

STATE OF NEW YORK

1704

2021-2022 Regular Sessions

IN ASSEMBLY

January 11, 2021

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

AN ACT to amend the tax law, in relation to enacting the "Save our New York state restaurants Act" and creating a limited sales tax exemption for the sale of food and drink at restaurants and taverns from state sales and compensating use taxes and granting municipalities the option to grant such limited exemption

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

1 Section 1. This act shall be known and may be cited as the "Save our
2 New York state restaurants Act".

3 § 2. Subdivision (a) of section 1115 of the tax law is amended by
4 adding a new paragraph 46 to read as follows:

5 (46) for the seven day period beginning on the first Sunday which
6 occurs thirty days after the effective date of this paragraph, the
7 receipts from every sale of food and drink of any nature or of food
8 alone, when sold in or by restaurants, taverns or other establishments
9 in this state; provided however that such exemption shall not include
10 food or drinks sold by fast food chains. For the purposes of this para-
11 graph, the term "fast food chains" refers to limited service restau-
12 rants, where customers order at the counter and pay in advance, which
13 are large chains with multiple locations nationally.

14 § 3. Subdivision (b) of section 1107 of the tax law is amended by
15 adding a new clause 12 to read as follows:

16 (12) Except as otherwise provided by law, the exemption on sales of
17 food and drink during the one week period provided in paragraph forty-
18 six of subdivision (a) of section eleven hundred fifteen of this arti-
19 cle, shall be applicable pursuant to a local law, ordinance or resol-
20 ution adopted by a city subject to the provisions of this section. Such
21 city is empowered to adopt or repeal such a local law, ordinance or
22 resolution. Such adoption or repeal shall also be deemed to amend any

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

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1 local law, ordinance or resolution enacted by such a city imposing taxes
2 pursuant to the authority of subdivision (a) of section twelve hundred
3 ten of this chapter.

4 § 4. Paragraph 1 of subdivision (a) of section 1210 of the tax law is
5 amended by adding a new subparagraph (iii) to read as follows:

6 (iii) Any local law, ordinance or resolution enacted by any city,
7 county or school district, imposing the taxes authorized by this subdivi-
8 vision, shall omit the sales of food and drink at restaurants and
9 taverns exemption during the one week period as provided for in para-
10 graph forty-six of subdivision (a) of section eleven hundred fifteen of
11 this chapter, unless such city, county or school district elects other-
12 wise; provided that if such a city having a population of one million or
13 more enacts the resolution described in subdivision (p) of this section
14 or repeals such resolution, such repeal or resolution shall also be
15 deemed to amend any local law, ordinance or resolution enacted by such a
16 city imposing such tax pursuant to the authority of this subdivision,
17 whether or not such taxes are suspended at the time such city enacts its
18 resolution pursuant to subdivision (p) of this section or at the time of
19 any such repeal; provided further that any such local law, ordinance or
20 resolution and section eleven hundred seven of this chapter, as deemed
21 to be amended in the event a city of one million or more enacts a resol-
22 ution pursuant to the authority of subdivision (p) of this section,
23 shall be further amended, as provided in section twelve hundred eighteen
24 of this subpart, so that sales of food and drink by restaurants and
25 taverns in any such local law, ordinance or resolution or in section
26 eleven hundred seven of this chapter is the same as the state exemption
27 on sales of food and drink by restaurants and taverns in paragraph
28 forty-six of subdivision (a) of section eleven hundred fifteen of this
29 chapter.

30 § 5. Subdivision (d) of section 1210 of the tax law, as amended by
31 section 4 of part WW of chapter 60 of the laws of 2016, is amended to
32 read as follows:

