When a consolidated real property transfer form is filed with the commissioner electronically pursuant to this section, the real estate transfer tax imposed under this article, and the fee that would otherwise be retained by the recording officer pursuant to subdivision three of section three hundred thirty-three of the real property law, shall be paid to the commissioner therewith. The commissioner shall retain on behalf of the recording officer the portion of such tax that would otherwise have been retained by the recording officer pursuant to subdivision (c) of section fourteen hundred seven of this article, and the portion of such fee that would otherwise have been retained by the recording officer pursuant to subdivision three of section three hundred thirty-three of the real property law. The moneys so retained by the commissioner on behalf of the recording officer, hereinafter referred to as the recording officer's fees, shall be deposited daily with such responsible banks, banking houses, or trust companies as may be designated by the state comptroller. Of the recording officer's fees so deposited, the comptroller shall retain in the comptroller's hands such amount as the commissioner may determine to be necessary for refunds or reimbursements of such fees collected or received pursuant to this section, out of which the comptroller shall pay any refunds or reimbursements of such fees to which persons shall be entitled under the provisions of this section. The comptroller, after reserving such refund and reimbursement fund shall, on or before the twelfth day of each month, pay to the appropriate recording officers an amount equal to the recording officer's fees reserved on their behalf. Provided, however, that the commissioner is authorized to request that the comptroller refrain from making such a payment of such fees to a recording officer until the commissioner has certified to the comptroller that the recording officer has supplied the commissioner with the liber and page numbers of the recorded instruments that gave rise to such fees.

(c) The system for the electronic submission of consolidated real property transfer forms shall be designed so that upon the successful electronic filing of such a form and the payment of the associated taxes and fees, the party submitting the same shall be provided with an electronic receipt in a form prescribed by the commissioner that confirms such filing and payment. Such party may file a printed copy of such receipt with the recording officer when offering the associated instrument for recording, in lieu of submitting to the recording officer the return, report, tax and fee that would otherwise have been required under this article and subdivisions one-e and three of section three hundred thirty-three of the real property law. The recording officer shall retain such receipt for a minimum of three years, unless otherwise directed by the commissioner, and shall provide a copy thereof to the commissioner for inspection upon his or her request.

(d) Upon recording the instrument to which the consolidated real property transfer form pertains, the recording officer shall provide the

commissioner with the liber and page thereof at such time and in such manner as the commissioner shall prescribe.

(e) The provisions of this section shall not be applicable within a city or county that has implemented its own electronic system for the recording of deeds, the filing of the real estate transfer tax returns and the real property transfer reports prescribed by the commissioner, and the payment of the associated taxes and fees, unless such city or county shall notify the commissioner that such jurisdiction will follow the system authorized pursuant to this section to be used therein, in writing.

§ 9. This act shall take effect immediately.

PART V

Section 1. This Part enacts into law components of legislation relating to the administration of the STAR program authorized by section 425 of the real property tax law and subsection (eee) of section 606 of the tax law. Each component is wholly contained within a Subpart identified as Subparts A through E. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this Part sets forth the general effective date of this Part.

SUBPART A

Intentionally Omitted

SUBPART B

Intentionally Omitted

SUBPART C

Intentionally Omitted

SUBPART D

Intentionally Omitted

SUBPART E

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

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

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

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

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

§ 4. Paragraph (l) of subdivision 2 of section 425 of the real property tax law is amended by adding a new subparagraph (iv) to read as follows:

(iv) Beginning with assessment rolls used to levy school district taxes for the two thousand twenty-two--two thousand twenty-three school year, no exemption shall be granted pursuant to this section to a mobile home that is described in this paragraph. Owners of such property may claim the credit authorized by subsection (eee) of section six hundred six of the tax law in the manner prescribed therein.

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

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

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

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

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

PART W

Section 1. Section 200 of the real property tax law, as amended by section 4-a of part W of chapter 56 of the laws of 2010, is amended to read as follows:

§ 200. State board. There is hereby created in the department of taxation and finance a separate and independent state board of real property tax services, to consist of five members to be appointed by the governor, by and with the advice and consent of the senate. Of those five members appointed by the governor, one such person shall be an individual actively engaged in the commercial production for sale of agricultural crops, livestock and livestock products of an average gross sales value of ten thousand dollars or more. Said individual shall be appointed in the first instance to a term of eight years upon expiration of an existing term. Said initial term shall commence on the first day of January next succeeding the year in which the existing term shall

expire. The governor shall designate one of the members as the chairman of the board, who shall serve as chairman at the pleasure of the governor. **A majority of the duly appointed members shall constitute a quorum and not less than a majority of such members concurring may transact any business, perform any duty or exercise any power of the board.** The members of the board shall be appointed for terms of eight years, commencing on the first day of January next following the year in which the term of his predecessor expired, except that the terms of the members first appointed shall expire as follows: one on December thirty-first, nineteen hundred sixty-one, one on December thirty-first, nineteen hundred sixty-three, one on December thirty-first, nineteen hundred sixty-five, one on December thirty-first, nineteen hundred sixty-seven, and one on December thirty-first, nineteen hundred eighty-two. Vacancies occurring otherwise than by expiration of term shall be filled for the unexpired term. All members shall receive necessary expenses incurred in the performance of their duties.

§ 2. Section 307 of the real property tax law is REPEALED.

§ 3. Subdivision 4 of section 483 of the real property tax law, as amended by chapter 72 of the laws of 1979 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, and as renumbered by chapter 797 of the laws of 1992, is amended to read as follows:

4. Such exemption from taxation shall be granted only upon an application by the owner of the building or structure on a form prescribed by the commissioner. The applicant shall furnish such information as [~~such board~~] **the commissioner** shall require. Such application shall be filed with the assessor of the city, town, village or county having the power to assess property for taxation on or before the appropriate taxable status date of such city, town, village or county and within one year from the date of completion of such construction or reconstruction.

§ 4. Subdivision 3 of section 489-n of the real property tax law, as added by chapter 86 of the laws of 1963 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

3. The commissioner shall meet at the time and place specified in such notice to hear complaints in relation to the tentative determination of the railroad ceiling. The provisions of section five hundred twelve of this chapter shall apply so far as may be practicable to a hearing under this section. **Nothing contained in this subdivision shall be construed to require a hearing to be conducted when no complaints have been filed.**

§ 5. Subdivision 3 of section 489-kk of the real property tax law, as added by chapter 920 of the laws of 1977 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

3. The commissioner shall meet at the time and place specified in such notice to hear complaints in relation to the tentative determination of the railroad ceiling. The provisions of section five hundred twelve of this chapter shall apply so far as may be practicable to a hearing under this section. **Nothing contained in this subdivision shall be construed to require a hearing to be conducted when no complaints have been filed.**

§ 6. The real property tax law is amended by adding a new section 497 to read as follows:

§ 497. Construction of certain local option provisions in exemption statutes. 1. Population restrictions. When an exemption statute makes one or more options available to municipal corporations having a population within a specified range, and the governing body of a municipal

corporation adopts a local law or resolution exercising such an option while its population is within the specified range, a subsequent change in the population of the municipal corporation that places it outside the specified range shall not render such local law or resolution ineffective or invalid, nor shall it impair the ability of the governing body to amend or repeal such local law or resolution to the same extent as if its population were still within the specified range. Provided, however, that this subdivision shall not apply to any exemption statute that expressly provides that a local law or resolution adopted thereunder shall become ineffective or invalid if the population of the municipal corporation subsequently experiences a change that places it outside the specified range.

2. Filing provisions. When an exemption statute makes one or more options available to some or all municipal corporations, and further provides that a municipal corporation adopting a local law or resolution exercising such an option shall file a copy thereof with one or more state agencies other than the department of state, but if such statute does not expressly provide that a local law or resolution exercising such an option shall not take effect until a copy thereof is filed with the specified state agency or agencies, then a failure to comply with such filing provision shall not render such local law or resolution ineffective or invalid.

§ 7. Subdivision 3 of section 499-oooo of the real property tax law, as added by chapter 475 of the laws of 2013, is amended to read as follows:

3. The commissioner or his or her designee shall meet at the time and place specified in such notice set forth in subdivision one of this section to hear complaints in relation to the tentative determination of the assessment ceiling. The provisions of section five hundred twelve of this chapter shall apply so far as may be practicable to a hearing under this section. Nothing contained in this subdivision shall be construed to require a hearing to be conducted when no complaints have been filed.

§ 8. Section 612 of the real property tax law, as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

§ 612. Hearing of complaints. The commissioner or a duly authorized representative thereof shall meet at the time and place specified in the notice required by section six hundred eight of this chapter to hear complaints in relation to assessments of special franchises. The provisions of section five hundred twelve of this chapter shall apply so far as practicable to the hearing of complaints pursuant to this section. Nothing contained in this section shall be construed to require a hearing to be conducted when no complaints have been filed.

§ 9. Section 1208 of the real property tax law, as amended by chapter 385 of the laws of 1990 and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

§ 1208. Hearing of complaints. The commissioner or a duly authorized representative thereof shall meet at the time and place specified in the notice required by section twelve hundred four of this chapter to hear complaints in relation to equalization rates, class ratios or class equalization rates. The provisions of section five hundred twenty-five of this chapter shall apply so far as practicable to a hearing under this section. Nothing contained in this section shall be construed to require a hearing to be conducted when no complaints have been filed.

§ 10. This act shall take effect immediately; provided, however, that notwithstanding the provisions of subdivision 2 of section 497 of the real property tax law as added by section six of this act, the decision issued by the Appellate Division, Third Department on April 16, 2020, in the Matter of Laertes Solar, LLC v Assessor of the Town of Harford, cited as 182 A.D.3d 826, 122 N.Y.S.3d 427, and 2020 NY Slip Op 02302, motion for leave to appeal dismissed in part and otherwise denied by the Court of Appeals on November 19, 2020, shall remain binding upon the parties thereto; and provided further that the amendments made to section 489-oooo of the real property tax law made by section seven of this act shall not affect the repeal of such section and shall be deemed to be repealed therewith.

PART X

Section 1. Subdivisions 5, 7 and 9 of section 487 of the real property tax law, subdivision 5 as amended by chapter 325 of the laws of 2018, subdivision 7 as amended by chapter 515 and subdivision 9 as added by chapter 608 of the laws of 2002, and paragraph (a) of subdivision 9 as amended by chapter 344 of the laws of 2014, are amended to read as follows:

5. The exemption granted pursuant to this section shall only be applicable to (a) solar or wind energy systems or farm waste energy systems which are (i) existing or constructed prior to July first, nineteen hundred eighty-eight or (ii) constructed subsequent to January first, nineteen hundred ninety-one and prior to January first, two thousand [~~twenty-five~~] **thirty**, and (b) micro-hydroelectric energy systems, fuel cell electric generating systems, micro-combined heat and power generating equipment systems, electric energy storage equipment or electric energy storage system, or fuel-flexible linear generator electric generating system which are constructed subsequent to January first, two thousand eighteen and prior to January first, two thousand [~~twenty-five~~] **thirty**.

7. If the assessor is satisfied that the applicant is entitled to an exemption pursuant to this section, he or she shall approve the application and enter the taxable assessed value of the parcel for which an exemption has been granted pursuant to this section on the assessment roll with the taxable property, with the amount of the exemption **set forth in a separate column** as computed pursuant to subdivision two of this section in a separate column. In the event that real property granted an exemption pursuant to this section ceases to be used primarily for eligible purposes, the exemption granted pursuant to this section shall cease.

