STATE OF NEW YORK

1001

2023-2024 Regular Sessions

IN ASSEMBLY

January 12, 2023

Introduced by M. of A. CONRAD -- read once and referred to the Committee on Education

AN ACT to amend the education law and the tax law, in relation to the amount of lottery winnings and prizes which are excluded from of a school district's adjusted gross income

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

Section 1. Paragraph h of subdivision 1 of section 3602 of the education law, as amended by a chapter of the laws of 2022 amending the education law relating to excluding certain lottery winnings from a school district's adjusted gross income, as proposed in legislative bills numbers S. 8701 and A. 9878, is amended to read as follows:

h. "Adjusted gross income" shall mean the adjusted gross income of a school district for the calendar year three years prior to the calendar year in which the current year commences. The income data shall be computed in accordance with regulations adopted by the commissioner of taxation and finance based upon personal income tax returns for the calendar year three years prior to the calendar year in which the current school year commences, as reported to the commissioner by September of the base year, including the results of the permanent computerized statewide school district address match and income verification system. [~~Any~~] **Commencing with calendar year two thousand twenty-two, New York state lottery and video** lottery [~~winnings~~] **gaming individual prizes** in excess of **one million dollars that when aggregated exceeds** twenty-five percent of a district's adjusted gross income shall be excluded from such district's adjusted gross income for the year. **The commissioner of taxation and finance shall determine the amount of this exclusion based on the annual report of New York state lottery and video lottery gaming individual prizes in excess of one million dollars produced by the gaming commission pursuant to paragraph three of subdivision c of section sixteen hundred four of the tax law.** The adjusted

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

LBD04181-01-3

gross income of the city school district of the city of New York shall be the sum of the adjusted gross income of the boroughs of the city. The adjusted gross income of a central high school district shall equal the sum of the adjusted gross income of each of its component school districts. "Selected adjusted gross income" shall mean the lesser of adjusted gross income calculated for aid payable in the current year or the two-year average of the adjusted gross income calculated for aid payable in the current year and the adjusted gross income calculated for aid payable in the base year.

§ 2. Subparagraph 2 of paragraph a of subdivision 16 of section 3602 of the education law, as amended by a chapter of the laws of 2022 amending the education law relating to excluding certain lottery winnings from a school district's adjusted gross income, as proposed in legislative bills numbers S. 8701 and A. 9878, is amended to read as follows:

(2) "Adjusted gross income" shall mean the adjusted gross income of a school district as used in computation of the district's alternate pupil wealth ratio pursuant to paragraph b of subdivision three of this section, provided, however, that for the computation of apportionments pursuant to this subdivision, the adjusted gross income of a central high school district shall not equal the sum of the adjusted gross income of each of its component school districts; and provided, further, that [~~any~~] **commencing in calendar year two thousand twenty-two, New York state** lottery [~~winnings~~] **and video lottery gaming individual prizes** in excess of **one million dollars that when aggregated exceeds** twenty-five percent of a district's adjusted gross income shall be excluded from a district's adjusted gross income for the year. **The commissioner of taxation and finance shall determine the amount of this exclusion based on the annual report of New York state lottery and video lottery gaming individual prizes in excess of one million dollars produced by the gaming commission pursuant to paragraph three of subdivision c of section sixteen hundred four of the tax law.**

§ 3. Subdivision c of section 1604 of the tax law, as added by chapter 92 of the laws of 1976, is amended to read as follows:

c. **(1)** The [~~division~~] **commission** shall make regular reports to the commissioner, which reports shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, and any other information the commissioner may require. **(2)** The [~~commissioner~~] **commission** shall make an annual report to the governor and the legislature, which shall include a summary of lottery revenues, prize disbursements and other expenses for the year preceding such report. **(3) The commission shall, by January thirty-first of each year, provide the commissioner with a list of the lottery prize amounts, names and social security numbers of the winners of New York state lottery and video lottery gaming individual prizes in excess of one million dollars in the previous calendar year.**

§ 4. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2022 relating to excluding certain lottery winnings from a school district's adjusted gross income, as proposed in legislative bills numbers S. 8701 and A. 9878, takes effect.