33 (d) A local law, ordinance or resolution imposing any tax pursuant to
34 this section, increasing or decreasing the rate of such tax, repealing
35 or suspending such tax, exempting from such tax the energy sources and
36 services described in paragraph three of subdivision (a) or of subdivi-
37 sion (b) of this section or changing the rate of tax imposed on such
38 energy sources and services or providing for the credit or refund
39 described in clause six of subdivision (a) of section eleven hundred
40 nineteen of this chapter, or electing or repealing the exemption for
41 residential solar equipment and electricity in subdivision (ee) of
42 section eleven hundred fifteen of this article, or the exemption for
43 commercial solar equipment and electricity in subdivision (ii) of
44 section eleven hundred fifteen of this article, or electing or repealing
45 the exemption for commercial fuel cell electricity generating systems
46 equipment and electricity generated by such equipment in subdivision
47 (kk) of section eleven hundred fifteen of this article must go into
48 effect only on one of the following dates: March first, June first,
49 September first or December first; provided, that a local law, ordinance
50 or resolution providing for the exemption described in paragraph thirty
51 of subdivision (a) of section eleven hundred fifteen of this chapter or
52 repealing any such exemption or a local law, ordinance or resolution
53 providing for a refund or credit described in subdivision (d) of section
54 eleven hundred nineteen of this chapter or repealing such provision so
55 provided must go into effect only on March first; provided further that
56 a local law, ordinance or resolution providing for the exemption

1 described in paragraph forty-six of subdivision (a) of section eleven
2 hundred fifteen of this chapter or repealing any such exemption so
3 provided and a resolution enacted pursuant to the authority of subdivi-
4 sion (p) of this section provided such exemption or repealing such
5 exemption so provided may go into effect immediately. No such local law,
6 ordinance or resolution shall be effective unless a certified copy of
7 such law, ordinance or resolution is mailed by registered or certified
8 mail to the commissioner at the commissioner's office in Albany at least
9 ninety days prior to the date it is to become effective. However, the
10 commissioner may waive and reduce such ninety-day minimum notice
11 requirement to a mailing of such certified copy by registered or certi-
12 fied mail within a period of not less than thirty days prior to such
13 effective date if the commissioner deems such action to be consistent
14 with the commissioner's duties under section twelve hundred fifty of
15 this article and the commissioner acts by resolution. Where the
16 restriction provided for in section twelve hundred twenty-three of this
17 article as to the effective date of a tax and the notice requirement
18 provided for therein are applicable and have not been waived, the
19 restriction and notice requirement in section twelve hundred twenty-
20 three of this article shall also apply.

21 § 6. Section 1210 of the tax law is amended by adding a new subdivi-
22 sion (p) to read as follows:

23 (p) Notwithstanding any other provision of state or local law, ordi-
24 nance or resolution to the contrary:

25 (1) Any city having a population of one million or more in which the
26 taxes imposed by section eleven hundred seven of this chapter are in
27 effect, acting through its local legislative body, is hereby authorized
28 and empowered to elect to provide the same exemption from such taxes as
29 the sales of food and drink by restaurants and taverns exemption from
30 state sales and compensating use taxes described in paragraph forty-six
31 of subdivision (a) of section eleven hundred fifteen of this chapter by
32 enacting a resolution in the form set forth in paragraph two of this
33 subdivision; whereupon, upon compliance with the provisions of subdivi-
34 sions (d) and (e) of this section, such enactment of such resolution
35 shall be deemed to be an amendment to such section eleven hundred seven
36 and such section eleven hundred seven shall be deemed to incorporate
37 such exemption as if it had been duly enacted by the state legislature
38 and approved by the governor.

39 (2) Form of Resolution: Be it enacted by the (insert proper title of
40 local legislative body) as follows:

41 Section 1. Receipts from sales of and consideration given or
42 contracted to be given for food and drink sold at restaurants and
43 taverns exempt from state sales and compensating use taxes during a one
44 week period pursuant to paragraph forty-six of subdivision (a) of
45 section eleven hundred fifteen of the tax law shall also be exempt from
46 sales and compensating use taxes imposed in this jurisdiction.

47 2. This resolution shall take effect, (insert the date) and shall
48 apply to sales made and uses occurring on and after that date although
49 shall not include sales made or occurring under a prior contract.

50 § 7. This act shall take effect immediately and shall apply to the
51 seven day period which begins on the first Sunday after 30 days after
52 the date this act shall have become a law and shall apply in accordance
53 with the applicable transitional provisions of sections 1106 and 1217 of
54 the tax law; provided that sections four and five of this act shall
55 apply to sales made on or after the date such sections shall have taken
56 effect; and provided further that the commissioner of taxation and

1 finance shall be authorized on and after the date this act shall have
2 become a law to adopt and amend any rules or regulations necessary to
3 implement this act on its effective date.