9. (a) A county, city, town, village or school district, except a school district under article fifty-two of the education law, that has not acted to remove the exemption under this section may require the owner of a property which includes a solar or wind energy system which meets the requirements of subdivision four of this section, to enter into a contract for payments in lieu of taxes. Such contract may require annual payments in an amount not to exceed the amounts which would otherwise be payable but for the exemption under this section. If the owner or developer of such a system provides written notification to a taxing jurisdiction of its intent to construct such a system, then in order to require the owner or developer of such system to enter into a contract for payments in lieu of taxes, such taxing jurisdiction must notify such owner or developer **in writing** of its intent to require a

contract for payments in lieu of taxes within sixty days of receiving the written notification. **Written notification to a taxing jurisdiction for this purpose shall include a hard copy letter sent to the highest-ranking official of the taxing jurisdiction. Such letter shall explicitly reference subdivision nine of section four hundred eighty-seven of the real property tax law, and clearly state that, unless the taxing jurisdiction responds within sixty days in writing with its intent to require a contract for payments in lieu of taxes, such project shall not be obligated to make such payments.**

(b) **Notwithstanding paragraph (a) of this subdivision, should a taxing jurisdiction adopt a law or resolution at any time within or prior to the sixty day window, indicating the taxing jurisdiction's ongoing intent to require a contract for payments in lieu of taxes for such systems, such law or resolution shall be considered notification to owners or developers and no further action is required on the part of the taxing jurisdiction, provided that such law or resolution remains in effect through the end of the sixty day notification period.**

[~~The~~] **(c) Any** payment in lieu of a tax agreement shall not operate for a period of more than fifteen years, commencing in each instance from the date on which the benefits of such exemption first become available and effective.

§ 2. Subdivision 1 of section 575-a of the real property tax law, as added by section 1 of subpart F of part J of chapter 59 of the laws of 2019, is amended to read as follows:

1. Every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, owning, operating or managing any electric generating facility in the state shall annually file with the commissioner, by April thirtieth, a report showing the inventory, revenue, and expenses associated therewith for the most recent fiscal year**, and, in the case of solar and wind energy systems, such other information as the commissioner may reasonably require for the development and maintenance of an appraisal model and discount rate as required pursuant to section 575-b of this chapter**. Such report shall be in the form and manner prescribed by the commissioner.

§ 3. The real property tax law is amended by adding a new section 575-b to read as follows:

§ 575-b. Solar or wind energy systems. 1. The assessed value for solar or wind energy systems, as defined in section four hundred eighty-seven of this chapter, shall be determined by a discounted cash flow approach that includes:

(a) An appraisal model identified and published by the New York state department of taxation and finance, in consultation with the New York state energy research and development authority, within one hundred eighty days of the effective date of this section, and periodically thereafter as appropriate; and

(b) A solar or wind energy system discount rate published annually by the New York state department of taxation and finance.

2. The reports required by section five hundred seventy-five-a of this title shall be designed to elicit such information as the commissioner may reasonably require for the development and maintenance of an appraisal model and discount rate.

3. The provisions of this section shall only apply to solar or wind energy systems with a nameplate capacity equal to or greater than one megawatt.

§ 4. The third undesignated paragraph of section 852 of the general municipal law, as amended by chapter 630 of the laws of 1977, is amended to read as follows:

It is hereby further declared to be the policy of this state to protect and promote the health of the inhabitants of this state and to increase trade through promoting the development of facilities to provide recreation for the citizens of the state and to attract tourists from other states **and to promote the development of renewable energy projects to support the state's renewable energy goals as may be established or amended from time to time**.

§ 5. Subdivision 4 of section 854 of the general municipal law, as amended by section 6 of part J of chapter 59 of the laws of 2013, is amended and a new subdivision 21 is added to read as follows:

(4) "Project" - shall mean any land, any building or other improvement, and all real and personal properties located within the state of New York and within or outside or partially within and partially outside the municipality for whose benefit the agency was created, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in connection therewith, or incidental thereto, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial**, renewable energy** or industrial purposes or other economically sound purposes identified and called for to implement a state designated urban cultural park management plan as provided in title G of the parks, recreation and historic preservation law and which may include or mean an industrial pollution control facility, a recreation facility, educational or cultural facility, a horse racing facility, a railroad facility**, a renewable energy project** or an automobile racing facility, provided, however, no agency shall use its funds or provide financial assistance in respect of any project wholly or partially outside the municipality for whose benefit the agency was created without the prior consent thereto by the governing body or bodies of all the other municipalities in which a part or parts of the project is, or is to be, located, and such portion of the project located outside such municipality for whose benefit the agency was created shall be contiguous with the portion of the project inside such municipality.

(21) "Renewable energy project" shall mean any project and associated real property on which the project is situated, that utilizes any system or equipment as set forth in section four hundred eighty-seven of the real property tax law or as defined pursuant to paragraph b of subdivision one of section sixty-six-p of the public service law as added by chapter one hundred six of the laws of two thousand nineteen.

§ 6. The opening paragraph of section 858 of the general municipal law, as amended by chapter 478 of the laws of 2011, is amended to read as follows:

The purposes of the agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research**, renewable energy** and recreation facilities including industrial pollution control facilities, educational or cultural facilities, railroad facilities, horse racing facilities, automobile racing facilities**, renewable energy projects** and continuing care retirement communities, provided, however, that, of agencies governed by this article, only agencies created for the benefit of a county and the agency created for the benefit of the city of New York shall be authorized to provide financial assistance in any respect to a continuing care

retirement community, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the state of New York and to improve their recreation opportunities, prosperity and standard of living; and to carry out the aforesaid purposes, each agency shall have the following powers:

§ 7. Paragraph (b) of subdivision 5 of section 859-a of the general municipal law, as added by chapter 563 of the laws of 2015, is amended to read as follows:

(b) a written cost-benefit analysis by the agency that identifies the extent to which a project will create or retain permanent, private sector jobs; the estimated value of any tax exemptions to be provided; the amount of private sector investment generated or likely to be generated by the proposed project; **the contribution of the project to the state's renewable energy goals and emission reduction targets as set forth in the state energy plan adopted pursuant to section 6-104 of the energy law;** the likelihood of accomplishing the proposed project in a timely fashion; and the extent to which the proposed project will provide additional sources of revenue for municipalities and school districts; and any other public benefits that might occur as a result of the project;

§ 8. This act shall take effect immediately.

PART Y

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

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

(a) **"Affiliate" means any off-track betting corporation, franchised corporation, or race track licensed pursuant to this chapter, an operator of video lottery gaming at Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the tax law, which has an affiliate agreement with a casino pursuant to section thirteen hundred sixty-seven-a of this title. Any professional sports stadium or arena may serve as an affiliate;**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(p) "Mobile sports wagering platform" or "platform" means the combination of hardware, software, and data networks used to manage, administer, or control sports wagering and any associated wagers accessible by any electronic means including mobile applications and internet websites accessed via a mobile device or computer;

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

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

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

[~~(e)~~] (t) "Professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and

receive compensation in excess of actual expenses for their participation in such event;

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

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

(w) "Prohibited sports bettor" means:

(i) any officer or employee of the commission;

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

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

(iv) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a casino if such person is directly involved in the operation or observation of sports wagering, or the processing of sports wagering claims or payments;

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

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

(vii) any individual with access to non-public confidential information about sports wagering;

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

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

(x) any individual placing a wager as an agent or proxy for an otherwise prohibited sports bettor; or

(xi) any minor;

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

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

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

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

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

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

(dd) "Sports wagering" means wagering on sporting events or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, or combination of sporting events, by any system or method of wagering, including, but not limited to, in-person communication and electronic communication through internet websites accessed via a mobile device or computer and mobile device applications. Any wager through electronic communication shall be deemed to take place at the physical location of the server or other equipment used by an operator to accept mobile sports wagering, regardless of the authorized sports bettor's physical location within the state at the time the wager is initiated. The term "sports wagering" shall include, but is not limited to, single-game bets, teaser bets, parlays, over-under bets, money line, pools, exchange wagering, in-game wagering, in-play bets, proposition bets and straight bets;

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

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

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

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

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

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

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

(ll) "Suspicious betting activity" means unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation

of an event, misuse of inside information, or other prohibited activity; and

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

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

~~3.~~] (a) In addition to authorized gaming activities, a [~~licensed gaming facility~~] casino may [~~when authorized by subdivision two of this section~~] operate a sports pool upon the approval of the commission and in accordance with the provisions of this section and applicable regulations promulgated pursuant to this article. The commission shall hear and decide promptly and in reasonable order all applications for a license to operate a sports pool, shall have the general responsibility for the implementation of this section and shall have all other duties specified in this section with regard to the operation of a sports pool. The license to operate a sports pool shall be in addition to any other license required to be issued to operate a [~~gaming facility~~] casino. No license to operate a sports pool shall be issued by the commission to any entity unless it has established its financial stability, integrity and responsibility and its good character, honesty and integrity.

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

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

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

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

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

[~~(e)~~] (f) An operator may also accept layoff bets as long as the authorized sports pool places such wagers with another authorized sports pool or pools in accordance with regulations of the commission. A sports pool that places a layoff bet shall inform the sports pool accepting the

wager that the wager is being placed by a sports pool and shall disclose its identity.

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

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

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

[~~(g)~~] (j) If any provision of this article or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable.

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

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

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

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

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

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

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

(e) method of issuing tickets;

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

(g) types of records which shall be kept;

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

(i) the process by which a casino may place a layoff bet;
(j) the use of global risk management;
(k) type of system for wagering; and
[~~(j)~~] (l) protections for a person placing a wager.
[~~6.~~] 5. Each operator shall adopt comprehensive house rules governing sports wagering transactions with its [~~patrons~~] authorized sports bettors. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other information the commission deems appropriate, shall be conspicuously displayed in the sports wagering lounge and included in the terms and conditions of the account wagering system, and copies shall be made readily available to [~~patrons~~] authorized sports bettors.
6. (a) Each casino that offers sports wagering shall annually submit a report to the commission no later than the twenty-eighth of February of each year, which shall include the following information:
(i) the total amount of sports wagers received from authorized sports bettors;
(ii) the total amount of prizes awarded to authorized sports bettors;
(iii) the total amount of sports wagering gross revenue received by the casino;
(iv) the total amount contributed in sports betting royalty revenue pursuant to subdivision eight of this section;
(v) the total amount of wagers received on each sports governing body's sporting events;
(vi) the number of accounts held by authorized sports bettors;
(vii) the total number of new accounts established in the preceding year, as well as the total number of accounts permanently closed in the preceding year;
(viii) the total number of authorized sports bettors that requested to exclude themselves from sports wagering; and
(ix) any additional information that the commission deems necessary to carry out the provisions of this article.
(b) Upon the submission of such annual report, to such extent that the commission deems it to be in the public interest, the commission shall be authorized to conduct a financial audit of any casino, at any time, to ensure compliance with this article.
(c) The commission shall annually publish a report based on the aggregate information provided by all casinos pursuant to paragraph (a) of this subdivision, which shall be published on the commission's website no later than one hundred eighty days after the deadline for the submission of individual reports as specified in such paragraph (a).
7. (a) Within thirty days of the end of each calendar quarter, a casino offering sports wagering shall remit to the commission a sports wagering royalty fee of one-fifth (.20) of one percent of the amount wagered on sports events conducted by registered sports governing bodies. The fee shall be remitted on a form as the commission may require, on which the casino shall identify the percentage of wagering during the reporting period attributable to each registered sport governing body's sports events.
(b) No later than the thirtieth of April of each year, a registered sports governing body may submit a claim for disbursement of the royalty fee funds remitted by casinos in the previous calendar year on their respective sports events. Within thirty days of submitting its claim for disbursement, the registered sports governing body shall meet with the commission to provide the commission with evidence of policies, proce-

dures and training programs it has implemented to protect the integrity of its sports events.

