

STATE OF NEW YORK

S. 8309--B

A. 8809--B

SENATE - ASSEMBLY

January 17, 2024

IN SENATE -- 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

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to extending the itemized deduction limit on individuals with income over ten million dollars (Part A); to amend part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to extending the effectiveness thereof (Part B); to amend the tax law, in relation to making technical corrections to the metropolitan commuter transportation mobility tax (Part C); to amend the tax law, in relation to the restriction upon issuing notices for a tax year that is the subject of a pending petition filed with the division of tax appeals (Part D); to amend the executive law and the tax law, in relation to creating the commercial security tax credit program (Part E); to amend part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness of certain provisions relating to mandatory electronic filing of tax documents (Part F); to amend part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, allowing the department of taxation and finance to use electronic communication means to furnish tax notices and other documents, mandatory electronic filing of tax documents, debit cards issued for tax refunds, improving sales tax compliance, in relation to extending the provisions thereof (Part G); to

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

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amend the tax law, in relation to the filing of amended returns under article 28 thereof (Part H); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property and services sold to a related person (Part I); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part J); intentionally omitted (Part K); to amend the tax law, in relation to the imposition of taxes on the sale of cannabis (Part L); intentionally omitted (Part M); intentionally omitted (Part N); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Catskill and the Capital off-track betting corporations' capital acquisition funds (Part O); 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, in relation to the effectiveness thereof; 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 the effectiveness thereof (Part P); to amend the tax law, in relation to the computation of tax on little cigars (Part Q); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part R); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain exceptions to licensing at a race meet; and providing for the repeal of such provisions upon expiration thereof (Part S); and to amend the tax law and the state finance law, in relation to the excise tax on medical cannabis and the allocation of moneys of the medical cannabis trust fund (Part T)

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

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2024-2025
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through T. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part,
7 including the effective date of the Part, which makes a reference to a
8 section "of this act", when used in connection with that particular
9 component, shall be deemed to mean and refer to the corresponding
10 section of the Part in which it is found. Section three of this act sets
11 forth the general effective date of this act.

12 PART A

13 Section 1. Paragraph 2 of subsection (g) of section 615 of the tax
14 law, as amended by section 1 of part Q of chapter 59 of the laws of
15 2019, is amended to read as follows:

16 (2) With respect to an individual whose New York adjusted gross income
17 is over ten million dollars, the New York itemized deduction shall be an
18 amount equal to twenty-five percent of any charitable contribution

1 deduction allowed under section one hundred seventy of the internal
2 revenue code for taxable years beginning after two thousand nine and
3 ending before two thousand [~~twenty-five~~] thirty.

4 § 2. Paragraph 2 of subdivision (g) of section 11-1715 of the adminis-
5 trative code of the city of New York, as amended by section 2 of part Q
6 of chapter 59 of the laws of 2019, is amended to read as follows:

7 (2) With respect to an individual whose New York adjusted gross income
8 is over ten million dollars, the New York itemized deduction shall be an
9 amount equal to twenty-five percent of any charitable contribution
10 deduction allowed under section one hundred seventy of the internal
11 revenue code for taxable years beginning after two thousand nine and
12 ending before two thousand [~~twenty-five~~] thirty.

13 § 3. This act shall take effect immediately.

14 PART B

15 Section 1. Section 12 of part N of chapter 61 of the laws of 2005,
16 amending the tax law relating to certain transactions and related infor-
17 mation and relating to the voluntary compliance initiative, as amended
18 by section 1 of part O of chapter 59 of the laws of 2019, is amended to
19 read as follows:

20 § 12. This act shall take effect immediately; provided, however, that
21 (i) section one of this act shall apply to all disclosure statements
22 described in paragraph 1 of subdivision (a) of section 25 of the tax
23 law, as added by section one of this act, that were required to be filed
24 with the internal revenue service at any time with respect to "listed
25 transactions" as described in such paragraph 1, and shall apply to all
26 disclosure statements described in paragraph 1 of subdivision (a) of
27 section 25 of the tax law, as added by section one of this act, that
28 were required to be filed with the internal revenue service with respect
29 to "reportable transactions" as described in such paragraph 1, other
30 than "listed transactions", in which a taxpayer participated during any
31 taxable year for which the statute of limitations for assessment has not
32 expired as of the date this act shall take effect, and shall apply to
33 returns or statements described in such paragraph 1 required to be filed
34 by taxpayers (or persons as described in such paragraph) with the
35 commissioner of taxation and finance on or after the sixtieth day after
36 this act shall have become a law; and