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

(d) (i) Persons who present sporting contests shall have authority to remove spectators and others from any facility for violation any applicable codes of conduct, and to deny persons access to all facilities they control, to revoke season tickets or comparable licenses, and to share information about such persons with others who present sporting contests and with the appropriate jurisdictions' law enforcement authorities.

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

8. For the privilege of conducting sports wagering in the state, casinos shall pay a tax equivalent to eight and one-half percent of their sports wagering gross revenue, excluding sports wagering gross revenue attributed to mobile sports wagering offered pursuant to section thirteen hundred sixty-seven-a of this title. Casinos shall pay a tax equivalent of twelve percent of their sports wagering gross revenue attributed to mobile sports wagering offered pursuant to section thirteen hundred sixty-seven-a of this title.

9. The commission shall pay into the commercial gaming revenue fund established pursuant to section ninety-seven-nnnn of the state finance law eighty-five percent of the state tax imposed by this section; any interest and penalties imposed by the commission relating to those taxes; all penalties levied and collected by the commission; and the appropriate funds, cash or prizes forfeited from sports wagering. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for the cost of regulation pursuant to paragraph c of subdivision four of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed in the same formula as market origin credits pursuant to section one hundred fifteen-b of this chapter. The commission shall require at least monthly deposits by the casino of any payments pursuant to subdivision eight of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

10. The commission may perform audits of the books and records of a casino, at such times and intervals as it deems appropriate, for the purpose of determining the sufficiency of tax payments. If a return required with regard to obligations imposed is not filed, or if a return when filed or is determined by the commission to be incorrect or insufficient with or without an audit, the amount of tax due shall be determined by the commission. Notice of such determination shall be given to

the casino liable for the payment of the tax. Such determination shall finally and irrevocably fix the tax unless the casino against whom it is assessed, within thirty days after receiving notice of such determination, shall apply to the commission for a hearing in accordance with the regulations of the commission.

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

12. A casino that is also licensed under article three of this chapter, and must maintain racing pursuant to paragraph (b) of subdivision one of section thirteen hundred fifty-five of this article, shall be allowed to offer pari-mutuel wagering on horse racing events in accordance with their license under article three of this chapter. Notwithstanding subparagraph (ii) of paragraph c of subdivision two of section one thousand eight of this chapter, a casino located in the city of Schenectady shall be allowed to offer pari-mutuel wagering on horse racing events, provided such wagering is conducted by the regional off-track betting corporation in such region as the casino is located. Any other casino shall be allowed to offer pari-mutuel wagering on horse racing events, provided such wagering is conducted by the regional off-track betting corporation in such region as the casino is located. Any physical location where pari-mutuel wagering on horse racing events is offered by a casino and conducted by a regional off-track betting corporation in accordance with this subdivision shall be deemed to be a branch location of the regional off-track betting corporation in accordance with section one thousand eight of this chapter. Mobile sports betting kiosks located on the premises of affiliates in accordance with paragraph (d) of subdivision five of section thirteen hundred sixty-seven-a of this title shall not be allowed to offer pari-mutuel wagering on horse racing events.

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

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

(b) Casinos shall maintain records of sports wagering operations in accordance with regulations promulgated by the commission. These regulations shall, at a minimum, require a casino to adopt procedures to

obtain personally identifiable information from any individual who places any single wager in an amount of ten thousand dollars or greater.

(c) The commission shall cooperate with a sports governing body and casinos to ensure the timely, efficient, and accurate sharing of information.

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

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

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

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

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

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

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

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

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

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

(g) The commission, by regulation, may authorize and promulgate any rules necessary to implement agreements with other states, or authorized

agencies thereof to enable the sharing of information to facilitate integrity monitoring and the conduct of investigations into abnormal betting activity, match fixing, and other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain.

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

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

(j) Any person who is (i) an athlete, coach, referee, director of a sports governing body or any of its member teams, a player or other personnel member, in or on any sports event overseen by that person's sports governing body, (ii) holding a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including but not limited to coaches, managers, handlers, athletic trainers, or (iii) a person with access to certain types of non-public information on any sports event overseen by that person's sports governing body, shall not be permitted to place a wager on a sports event that is overseen by that person's sports governing body so long as that person has been identified as a prohibited sports bettor in any lists provided by the sports governing body to the commission, casinos, and operators. Any person who violates this paragraph shall be guilty of a disorderly persons offense and shall be fined not less than five hundred dollars and not more than one thousand dollars.

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

(i) whose name appears on the exclusion list maintained by the commission and provided to the casino or operator;

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

(iii) who is the operator, director, officer, owner, or employee of the operator or casino or any relative thereof living in the same household as such individual;

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

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

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

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

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

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

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

(d) When determining whether or not a supplier of official league data is offering commercially reasonable terms, the commission shall consider the amount charged by the supplier of official league data to gaming operators in other jurisdictions. This information shall be provided to the commission by the supplier of official league data upon request of the commission. Any entity providing data to a casino for the purpose of tier two sports wagers shall obtain a license as a casino vendor enterprise and such license shall be issued pursuant to the provisions of section thirteen hundred twenty-seven of this article and in accordance with the regulations promulgated by the commission.

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

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

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

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

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

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

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

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

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

§ 1367-a. Mobile sports wagering. 1. (a) Except as provided in this subdivision, the terms in this section shall have the same meanings as such terms are defined in subdivision one of section thirteen hundred sixty-seven of this title.

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

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

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

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

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

3-a. (a) As a condition of registration as an operator, each casino shall agree, upon request of an Indian Tribe that has not entered into an agreement for mobile sports wagering with another casino, to provide a site for a mobile sports wagering server and related equipment for the Indian Tribe as directed by the commission, at no cost to the Indian

Tribe except the direct and actual cost of hosting the server or other equipment used by the Indian Tribe as determined by the commission.

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

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

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

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

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

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

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

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

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

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

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

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

physically located in an Indian Tribe's exclusive geographic area, unless the Indian Tribe with exclusive geographic right to that area is registered as an operator under this section.

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

(i) the development of the initial form of the application for registration;

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

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

(iv) requiring that operators adopt controls to maintain the efficiency of self-exclusion limits; and

(v) requiring that operators utilize commercially reasonable technological means of verifying account holders' identities.

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

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

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

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

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

(v) the type and estimated number of contests to be conducted annually; and

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

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

(d) Upon receipt of an application for registration for each individual listed on such application as an officer or director, the commission shall submit to the division of criminal justice services a set of fingerprints, and the division of criminal justice services processing fee imposed pursuant to subdivision eight-a of section eight hundred thirty-seven of the executive law and any fee imposed by the federal bureau of investigation. Upon receipt of the fingerprints, the division of criminal justice services shall promptly forward a set of the individual's fingerprints to the federal bureau of investigation for the purpose of a nationwide criminal history record check to determine whether such individual has been convicted of a criminal offense in any state other than New York or in a federal jurisdiction. The division of criminal justice services shall promptly provide the requested criminal history information to the commission. For the purposes of this section, the term "criminal history information" shall mean a record of all convictions of crimes and any pending criminal charges maintained on an individual by the division of criminal justice services and the federal

bureau of investigation. All such criminal history information sent to the commission pursuant to this subdivision shall be confidential and shall not be published or in any way disclosed to persons other than the commission, unless otherwise authorized by law.

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

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

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

(iii) has legally defaulted in the payment of any obligation or debt due to any state or political subdivision; or

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

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

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

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

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

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

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

(2) each operator shall provide parental control procedures to allow parents or guardians to exclude minors from access to any sports wager-

ing or platform. Such procedures shall include a toll-free number to call for help in establishing such parental controls; and

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

(iv) when referencing the chances or likelihood of winning in advertisements or upon placement of a sports wager, make clear and conspicuous statements that are not inaccurate or misleading concerning the chances of winning and the number of winners;

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

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

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

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

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

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

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

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

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

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

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

(xvi) submit annually a problem gaming plan to the commission that includes: the objectives of and timetables for implementing the plan; identification of the persons responsible for implementing and maintain-

ing the plan; procedures for identifying users with suspected or known problem gaming behavior; procedures for providing information to users concerning problem gaming identification and resources; procedures to prevent gaming by minors and self-excluded persons; and such other problem gaming information as the commission may require by rule.

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

(c) Operators shall not offer any sports wagering based on any prohibited sports event.

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

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

(f) Operators shall prohibit the use of third-party scripts or scripting programs for any exchange wagering contest and ensure that measures are in place to deter, detect and, to the extent reasonably possible, prevent cheating, including collusion, and the use of cheating devices, including use of software programs that submit exchange wagering sports wagers unless otherwise approved by the commission.

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

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

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

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

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

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

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

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

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

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

(e) All agreements entered into between casinos and affiliates in relation to the provisions of this section shall be approved by the commission prior to taking effect and shall include a plan for the timely payment of liabilities due to the affiliate under the agreement; provided, however, that the commission shall not approve any such agreement between a casino and a racetrack licensed pursuant to this chapter or an operator of video lottery gaming at Aqueduct licensed pursuant to section one thousand six hundred seventeen-a of the tax law, until twelve months after the effective date of this paragraph; and provided, further, that the commission shall not approve any such agreement between a casino and a professional sports stadium or arena, until twenty months after the effective date of this paragraph.

6. The commission shall annually cause a report to be prepared and distributed to the governor and the legislature on the impact of mobile sports wagering on problem gamblers in New York. The report shall include an assessment of problem gaming among persons under the age of thirty. The report shall be prepared by a non-governmental organization or entity with expertise in serving the needs of persons with gambling addictions. The report shall be prepared and distributed under the supervision of and in coordination with the commission. The costs associated with the preparation and distribution of the report shall be borne by operators and the commission shall be authorized to assess a fee against operators for these purposes. The commission shall also report periodically to the governor and the legislature on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of mobile sports wagering operations.

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

24. To regulate sports wagering in New York state.

§ 4. Subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

1. (a) For a gaming facility in zone two, there is hereby imposed a tax on gross gaming revenues. The amount of such tax imposed shall be as follows[~~; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility~~]:

[~~(a)~~] (1) in region two, forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

[~~(b)~~] (2) in region one, thirty-nine percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

[~~(c)~~] **(3)** in region five, thirty-seven percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(b) (1) Notwithstanding the rates in paragraph (a) of this subdivision, a gaming facility may petition the commission to lower the tax rate applicable to its slot machines to no lower than eighty percent of the current tax rate applicable to such slot machines. The commission shall evaluate the petition using the following criteria:

(i) the ability of the licensee to satisfy the license criterion of financial stability absent the tax rate reduction;

(ii) a complete examination of all financial projections, as well as gaming revenues generated for the prior annual period;

(iii) the licensee's intended use of the funds resulting from a tax adjustment;

(iv) the inability of the operator to remain competitive under the current tax structure;

(v) positions advanced by other gaming operators in the state in response to the petition;

(vi) the impact on the competitive landscape;

(vii) other economic factors such as employment and the potential impact upon other businesses in the region; and

(viii) the public interest to be served by a tax adjustment, including the impact upon the state in the event the operator is unable to remain financially viable.

(2) The commission shall report their recommendation to the director of the division of budget who will make a final determination, provided however, that prior to the final determination by the director of the division of budget, the gaming commission and the director of the division of budget shall notify in writing the chairs of the senate finance committee and assembly ways and means committee detailing the recommendation made by the gaming commission and the proposed final determination by such director, respectively. The legislature shall then have ten days following the receipt of the written notification from the director of the division of budget to either prepare its own plan, which may take into consideration the recommendation made by the gaming commission, and which shall be adopted by concurrent resolution passed by both houses, or if after ten days the legislature fails to adopt its own plan, the final determination proposed by the director of the division of budget will go into effect automatically.

§ 5. Severability clause. If any provision of this act or application thereof shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act, but shall be confined in its operation to the provision thereof directly involved in the controversy in which the judgment shall have been rendered.

§ 6. This act shall take effect immediately; provided, however, that section four of this act shall take effect sixty days after mobile sports wagering commences and shall expire and be deemed repealed one year after such date.

PART Z

Intentionally Omitted

PART AA

Section 1. Paragraph 1 of subdivision a of section 1612 of the tax law, as amended by chapter 174 of the laws of 2013, is amended to read as follows:

(1) sixty percent of the total amount for which tickets have been sold for [~~a lawful lottery~~] **the Quick Draw** game [~~introduced on or after the effective date of this paragraph,~~] subject to [~~the following provisions: (A) such game shall be available only on premises occupied by licensed lottery sales agents, subject to the following provisions: (i) if the licensee does not hold a license issued pursuant to the alcoholic beverage control law to sell alcoholic beverages for consumption on the premises, then the premises must have a minimum square footage greater than two thousand five hundred square feet; (ii) notwithstanding the foregoing provisions, television equipment that automatically displays the results of such drawings may be installed and used without regard to the square footage if such premises are used as: (I) a commercial bowling establishment, or (II) a facility authorized under the racing, pari-mutuel wagering and breeding law to accept pari-mutuel wagers; (B) the~~] rules for the operation of such game [~~shall be~~] as prescribed by regulations promulgated and adopted by the [~~division, provided however, that such rules shall provide that no person under the age of twenty-one may participate in such games on the premises of a licensee who holds a license issued pursuant to the alcoholic beverage control law to sell alcoholic beverages for consumption on the premises; and, provided, further, that such regulations may be revised on an emergency basis not later than ninety days after the enactment of this paragraph in order to conform such regulations to the requirements of this paragraph~~] **commission**; or

§ 2. This act shall take effect immediately.

PART BB

Section 1. Paragraphs 4 and 5 of subdivision a of section 1612 of the tax law, as amended by chapter 174 of the laws of 2013, are amended to read as follows:

(4) fifty percent of the total amount for which tickets have been sold for games known as: (A) the "Daily Numbers Game" or "Win 4", discrete games in which the participants select no more than three or four of their own numbers to match with three or four numbers drawn by the [~~division~~] **commission** for purposes of determining winners of such games, (B) "Pick 10", [~~offered no more than once daily,~~] in which participants select from a specified field of numbers a subset of ten numbers to match against a subset of numbers to be drawn by the [~~division~~] **commission** from such field of numbers for the purpose of determining winners of such game, (C) "Take 5", [~~offered no more than once daily,~~] in which participants select from a specified field of numbers a subset of five numbers to match against a subset of five numbers to be drawn by the [~~division~~] **commission** from such field of numbers for purposes of determining winners of such game; or

(5) forty percent of the total amount for which tickets have been sold for: (A) "Lotto", [~~offered no more than once daily,~~] a discrete game in which all participants select a specific subset of numbers to match a specific subset of numbers, as prescribed by rules and regulations promulgated and adopted by the [~~division~~] **commission**, from a larger specific field of numbers, as also prescribed by such rules and regu-

lations and (B) with the exception of the game described in paragraph one of this subdivision, such other state-operated lottery games [~~which~~] that the [~~division~~] commission may introduce, [~~offered no more than once daily,~~] commencing on or after forty-five days following the official publication of the rules and regulations for such game.

§ 2. This act shall take effect immediately.

PART CC

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

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

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

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

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

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

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

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

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

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

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

[~~6.~~] 5. recommend remedial action to prevent or eliminate corruption, fraud, criminal activity, conflicts of interest or abuse in the commission; and

[~~7.~~] 6. establish programs for training commission officers and employees [~~regarding~~] in regard to the prevention and elimination of corruption, fraud, criminal activity, conflicts of interest or abuse in the commission.

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

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

1. subpoena and enforce the attendance of witnesses;

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

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

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

5. require any commission officer or employee to answer questions concerning any matter related to the performance of his or her official duties. No statement or other evidence derived therefrom may be used against such officer or employee in any subsequent criminal prosecution other than for perjury or contempt arising from such testimony. The refusal of any officer or employee to answer questions shall be cause for removal from office or employment or other appropriate penalty;

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

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

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

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

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

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

§ 134. Transfer of employees. Upon the transfer of functions, powers, duties and obligations to the office of the state inspector general pursuant to this article, provision shall be made for the transfer of all gaming inspector general employees from within the gaming commission into the office of the state inspector general. Employees so transferred shall be transferred without further examination or qualification to the same or similar titles, shall remain in the same collective bargaining units and shall retain their respective civil service classifications, status and rights pursuant to their collective bargaining units and collective bargaining agreements.

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

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

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

PART DD

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

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand

sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [~~twenty-one~~] twenty-two; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [~~twenty-one~~] twenty-two; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

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

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

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

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~twenty-one~~] twenty-two and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [~~twenty-one~~] twenty-two. On any day on which a franchised corporation has not scheduled a racing program but a

thoroughbred racing corporation located within the state is conducting racing, each off-track betting corporation branch office and each simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

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

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

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

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

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

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

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

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

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

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

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

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

Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars,

over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one-half percent plus twenty percent of the breaks, and for super exotic bets seven and one-half percent plus fifty percent of the breaks.

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

§ 10. This act shall take effect immediately.

PART EE

Section 1. Section 19 of part W-1 of 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, as amended by section 1 of part U of chapter 60 of the laws of 2016, is amended to read as follows:

§ 19. This act shall take effect immediately; provided, however, that sections one through thirteen of this act shall take effect September 1, 2006 and shall be deemed repealed on September 1, [~~2021~~] 2026 and such repeal shall apply in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law, and shall apply to sales made, fuel compounded or manufactured, and uses occurring on or after such date, and with respect to sections seven through eleven of this act, in accordance with applicable transitional provisions of sections 1106 and 1217 of the tax law; provided, however, that the commissioner of taxation and finance shall be authorized on and after the date this act shall have become a law to adopt and amend any rules or regulations and to take any steps necessary to implement the provisions of this act; provided further that sections fourteen through sixteen of this act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006.

§ 2. This act shall take effect immediately.

PART FF

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

(e) For taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen, the amount of the credit allowed under this section shall be equal to the

product of the total number of eligible farm employees and two hundred fifty dollars. For taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and three hundred dollars. For taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and five hundred dollars. For taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and four hundred dollars. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-two~~] twenty-five, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and six hundred dollars.

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

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

§ 3. This act shall take effect immediately.

PART GG

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

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

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

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

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

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

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

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

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

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

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

PART HH

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

§ 5. This act shall take effect immediately, provided that section two of this act shall take effect on January 1, 2015, and shall apply to taxable years beginning on or after January 1, 2015, with respect to "qualified production expenditures" and "transportation expenditures" paid or incurred on or after such effective date, regardless of whether the production of the qualified musical or theatrical production commenced before such date, provided further that this act shall expire and be deemed repealed [~~8 years after such date~~] **January 1, 2026**.

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

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

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

PART II

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

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

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

§ 2. Subdivision 29 of section 210-B of the tax law is amended by adding a new paragraph (f) to read as follows:

(f) Reporting Requirement. The department shall issue an annual report on the utilization of this credit. Such report shall include the number of taxpayers that claimed the credit, the number of veterans and disabled veterans for whom a credit was claimed, and information on the wage rate of such veterans and disabled veterans. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department shall issue the first report on October first, two thousand twenty-one using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

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

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

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

§ 4. Paragraph 4 of subsection (a-2) of section 606 of the tax law, as added by section 3 of part AA of chapter 59 of the laws of 2013, is amended and a new paragraph 6 is added to read as follows:

(4) Amount of credit. The amount of the credit shall be ten percent of the total amount of wages paid to [~~he~~] the qualified veteran during the veteran's first full year of employment. Provided, however, that, if the qualified veteran is a disabled veteran, as defined in paragraph (b) of subdivision one of section eighty-five of the civil service law, the amount of the credit shall be fifteen percent of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment. The credit allowed pursuant to this subsection shall not exceed in any taxable year, five thousand dollars for any qualified veteran and fifteen thousand dollars for any qualified veteran who is a disabled veteran.

(6) Reporting Requirement. The department shall issue an annual report on the utilization of this credit. Such report shall include the number of taxpayers that claimed the credit, the number of veterans and disabled veterans for whom a credit was claimed, and information on the wage rate of such veterans and disabled veterans. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department shall issue the first report on October first, two thousand twenty-one using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

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

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

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

§ 6. Subdivision (g-1) of section 1511 of the tax law is amended by adding a new paragraph 6 to read as follows:

(6) Reporting Requirement. The department shall issue an annual report on the utilization of this credit. Such report shall include the number of taxpayers that claimed the credit, the number of veterans and disabled veterans for whom a credit was claimed, and information on the wage rate of such veterans and disabled veterans. The report shall also include information on steps taken by the department to inform employers of the existence of this credit and of any other actions taken to increase awareness of the availability of this credit. The department

shall issue the first report on October first, two thousand twenty-one using the most recent applicable tax data. The department shall issue reports for subsequent tax years annually on October first. The report shall be posted publicly on the department's website and copies shall be delivered to the governor, the speaker of the assembly, and the temporary president of the senate.

§ 7. This act shall take effect immediately.

PART JJ

Section 1. Section 12 of part V of 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, is amended to read as follows:

§ 12. This act shall take effect immediately and shall expire and be deemed repealed December 31, [~~2021~~] 2026.

§ 2. Paragraph (a) of subdivision 11 of section 400 of the economic development law, as amended by section 1 of part GG of chapter 58 of the laws of 2020, is amended to read as follows:

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

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

PART KK

Section 1. The opening paragraph of section 1310 of the general business law, as added by section 2 of part X of chapter 55 of the laws of 2018, is amended to read as follows:

Except as otherwise provided in this article, the program shall be implemented, and enrollment of employees shall begin[~~, within twenty-four months after the effective date of this article~~] no later than December thirty-first, two thousand twenty-one. The provisions of this section shall be in force after the board opens the program for enrollment.

§ 2. Section 1315 of the general business law, as added by section 2 of part X of chapter 55 of the laws of 2018, is amended to read as follows:

§ 1315. Delayed implementation. The board may delay the implementation of the program an additional twelve months beyond the [~~twenty-four months~~] date established in section thirteen hundred ten of this article if the board determines that further delay is necessary to address legal, financial or other programmatic concerns impacting the viability of the program. The board shall provide reasonable notice of such delay to the governor, the commissioner, the speaker of the assembly, the temporary president of the senate, the chair of the assembly ways and means committee, the chair of the senate finance committee, the chair of the assembly labor committee, and the chair of the senate labor committee.

§ 3. This act shall take effect immediately.

PART LL

Section 1. For the period from and after March 1, 2020 until such time as the licensee and the video lottery gaming facility that are each subject to subdivision 2 of section 1355 of the racing, pari-mutuel wagering and breeding law, as added by the Upstate New York Gaming Economic Development Act of 2013, as amended, have each been continuously operating without any restrictions related to Covid-19 for at least three full and consecutive calendar months, the payments to the relevant horsemen and breeders required by subdivision 2 of section 1355 of the racing, pari-mutuel wagering and breeding law, as added by the Upstate New York Gaming Economic Development Act of 2013, as amended, shall not accrue and shall be permanently waived and forgiven. The accrual and obligation to make payments under such subdivision 2 of such section 1355 shall recommence at such time as the licensee and the video lottery gaming facility that are each subject to such subdivision 2 of such section 1355 have each been continuously operating without any restrictions related to Covid-19 for at least three full and consecutive calendar months. Payments to the relevant horsemen and breeders for the period beginning January 1, 2020 through February 28, 2020 shall be payable in six equal monthly installments of $106,407 per month over a six-month period beginning with the first month after the licensee has been continuously operating without any restrictions related to Covid-19 for at least three full and consecutive calendar months.

§ 2. This act shall take effect immediately.

PART MM

Section 1. Subdivision 14 of section 1300 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013 and as renumbered by chapter 175 of the laws of 2013, is amended and a new subdivision 15 is added to read as follows:

14. As thoroughly and pervasively regulated by the state, four upstate casinos will work to the betterment of all New York[~~.~~]~~;~~

15. Pursuant to article one, section nine of the New York State Constitution, the legislature is permitted to authorize up to seven commercial casinos within the state. As of the year two thousand twenty-one, four have been authorized in upstate New York, leaving the downstate market unaddressed. Neighboring states have authorized forms of gaming that are siphoning New York state dollars and travel industry-derived revenue to other out-of-state markets. Simultaneously, as a result of the COVID-19 emergency, state and local revenues have been devastated. This is particularly alarming given the potential effect on the state's education funding. The legislature recognizes that downstate gaming resorts have the potential to significantly boost revenues for education support, create thousands of quality jobs, and support the local economy downstate. As such, the legislature hereby authorizes an additional three casino licenses downstate to increase support for education across the state.

§ 2. Subparagraph 2 of paragraph (a) of subdivision 2 of section 1310 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

(2) Region two shall consist of Bronx, Kings, New York, Queens and Richmond counties[~~. No gaming facility shall be authorized in region two~~]; and

§ 3. Subdivision 1 of section 1311 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 175 of the laws of 2013, is amended to read as follows:

1. **(a)** The commission is authorized to award up to four gaming facility licenses, in regions one, two and five of zone two**, and three additional gaming facility licenses in zone one**. The duration of such initial license shall be ten years. The term of renewal shall be determined by the commission. The commission may award a second license to a qualified applicant in no more than a single region. [~~The commission is not empowered to award any license in zone one. No gaming facilities are authorized under this article for the city of New York or any other portion of zone one.~~]

(b) As a condition of licensure, licensees are required to commence gaming operations no more than twenty-four months following license award. No additional licenses may be awarded during the twenty-four month period, nor for an additional sixty months following the end of the twenty-four month period. Should the state legislatively authorize additional gaming facility licenses within these periods, licensees shall have the right to recover the license fee paid pursuant to section one thousand three hundred six of this article.

(c) This right shall be incorporated into the license itself, vest upon the opening of a gaming facility in zone one or in the same region as the licensee and entitle the holder of such license to bring an action in the court of claims to recover the license fee paid pursuant to section one thousand three hundred fifteen of this article in the event that any gaming facility license in excess of the number authorized by this section as of the effective date of this section is awarded within seven years from the date that the initial gaming facility license is awarded. This right to recover any such fee shall be proportionate to the length of the respective period that is still remaining upon the vesting of such right.

(d) Additionally, the right to bring an action in the court of claims to recover the fee paid to the state on the twenty-fourth day of September, two thousand ten, by the operator of a video lottery gaming facility in a city of more than one million shall vest with such operator upon the opening of any gaming facility licensed by the commission in zone one within seven years from the date that the initial gaming facility license is awarded; provided however that the amount recoverable shall be limited to the pro rata amount of the time remaining until the end of the seven year exclusivity period, proportionate to the period of time between the date of opening of the video lottery facility until the conclusion of the seven year period.

(e) Notwithstanding any law, rule or regulation to the contrary, for any video lottery gaming facility authorized by paragraph four of subdivision a of section sixteen hundred seventeen-a of the tax law that converts to a gaming facility, nothing in this section shall be construed to affect the hosting agreement between the corporation established pursuant to section five hundred two of this chapter in the Nassau region and the entity converted to a gaming facility; and pursuant to the agreement, such video lottery devices shall be deemed to be hosted for the corporation by such entity.

§ 4. Section 1318 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 2 to read as follows:

2. The commission may revoke a license of any entity that held a license to operate video lottery terminals pursuant to section sixteen hundred seventeen-a of the tax law, which was then converted to a gaming

facility license if the commission determines the facility is disqualified on the basis of any of the criteria enumerated in subdivision one of this section, subject to notice and an opportunity for hearing.

§ 5. Section 1351 of the racing, pari-mutuel wagering and breeding law is amended by adding two new subdivisions 3 and 4 to read as follows:

3. For a gaming facility in zone one, there is hereby imposed a tax on gross gaming revenues for gaming facilities. The amount of such tax imposed in zone one shall be as follows; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility: the amount of such tax imposed in zone one shall be forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

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

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

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

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

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

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

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

§ 6. The opening paragraph of subdivision 1 of section 1312 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

The board shall issue within ninety days of a majority of members being appointed a request for applications for a gaming facility license in regions one, two and five in zone two[~~; provided, however, that the board shall not issue any requests for applications for any region in zone one; and further provided that the board shall not issue any requests for applications with respect to any gaming facility subsequently legislatively authorized until seven years following the commencement of gaming activities in zone two~~] and, on or before July first, two thousand twenty-one, the board shall issue a request for

applications for three additional gaming facility licenses in zone one; and provided further that the board shall make a determination regarding an application no later than one hundred fifty days from receiving the application. All requests for applications shall include:

§ 7. The opening paragraph of section 1348 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

In addition to any other tax or fee imposed by this article, there shall be imposed an annual license fee of five hundred dollars for each slot machine and table approved by the commission for use by a gaming licensee at a gaming facility; **and beginning in the year two thousand twenty-two, there shall be imposed an annual license fee of seven hundred fifty dollars for each slot machine and table game approved by the commission for use by a gaming licensee at a gaming facility located in zone one, originally awarded a license after July first, two thousand twenty-one, and** provided, however, that not sooner than five years after award of an original gaming license, the commission may annually adjust the fee for inflation. The fee shall be imposed as of July first of each year for all approved slot machines and tables on that date and shall be assessed on a pro rata basis for any slot machine or table approved for use thereafter.

§ 8. Subdivisions 3 and 4 of section 1315 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, are amended to read as follows:

3. A licensee who fails to begin gaming operations within twenty-four months following license award shall be subject to suspension or revocation of the gaming license by the commission and may, after being found by the commission after notice and opportunity for a hearing to have acted in bad faith in its application, be assessed a fine of up to [~~fifty~~] **one hundred** million dollars.

4. The board shall determine a licensing fee **of no less than five hundred million dollars** to be paid by a licensee within thirty days after the award of the license which shall be deposited into the commercial gaming revenue fund. The license shall set forth the conditions to be satisfied by the licensee before the gaming facility shall be opened to the public. The commission shall set any renewal fee for such license based on the cost of fees associated with the evaluation of a licensee under this article which shall be deposited into the commercial gaming fund. Such renewal fee shall be exclusive of any subsequent licensing fees under this section.

§ 9. The opening paragraph and subdivisions 1, 2 and 4 of section 1306 of the racing, pari-mutuel wagering and breeding law, the opening paragraph as amended by chapter 243 of the laws of 2020 and subdivisions 1, 2 and 4 as added by chapter 174 of the laws of 2013, are amended to read as follows:

The New York state gaming facility location board shall select, following a competitive process and subject to the restrictions of this article, no more than [~~four~~] **seven** entities to apply to the commission for gaming facility licenses. In exercising its authority, the board shall have all powers necessary or convenient to fully carry out and effectuate its purposes including, but not limited to, the following powers. The board shall:

1. issue a request for applications for **zone one and** zone two gaming facility licenses pursuant to section one thousand three hundred twelve of this article;

2. assist the commission in prescribing the form of the application for **zone one and** zone two gaming facility licenses including information to be furnished by an applicant concerning an applicant's antecedents, habits, character, associates, criminal record, business activities and financial affairs, past or present pursuant to section one thousand three hundred thirteen of this article;

4. determine a gaming facility license fee **of no less than five hundred million dollars** to be paid by an applicant;

§ 10. Subdivision 6 of section 109-a of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended and a new subdivision 7 is added to read as follows:

6. Utilizing the powers and duties prescribed for it by article thirteen of this chapter, the board shall select, through a competitive process consistent with provisions of article thirteen of this chapter, not more than [~~four~~] **seven** gaming facility license applicants. Such selectees shall be authorized to receive a gaming facility license, if found suitable by the commission. The board may select another applicant for authorization to be licensed as a gaming facility if a previous selectee fails to meet licensing thresholds, is revoked or surrenders a license opportunity.

7. The board shall convene on or before July first, two thousand twenty-one to issue requests for applications for three additional gaming facility licenses in zone one, as specified by section thirteen hundred ten of this chapter; and provided further that the board shall make a determination regarding an application no later than one hundred fifty days from receiving the application.

§ 11. Section 1320 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

§ 1320. Siting evaluation. In determining whether an applicant shall be eligible for a gaming facility license, the board shall evaluate and issue a finding of how each applicant proposes to advance the following objectives.

1. The decision by the board to select a gaming facility license **applicant shall be weighted by ten percent based upon a speed to market factor in which the commission shall award greater consideration to applicants which can demonstrate an ability to commence gaming operations more quickly relative to other applicants, in the interest of making revenue available to the state in an expeditious manner.**

2. The decision by the board to select a gaming facility license applicant shall be weighted by [~~seventy~~] **sixty** percent based on economic activity and business development factors including:

(a) realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;

(b) maximizing revenues received by the state and localities;

(c) providing the highest number of quality jobs in the gaming facility;

(d) building a gaming facility of the highest caliber with a variety of quality amenities to be included as part of the gaming facility;

(e) offering the highest and best value to patrons to create a secure and robust gaming market in the region and the state;

(f) providing a market analysis detailing the benefits of the site location of the gaming facility and the estimated recapture rate of gaming-related spending by residents travelling to an out-of-state gaming facility;

(g) offering the fastest time to completion of the full gaming facility;

(h) demonstrating the ability to fully finance the gaming facility; and

(i) demonstrating experience in the development and operation of a quality gaming facility.

[~~2.~~] 3. The decision by the board to select a gaming facility license applicant shall be weighted by twenty percent based on local impact and siting factors including:

(a) mitigating potential impacts on host and nearby municipalities which might result from the development or operation of the gaming facility;

(b) gaining public support in the host and nearby municipalities which [~~may~~] shall be demonstrated through the enactment or passage of a local [~~laws or public comment received by the board or gaming applicant~~] law or resolution;

(c) operating in partnership with and promoting local hotels, restaurants and retail facilities so that patrons experience the full diversified regional tourism industry; and

(d) establishing a fair and reasonable partnership with live entertainment venues that may be impacted by a gaming facility under which the gaming facility actively supports the mission and the operation of the impacted entertainment venues.

[~~3.~~] 4. The decision by the board to select a gaming facility license applicant shall be weighted by ten percent based on workforce enhancement factors including:

(a) implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming facility will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming facility;

(b) taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling;

(c) utilizing sustainable development principles including, but not limited to:

(1) having new and renovation construction certified under the appropriate certification category in the Leadership in Energy and Environmental Design Green Building Rating System created by the United States Green Building Council;

(2) efforts to mitigate vehicle trips;

(3) efforts to conserve water and manage storm water;

(4) demonstrating that electrical and HVAC equipment and appliances will be Energy Star labeled where available;

(5) procuring or generating on-site ten percent of its annual electricity consumption from renewable sources; and

(6) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;

(d) establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that:

(1) establishes transparent career paths with measurable criteria within the gaming facility that lead to increased responsibility and

higher pay grades that are designed to allow employees to pursue career advancement and promotion;

(2) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and

(3) establishes an on-site child day care program;

(e) purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming facility;

(f) implementing a workforce development plan that:

(1) incorporates an affirmative action program of equal opportunity by which the applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities;

(2) utilizes the existing labor force in the state;

(3) estimates the number of construction jobs a gaming facility will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs;

(4) identifies workforce training programs offered by the gaming facility; and

(5) identifies the methods for accessing employment at the gaming facility; and

(g) demonstrating that the applicant has an agreement with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies:

(1) the number of employees to be employed at the gaming facility, including detailed information on the pay rate and benefits for employees and contractors in the gaming facility and all infrastructure improvements related to the project; and

(2) detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming facility.

§ 12. Subdivision 2 of section 1314 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

2. As a condition of filing, each potential license applicant [~~must~~] **shall** demonstrate to the [~~board's satisfaction~~] **board** that local support has been demonstrated **through the enactment or passage of a local law or resolution in support by the municipality where such facility is to be physically sited**.

§ 13. This act shall take effect immediately.

PART NN

Section 1. (a) Notwithstanding any provision of law to the contrary, for the duration of the state disaster emergency pursuant to executive order 202 of 2020, a taxpayer that has required some or all of its employees to work remotely as a result of the outbreak of novel coronavirus, COVID-19, may designate such remote work as having been performed at the location such work was performed prior to the declaration of such state disaster emergency for tax benefits that are based on maintaining a presence within the state or within specific areas of the state, including but not limited to those provided pursuant to section 39 of the tax law.

(b) Eligible businesses shall be required to certify, that for the entire period the benefit is claimed, the business continued to operate within the state.

(c) Eligible businesses shall be required to certify, that for the entire period the benefit is claimed, that any employees eligible for tax benefits continued working within the state.

(d) Under no circumstances, shall a business be eligible for tax benefits based on maintaining a presence within the state or within specific areas of the state, including but not limited to those provided pursuant to section 39 of the tax law, if the business moved operations outside of the state.

§ 2. The commissioner of taxation and finance shall, in consultation with the commissioner of economic development, promulgate any rule or regulation necessary to effectuate this act.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on or after March 7, 2020 and shall expire and be deemed repealed on December 31, 2022.

PART OO

Section 1. The opening paragraph of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 10 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

For taxable years beginning before January first, two thousand sixteen, the amount prescribed by this paragraph shall be computed at the rate of seven and one-tenth percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand sixteen, the amount prescribed by this paragraph shall be six and one-half percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. **For taxable years beginning on or after January first, two thousand twenty-one the amount prescribed by this paragraph shall be computed at the rate of nine and one-half percent for taxpayers with a business income base above five million dollars.** However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph.

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

(1) (i) The amount prescribed by this paragraph shall be computed at .15 percent for each dollar of the taxpayer's total business capital, or the portion thereof apportioned within the state as hereinafter provided for taxable years beginning before January first, two thousand sixteen. However, in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be .04 percent until taxable years beginning on or after January first, two thousand twenty. The rate of tax for subsequent tax years shall be as follows: .125 percent for taxable years beginning on or after January

first, two thousand sixteen and before January first, two thousand seventeen; .100 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .075 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .050 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .025 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and [~~zero~~] .125 percent for years beginning on or after January first, two thousand twenty-one. The rate of tax for a qualified New York manufacturer shall be .132 percent for taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen, .106 percent for taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen, .085 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .056 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .038 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .019 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and zero percent for years beginning on or after January first, two thousand twenty-one. (ii) In no event shall the amount prescribed by this paragraph exceed three hundred fifty thousand dollars for qualified New York manufacturers and for all other taxpayers five million dollars.

§ 3. This act shall take effect immediately.

PART PP

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

§ 601-b. Additional tax on income from capital gain. (a) There is hereby imposed, in addition to the tax imposed under section six hundred one of this article, an additional tax on a New York resident's income from capital gain.

(b) Income from capital gain shall mean the amount of an individual's New York taxable income attributable to net short-term capital gain and net long-term capital gain, as defined under internal revenue code section 1222(5) and section 1222(7).

(c) The additional tax imposed under this section shall be equal to one percent of an individual's income from capital gain.

(d) This section shall not apply to the following persons:

(1) In the case of resident married individuals filing joint returns, if New York taxable income is not more than two million one hundred fifty-five thousand three hundred fifty dollars.

(2) In the case of a resident head of household, an individual whose New York taxable income is not more than one million six hundred sixteen thousand four hundred fifty dollars.

(3) In the case of resident unmarried individuals, resident married individuals filing separate returns, and resident estates and trusts, if New York taxable income is not more than one million seventy-seven thousand five hundred fifty dollars.

(e) This section shall be administered, and penalties imposed, in the same manner as the tax imposed under section six hundred one of this article.

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

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

PART QQ

Section 1. This act shall be known and may be cited as the "opportunity zone tax break elimination act".

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

(a) (i) The term "investment income" means income, including capital gains in excess of capital losses, from investment capital, to the extent included in computing entire net income, less, (A) in the discretion of the commissioner, any interest deductions allowable in computing entire net income which are directly or indirectly attributable to investment capital or investment income, (B) any capital gains deferred or excluded under 26 U.S.C. §1400-z-2, provided, however, that in no case shall investment income exceed entire net income. (ii) If the amount of interest deductions subtracted under subparagraph (i) of this paragraph exceeds investment income, the excess of such amount over investment income must be added back to entire net income. (iii) If the taxpayer's investment income determined without regard to the interest deductions subtracted under subparagraph (i) of this paragraph comprises more than eight percent of the taxpayer's entire net income, investment income determined without regard to such interest deductions cannot exceed eight percent of the taxpayer's entire net income.

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

(a) (i) The term "investment income" means income, including capital gains in excess of capital losses, from investment capital, to the extent included in computing entire net income, less, (A) in the discretion of the commissioner of finance, any interest deductions allowable in computing entire net income which are directly or indirectly attributable to investment capital or investment income, (B) any capital gains deferred or excluded under 26 U.S.C §1400-z-2, provided, however, that in no case shall investment income exceed entire net income.

(ii) If the amount of interest deductions subtracted under subparagraph (i) of this paragraph exceeds investment income, the excess of such amount over investment income must be added back to entire net income.

(iii) If the taxpayer's investment income determined without regard to the interest deductions subtracted under subparagraph (i) of this paragraph comprises more than eight percent of the taxpayer's entire net income, investment income determined without regard to such interest deductions cannot exceed eight percent of the taxpayer's entire net income.

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

PART RR

Section 1. Section 952 of the tax law, as amended by section 2 of part X of chapter 59 of the laws of 2014, subsection (b) as amended by section 1 of part BB of chapter 59 of the laws of 2015, is amended to read as follows:

§ 952. Tax imposed. (a) A tax is hereby imposed on the transfer of the New York estate by every deceased individual who at his or her death was a resident of New York state.

(b) Computation of tax. The tax imposed by this section shall be computed on the deceased resident's New York taxable estate as follows:

(1) In the case of decedents dying before April 1, 2021:

If the New York taxable estate is:	The tax is:
Not over $500,000	3.06% of taxable estate
Over $500,000 but not over $1,000,000	$15,300 plus 5.0% of excess over $500,000
Over $1,000,000 but not over $1,500,000	$40,300 plus 5.5% of excess over $1,000,000
Over $1,500,000 but not over $2,100,000	$67,800 plus 6.5% of excess over $1,500,000
Over $2,100,000 but not over $2,600,000	$106,800 plus 8.0% of excess over $2,100,000
Over $2,600,000 but not over $3,100,000	$146,800 plus 8.8% of excess over $2,600,000
Over $3,100,000 but not over $3,600,000	$190,800 plus 9.6% of excess over $3,100,000
Over $3,600,000 but not over $4,100,000	$238,800 plus 10.4% of excess over $3,600,000
Over $4,100,000 but not over $5,100,000	$290,800 plus 11.2% of excess over $4,100,000
Over $5,100,000 but not over $6,100,000	$402,800 plus 12.0% of excess over $5,100,000
Over $6,100,000 but not over $7,100,000	$522,800 plus 12.8% of excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$650,800 plus 13.6% of excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$786,800 plus 14.4% of excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$930,800 plus 15.2% of excess over $9,100,000
Over $10,100,000	$1,082,800 plus 16.0% of excess over $10,100,000

(2) In the case of decedents dying on or after April 1, 2021:

If the New York taxable estate is:	**The tax is:**
Not over $500,000	**5.06% of taxable estate**
Over $500,000 but not over $1,000,000	**$25,300 plus 7.0% of excess over $500,000**
Over $1,000,000 but not over $1,500,000	**$60,300 plus 7.5% of excess over $1,000,000**
Over $1,500,000 but not over $2,100,000	**$97,800 plus 8.5% of excess over $1,500,000**
Over $2,100,000 but not over $2,600,000	**$148,800 plus 10.0% of excess over $2,100,000**
Over $2,600,000 but not over $3,100,000	**$198,800 plus 10.8% of excess over $2,600,000**
Over $3,100,000 but not over	**$252,800 plus 11.6% of excess**

$3,600,000	over $3,100,000
Over $3,600,000 but not over $4,100,000	$310,800 plus 12.4% of excess over $3,600,000
Over $4,100,000 but not over $5,100,000	$372,800 plus 13.2% of excess over $4,100,000
Over $5,100,000 but not over $6,100,000	$504,800 plus 14.0% of excess over $5,100,000
Over $6,100,000 but not over $7,100,000	$644,800 plus 14.8% of excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$792,800 plus 15.6% of excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$948,800 plus 16.4% of excess over $8,100,000
Over $9,100,000 but not over $10,100,000	$1,112,800 plus 17.2% of excess over $9,100,000
Over $10,100,000	$1,284,800 plus 18.0% of excess over $10,100,000

(c) Applicable credit amount. (1) A credit of the applicable credit amount shall be allowed against the tax imposed by this section as provided in this subsection. In the case of a decedent whose New York taxable estate is less than or equal to the basic exclusion amount, the applicable credit amount shall be the amount of tax that would be due under subsection (b) of this section on such decedent's New York taxable estate. In the case of a decedent whose New York taxable estate exceeds the basic exclusion amount by an amount that is less than or equal to five percent of such amount, the applicable credit amount shall be the amount of tax that would be due under subsection (b) of this section if the amount on which the tax is to be computed were equal to the basic exclusion amount multiplied by one minus a fraction, the numerator of which is the decedent's New York taxable estate minus the basic exclusion amount, and the denominator of which is five percent of the basic exclusion amount. Provided, however, that the credit allowed by this subsection shall not exceed the tax imposed by this section, and no credit shall be allowed to the estate of any decedent whose New York taxable estate exceeds one hundred five percent of the basic exclusion amount.

(2) (A) For purposes of this section, the basic exclusion amount shall be as follows:

In the case of decedents dying on or after:	The basic exclusion amount is:
April 1, 2014 and before April 1, 2015	$ 2,062,500
April 1, 2015 and before April 1, 2016	3,125,000
April 1, 2016 and before April 1, 2017	4,187,500
April 1, 2017 and before January 1, 2019	5,250,000

(B) In the case of any decedent dying in a calendar year beginning on or after January first, two thousand nineteen, the basic exclusion amount shall be equal to:

(i) five million dollars, multiplied by

(ii) one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand ten.

(C) (i) For purposes of this paragraph, "consumer price index" means the most recent consumer price index for all-urban consumers published by the United States department of labor.

(ii) For purposes of clause (ii) of subparagraph (B) of this paragraph, the consumer price index for any calendar year shall be the average of the consumer price index as of the close of the twelve-month period ending on August thirty-first of such calendar year.

(iii) If any amount adjusted under this paragraph is not a multiple of ten thousand dollars, such amount shall be rounded to the nearest multiple of ten thousand dollars.

§ 2. This act shall take effect immediately.

PART SS

Section 1. The real property law is amended by adding a new section 291-k to read as follows:

§ 291-k. Recording of mezzanine debt and preferred equity investments. 1. Within a city having a population of one million or more, a mortgage instrument is recorded in the office of the recording officer of any county, any mezzanine debt or preferred equity investment related to the real property upon which the mortgage instrument is filed shall also be recorded with such mortgage instrument. For the purposes of this section, "mezzanine debt" and "preferred equity investments" shall mean debt carried by a borrower that may be subordinate to the primary lien and is senior to the common shares of an entity or the borrower's equity and reported as assets for the purposes of financing such primary lien. This shall include non-traditional financing techniques such as a direct or indirect investment by a financing source in an entity that owns the equality interests of the underlying mortgage where the financing source has special rights or preferred rights such as: (i) the right to receive a special or preferred rate of return on its capital investment; and (ii) the right to an accelerated repayment of the investors capital contribution.

2. This section shall apply to both mezzanine debt and preferred equity investments if both used by the borrower or mortgagor, or either mezzanine debt or preferred debt, if either is used by the borrower or mortgagor.

3. For purposes of this section, "mezzanine debt" and "preferred equity investments" shall not include debt on cooperative or common shares of a residential dwelling where the unit owner of a cooperative apartment is a shareholder of the ownership entity, has exclusive occupancy of such dwelling unit, and has established and delimited rights under a proprietary lease.

4. No remedy otherwise available to a secured party under article nine of the uniform commercial code shall be available to enforce a security agreement pertaining to mezzanine debt financing and/or preferred equity investments in relation to real property upon which a mortgage instrument is filed that is evidenced by a financing statement, unless that financing statement is filed and the tax imposed pursuant to the authority of section two hundred fifty-three-aa of the tax law, has been paid.

§ 2. Section 9-601 of the uniform commercial code is amended by adding a new subsection (h) to read as follows:

(h) Security interest perfected by financing statement. 1. Notwithstanding any provision of law to the contrary, a security interest in mezzanine debt and/or preferred equity investments related to the real property upon which a mortgage instrument is filed within a city having a population of one million or more, may only be perfected by the filing of a financing statement under subpart 1 of part 5 of this article and

only after the payment of any taxes due pursuant to section two hundred ninety-one-k of the real property law.

2. For purposes of this section, the terms "mezzanine debt" and "preferred equity investments" shall have the same meaning as provided in section two hundred ninety-one-k of the real property law.

3. This section shall not be applicable to any debt on cooperative or common shares of a residential dwelling where the unit owner of a cooperative apartment is a shareholder of the ownership entity, has exclusive occupancy of such dwelling unit, and has established and delimited rights under a proprietary lease.

§ 3. Paragraph (a) of subdivision 2 of section 250 of the tax law, as amended by section 1 of part Q of chapter 60 of the laws of 2004, is amended to read as follows:

(a) (1) The term "mortgage" as used in this article includes every mortgage or deed of trust which imposes a lien on or affects the title to real property, notwithstanding that such property may form a part of the security for the debt or debts secured thereby. An assignment of rents to accrue from tenancies, subtenancies, leases or subleases of real property, within any city in the state having a population of one million or more, given as security for an indebtedness, shall be deemed a mortgage of real property for purposes of this article. Executory contracts for the sale of real property under which the vendee has or is entitled to possession shall be deemed to be mortgages for the purposes of this article and shall be taxable at the amount unpaid on such contracts. A contract or agreement by which the indebtedness secured by any mortgage is increased or added to, shall be deemed a mortgage of real property for the purpose of this article, and shall be taxable as such upon the amount of such increase or addition.

(2) Notwithstanding anything in this section or section two hundred fifty-five of this article to the contrary, a contract or agreement whereby the proceeds of any indebtedness secured by a mortgage of real property in any city in the state having a population of one million or more are used to reduce all or any part of a mortgagee's equity interest in a wraparound or similar mortgage of such real property shall be deemed a mortgage of real property for the purposes of this article and shall be taxable as such to the extent of the amount of such proceeds so used, without regard to whether the aggregate amount of indebtedness secured by mortgages of such real property is increased or added to.

(3) Notwithstanding any provision to the contrary in this section or section two hundred fifty-five of this article, "mezzanine debt" and "preferred equity investments" as such terms are defined in subdivision four of this section, shall be taxable and shall apply to taxes in subdivisions one, one-a and two of section two hundred fifty-three of this article, but shall not apply to any other taxes in this article on or after the effective date of this subparagraph.

§ 4. Section 250 of the tax law is amended by adding a new subdivision 4 to read as follows:

4. The terms "mezzanine debt" and "preferred equity investments" shall have the same meaning as provided in section two hundred ninety-one-k of the real property law.

§ 5. The tax law is amended by adding a new section 253-aa to read as follows:

§ 253-aa. Recording tax on mezzanine debt. 1. Within a city having a population of one million or more, a tax, measured by the amount of principal debtor obligation which is under any contingency may be secured at the date of the execution thereof, or at any time thereafter,

by a security agreement pertaining to mezzanine debt financing and/or preferred equity investments in relation to real property upon which a mortgage instrument is filed, as evidenced by a financing statement, is imposed on the filing of the financing statement.

2. The rate and incidence of the tax shall be in the same amount as any tax that has been imposed by a county or city under the authority of this article on the recording of a mortgage instrument financing statement pertaining to mezzanine debt financing and/or preferred equity investments in relation to real property upon which a mortgage instrument is filed in the same manner as the local mortgage recording tax.

3. Except as otherwise provided in this section, all the provisions of this article relating to or applicable to the administration, collection, determination and distribution of the tax imposed by section two hundred fifty-three of this article shall apply to the tax imposed under the authority of this section with such modification as may be necessary to adapt such language to the tax so authorized. Any reference to a mortgage will be deemed to be a reference to a financing statement that evidences a security agreement. Such provisions shall apply with the same force and effect as if those provisions had been set forth in this section except to the extent that any provision is either inconsistent with a provision of this section or not relevant to the tax authorized by this section.

4. No remedy otherwise available to a secured party under article nine of the uniform commercial code shall be available to enforce a security agreement pertaining to mezzanine debt financing and/or preferred equity investments in relation to real property upon which a mortgage instrument is filed that is evidenced by a financing statement, unless that financing statement is filed and the tax imposed pursuant to the authority of this section has been paid.

5. For the purposes of this section:

(a) "mezzanine debt" and "preferred equity investments" shall have the same meaning as provided in section two hundred ninety-one-k of the real property law.

(b) "financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(c) "security agreement" means an agreement that creates or provides for a security interest.

6. The tax imposed on a security agreement pertaining to mezzanine financing and/or preferred equity investments upon which a mortgage instrument is filed pursuant to this section shall be in the same amount as any that apply to the mortgage instrument that is imposed on the mortgage instrument associated with the mezzanine financing and/or preferred equity investments upon which a mortgage instrument is filed. Any tax that has been imposed by a county or city under the authority of this article shall be deemed to include the authority to impose and collect the tax on the recording of a financing statement pertaining to mezzanine debt financing and/or preferred equity investments in relation to real property upon which a mortgage instrument is filed in the same manner as the local mortgage recording tax.

§ 6. Paragraph (a) of subdivision 1 of section 255 of the tax law is amended by adding a new subparagraph (iii) to read as follows:

(iii) Notwithstanding the provisions of subparagraph (i) of this paragraph, the taxes imposed by the authority under subparagraph three of paragraph (a) of subdivision two of section two hundred fifty of this

article shall apply to mezzanine debt and/or preferred equity investments as such terms are defined by subdivision four of such section.

§ 7. Section 257 of the tax law is amended to read as follows:

§ 257. Payment of taxes. The taxes imposed by this article shall be payable on the recording of each mortgage of real property subject to taxes thereunder. Such taxes shall be paid to the recording officer of any county in which the real property or any part thereof is situated; provided, however, the taxes imposed pursuant to section two hundred fifty-three-aa of this article, which shall be paid to the recording officer, shall be remitted to the New York city housing authority as constituted by section four hundred one of the public housing law. It shall be the duty of such recording officer to indorse upon each mortgage and any mezzanine debt included with such mortgage a receipt for the amount of the tax so paid. Any mortgage so indorsed may thereupon or thereafter be recorded by any recording officer and the receipt for such tax indorsed upon each mortgage shall be recorded therewith. The record of such receipt shall be conclusive proof that the amount of tax stated therein has been paid upon such mortgage, including any mezzanine debt.

§ 8. Subdivision 1 of section 258 of the tax law, as amended by chapter 241 of the laws of 1989, is amended to read as follows:

1. No mortgage of real property shall be recorded by any county clerk or register, unless there shall be paid the taxes imposed by and as in this article provided. No mortgage of real property which is subject to the taxes imposed by this article shall be released, discharged of record or received in evidence in any action or proceeding, nor shall any assignment of or agreement extending any such mortgage be recorded unless the taxes imposed thereon by this article shall have been paid as provided in this article. For purposes of the taxes imposed and authorized by subparagraph three of paragraph (a) of subdivision two of section two hundred fifty of this article, unless such taxes shall have been paid, no mortgage of real property shall be recorded by any county clerk or register, nor shall such mortgage be released, discharged, recorded or received in evidence in any action or proceeding, nor shall any assignment of agreement extending such mortgage be recorded. Provided, however, except as otherwise provided in subdivision two of this section, in order to obtain a release or discharge of record where the mortgagor is not liable for the special additional tax imposed under subdivision one-a of section two hundred fifty-three of this chapter, such mortgagor or any subsequent owner of the mortgaged property or a part thereof may pay the tax imposed under such subdivision one-a and penalty, and may either apply for the credit allowable under this chapter for payment of such additional tax or may maintain an action to recover the amounts so paid against any person liable for payment of the tax or any subsequent assignees or owners of such mortgage or consolidated mortgage of which such mortgage is a part, as if such amounts of tax and penalty were a debt personally owed by such persons to the mortgagor or subsequent owner. No judgment or final order in any action or proceeding shall be made for the foreclosure or the enforcement of any mortgage which is subject to any tax imposed by this article or of any debt or obligation secured by any such mortgage, unless the taxes, including taxes authorized by subparagraph three of paragraph (a) of subdivision two of section two hundred fifty of this article imposed by this article shall have been paid as provided in this article; and, except as otherwise provided in subdivision two of this section, whenever it shall appear that any mortgage has been recorded without payment of a tax imposed by this article there shall be added to the tax a sum

equal to one-half of one per centum thereof for each month or fraction of a month for the period that the tax remains unpaid except where it could not be determined from the face of the instrument that a tax was due, or where an advance has been made on a prior advance mortgage or a corporate trust mortgage without payment of the tax, in which case there shall be added to the tax a sum equal to one per centum thereof for each month or fraction of a month for the period that the tax remains unpaid. In any case where a mortgage of real property subject to a tax imposed by this article has heretofore been recorded or is hereafter recorded in good faith, and the county clerk or register has held such mortgage nontaxable or taxable at one amount, and it shall later appear that it was taxable or taxable at a greater amount, the commissioner of taxation and finance may remit the penalties in excess of one-half of one per centum per month.

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

PART TT

Section 1. Subparagraph (B) of paragraph 3 of subsection (c) of section 658 of the tax law, as amended by section 1 of part H-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(B) The filing fee will be based on the New York source gross income of the limited liability company or partnership for the taxable year immediately preceding the taxable year for which the fee is due. If the limited liability company or partnership does not have any New York source gross income for the taxable year immediately preceding the taxable year for which the fee is due, the limited liability company or partnership shall pay the minimum filing fee. Partnerships, other than limited liability partnerships under article eight-B of the partnership law and foreign limited liability partnerships, with less than one million dollars in New York source gross income are exempt from the filing fee. New York source gross income is the sum of the partners' or members' shares of federal gross income from the partnership or limited liability company derived from or connected with New York sources, determined in accordance with the provisions of section six hundred thirty-one of this article as if those provisions and any related provisions expressly referred to a computation of federal gross income from New York sources. For this purpose, federal gross income is computed without any allowance or deduction for cost of goods sold.

The amount of the filing fee for taxable years beginning on or after January first, two thousand eight **and prior to January first, two thousand twenty-one** will be determined in accordance with the following table:

If the New York source gross income is:	The fee is:
not more than $100,000	$25
more than $100,000 but not over $250,000	$50
more than $250,000 but not over $500,000	$175
more than $500,000 but not over $1,000,000	$500
more than $1,000,000 but not over $5,000,000	$1,500
more than $5,000,000 but not over $25,000,000	$3,000
Over $25,000,000	$4,500

The amount of the filing fee for taxable years beginning on or after January first, two thousand twenty-one will be determined by the commis-

sioner such that the fee schedule applicable when the New York source gross income is not more than one million dollars will remain the same as it was on or after January first, two thousand eight, and that the filing fee schedule applicable when the New York source gross income is more then one million dollars will be adjusted by the commissioner in such a way as to generate one hundred thirteen million dollars in additional revenue as compared to the total revenue generated from such fees in the taxable year two thousand twenty.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.

PART UU

Section 1. Section 606 of the tax law is amended by adding a new subsection (e-2) to read as follows:

(e-2) Real property tax relief credit. (1) For purposes of this subsection:

(A) "Qualified taxpayer" means a resident individual of the state who has occupied the same residence for six months or more of the taxable year as his or her primary residence, and is required or chooses to file a return under this article.

(B) "Qualified gross income" means the adjusted gross income of the qualified taxpayer for the taxable year as reported for federal income tax purposes, or which would be reported as adjusted gross income if a federal income tax return were required to be filed. In computing qualified gross income, the net amount of loss reported on Federal Schedule C, D, E, or F shall not exceed three thousand dollars per schedule. In addition, the net amount of any other separate category of loss shall not exceed three thousand dollars. The aggregate amount of all losses included in computing qualified gross income shall not exceed fifteen thousand dollars.

(C) "Residence" means a dwelling in this state owned by the taxpayer and used by the taxpayer as his or her primary residence, and so much of the land abutting it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multi-dwelling or multi-purpose building including a cooperative or condominium. Residence includes a trailer or mobile home, used exclusively for residential purposes and defined as real property pursuant to paragraph (g) of subdivision twelve of section one hundred two of the real property tax law.

(D) "Qualifying real property taxes" means all real property taxes, special ad valorem levies and special assessments, exclusive of penalties and interest, levied by a taxing jurisdiction on the residence owned and occupied by a qualified taxpayer and paid by the qualified taxpayer during the taxable year, provided that to the extent the total amount of real property taxes so paid includes school district taxes, the amount of the school tax relief (STAR) credit claimed pursuant to subsection (ccc) of this section, if any, shall be deducted from such amount.

A qualified taxpayer may elect to include any additional amount that would have been levied by a taxing jurisdiction and paid by the qualified taxpayer in the absence of an exemption from real property taxation pursuant to section four hundred sixty-seven of the real property tax

law. If tenant-stockholders in a cooperative housing corporation have met the requirements of section two hundred sixteen of the internal revenue code by which they are allowed a deduction for real estate taxes, the amount of taxes so allowable, or which would be allowable if the taxpayer had filed returns on a cash basis, shall be qualifying real property taxes. If a residence is an integral part of a larger unit, qualifying real property taxes shall be limited to that amount of such taxes paid as may be reasonably apportioned to such residence. If a taxpayer owns and occupies two residences during different periods in the same taxable year, qualifying real property taxes shall be the sum of the prorated qualifying real property taxes attributable to the taxpayer during the periods such taxpayer occupies each of such residences. If the taxpayer owns and occupies a residence for part of the taxable year and rents a residence for part of the same taxable year, it may include the proration of qualifying real property taxes on the residence owned. Provided, however, for purposes of the credit allowed under this subsection, qualifying real property taxes may be included by a qualified taxpayer only to the extent that such taxpayer or the spouse of such taxpayer, occupying such residence for one hundred eighty-three days or more of the taxable year, owns or has owned the residence and paid such taxes.

(E) "Excess real property tax" means the excess of qualifying real property taxes over the following percentage of qualified gross income:

For the years beginning in:	Percentage:
2021 and after	6.0%

(2) A qualified taxpayer shall be allowed a credit as provided in paragraph three of this subsection against the taxes imposed by this article. If the credit exceeds the tax for such year under this article, the excess shall be treated as an overpayment, to be credited or refunded, without interest. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a qualified taxpayer may nevertheless receive the full amount of the credit to be credited or repaid as an overpayment, without interest.

(3) Determination of credit. For all taxable years beginning on or after January first, two thousand twenty-one, the credit amount allowed under this subsection shall equal the applicable percentage of the excess real property tax, calculated as follows:

(A) For qualified taxpayers whose qualified gross income is seventy-five thousand dollars or less, the applicable percentage shall be fourteen percent.

(B) For qualified taxpayers whose qualified gross income is greater than seventy-five thousand dollars but less than or equal to one hundred fifty thousand dollars, the applicable percentage shall be the difference between (i) fourteen percent and (ii) five percent multiplied by a fraction, the numerator of which is the difference between the qualified taxpayer's qualified gross income as defined by this subsection and seventy-five thousand dollars, and the denominator of which is seventy-five thousand dollars.

(C) For qualified taxpayers whose qualified gross income is greater than one hundred fifty thousand dollars but less than or equal to two hundred fifty thousand dollars, the applicable percentage shall be the difference between (i) nine percent and (ii) six percent multiplied by a fraction, the numerator of which is the difference between the qualified taxpayer's qualified gross income and one hundred fifty thousand dollars, and the denominator of which is one hundred thousand dollars.

(4) Maximum credit for property owners. Notwithstanding the provisions of paragraph three of this subsection, the maximum credit determined under such paragraph, and thereby allowed under this subsection, shall not exceed the amount calculated under this paragraph.

For all taxable years beginning on or after January first, two thousand twenty-one, the maximum credit amount allowed under this subsection shall be calculated as follows:

(A) For qualified taxpayers whose qualified gross income is seventy-five thousand dollars or less, the maximum credit allowed shall be five hundred dollars.

(B) For qualified taxpayers whose qualified gross income is greater than seventy-five thousand dollars but less than or equal to one hundred fifty thousand dollars, the maximum credit allowed shall be the difference between (i) five hundred dollars and (ii) one hundred fifty dollars multiplied by a fraction, the numerator of which is the difference between the qualified taxpayer's qualified gross income and seventy-five thousand dollars, and the denominator of which is seventy-five thousand dollars.

(C) For qualified taxpayers whose qualified gross income is greater than one hundred fifty thousand dollars but less than or equal to two hundred fifty thousand dollars, the maximum credit allowed shall be the difference between (i) three hundred fifty dollars and (ii) one hundred fifty dollars multiplied by a fraction, the numerator of which is the difference between the qualified taxpayer's qualified gross income and one hundred fifty thousand dollars, and the denominator of which is one hundred thousand dollars.

(5) If a qualified taxpayer occupies a residence for a period of less than twelve months during the taxable year or occupies two residences during different periods in such taxable year, the credit allowed pursuant to this subsection shall be computed in such manner as the commissioner may, by regulation, prescribe in order to properly reflect the credit or portion thereof attributable to such residence or residences and such period or periods.

(6) The commissioner may prescribe that the credit under this subsection shall be determined in whole or in part by the use of tables prescribed by such commissioner. Such tables shall set forth the credit to the nearest dollar.

(7) No credit shall be granted under this subsection:

(A) To a property owner if qualified gross income for the taxable year exceeds two hundred fifty thousand dollars.

(B) To a property owner unless: (i) the property is used for residential purposes; (ii) not more than twenty percent of the rental income, if any, from the property is from rental for nonresidential purposes; and (iii) the property is occupied as a residence in whole or in part by one or more of the owners of the property.

(C) To an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(D) With respect to a residence that is wholly exempted from real property taxation.

(E) To an individual who is not a resident individual of the state for the entire taxable year.

(8) The right to claim a credit or the portion of a credit, where such credit has been divided under this subsection, shall be personal to the qualified taxpayer and shall not survive his or her death, but such

right may be exercised on behalf of a claimant by his or her legal guardian or attorney in fact during his or her lifetime.

(9) If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a claim for a credit may be taken on a return filed with the commissioner within three years from the time it would have been required that a return be filed pursuant to such section had the qualified taxpayer had a taxable year ending on December thirty-first. Returns under this paragraph shall be in such form as shall be prescribed by the commissioner, who shall make available such forms and instructions for filing such returns.

(10) The commissioner may require a qualified taxpayer to furnish the following information in support of his or her claim for credit under this subsection: qualified gross income; real property taxes levied or that would have been levied in the absence of an exemption from real property tax pursuant to section four hundred sixty-seven of the real property tax law; and all other information which may be required by the commissioner to determine the credit.

(11) The provisions of this article, including the provisions of sections six hundred fifty-three, six hundred fifty-eight, and six hundred fifty-nine of this article and the provisions of part six of this article relating to procedure and administration, including the judicial review of the decisions of the commissioner, except so much of section six hundred eighty-seven of this article which permits a claim for credit or refund to be filed after the period provided for in paragraph eight of this subsection and except sections six hundred fifty-seven, six hundred eighty-eight and six hundred ninety-six of this article, shall apply to the provisions of this subsection in the same manner and with the same force and effect as if the language of those provisions had been incorporated in full into this subsection and had expressly referred to the credit allowed or returns filed under this subsection, except to the extent that any such provision is either inconsistent with a provision of this subsection or is not relevant to this subsection. As used in such sections and such part, the term "taxpayer" shall include a qualified taxpayer under this subsection and, notwithstanding the provisions of subsection (e) of section six hundred ninety-seven of this article, where a qualified taxpayer has protested the denial of a claim for credit under this subsection and the time to file a petition for redetermination of a deficiency or for refund has not expired, he or she shall, subject to such conditions as may be set by the commissioner, receive such information which the commissioner finds is relevant and material to the issue of whether such claim was properly denied.

(12) The commissioner shall prepare a written report after December thirty-first of each calendar year, which shall contain statistical information regarding the credits granted on or before such dates under this subsection during such calendar year. Copies of the report shall be submitted by the commissioner to the governor, the temporary president of the senate, the speaker of the assembly, the chairman of the senate finance committee and the chairman of the assembly ways and means committee within forty-five days of December thirty-first. Such report shall contain, but need not be limited to, the number of credits and the average amount of such credits allowed; and of those, the number of credits and the average amount of such credits allowed to qualified taxpayers in each county; and of those, the number of credits and the average amount of such credits allowed to qualified taxpayers whose

qualified gross income falls within each of the qualified gross income ranges set forth in this subsection.

(13) In the case of a taxpayer who has itemized deductions from federal adjusted gross income, and whose federal itemized deductions include an amount for real estate taxes paid, the New York itemized deduction otherwise allowable under section six hundred fifteen of this chapter shall be reduced by the amount of the credit claimed under this subsection.

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

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

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