37 (ii) sections two through four and seven through nine of this act
38 shall apply to any tax liability for which the statute of limitations on
39 assessment has not expired as of the date this act shall take effect;
40 and

41 (iii) provided, further, that the provisions of this act, except
42 section five of this act, shall expire and be deemed repealed July 1,
43 [~~2024~~] 2029; provided, that, such expiration and repeal shall not affect
44 any requirement imposed pursuant to this act.

45 § 2. This act shall take effect immediately.

46 PART C

47 Section 1. The opening paragraph of paragraph 2 of subsection (a) of
48 section 801 of the tax law, as amended by section 1 of part N of chapter
49 59 of the laws of 2012, is amended to read as follows:

50 (A) For individuals, the tax is imposed at a rate of thirty-four
51 hundredths (.34) percent of the net earnings from self-employment of
52 individuals that are attributable to the MCTD, in the counties of Dutch-

ess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester, if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2024.

PART D

Section 1. Paragraph 2 of subsection (c) and paragraph 4 of subsection (d) of section 689 of the tax law, paragraph 2 of subsection (c) as amended by chapter 40 of the laws of 1964 and paragraph 4 of subsection (d) as amended by chapter 28 of the laws of 1987, are amended to read as follows:

(2) the taxpayer has not previously filed with the tax commission a timely petition under subsection (b) of this section for the same taxable year unless the petition under this subsection relates to a separate claim for credit or refund properly filed under subsection (f) of section six hundred eighty-seven of this part or relates to a refund or credit first claimed on an amended return for the taxable year, and

(4) Restriction on further notices of deficiency. -- If the taxpayer files a petition with the tax commission under this section, no notice of deficiency under section six hundred eighty-one of this part may thereafter be issued by the tax commission for the same ~~[taxable year]~~ tax return, except in case of fraud or with respect to a change or correction required to be reported under section six hundred fifty-nine of this article.

§ 2. Paragraph 2 of subsection (c) and paragraph 4 of subsection (d) of section 1089 of the tax law, paragraph 2 of subsection (c) as added by chapter 188 of the laws of 1964 and paragraph 4 of subsection (d) as amended by chapter 817 of the laws of 1987, are amended to read as follows:

(2) the taxpayer has not previously filed with the tax commission a timely petition under subsection (b) of this section for the same taxable year unless the petition under this subsection relates to a separate claim for credit or refund properly filed under subsection (f) of section one thousand eighty-seven of this article or relates to a refund or credit first claimed on an amended return for the taxable year, and

(4) Restriction on further notices of deficiency.---If the taxpayer files a petition with the tax commission under this section, no notice of deficiency under section one thousand eighty-one of this article may thereafter be issued by the tax commission for the same ~~[taxable year]~~ tax return, except in case of fraud or with respect to an increase or decrease in federal taxable income or federal alternative minimum taxable income or federal tax or a federal change or correction or renegotiation, or computation or recomputation of tax, which is treated in the same manner as if it were a deficiency for federal income tax purposes, required to be reported under subdivision three of section two hundred eleven~~[, or under section two hundred nineteen bb or under section two hundred nineteen zz]~~ of this chapter.

§ 3. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2024.

PART E

Section 1. The executive law is amended by adding a new section 845-e to read as follows:

1 § 845-e. Commercial security tax credit program. 1. Definitions. For
2 the purposes of this section:

3 (a) "Certificate of tax credit" means the document issued to a busi-
4 ness entity by the division after the division has verified that the
5 business entity has met all applicable eligibility criteria in subdivi-
6 sion two of this section. The certificate shall specify the exact amount
7 of the tax credit under this section that a business entity may claim,
8 pursuant to subdivision five of this section, and other information as
9 required by the department of taxation and finance.

10 (b) "Qualified business" means a business with fifty or fewer total
11 employees that operates one or more physical retail business locations
12 open to the public in New York state that incurs costs related to
13 protection against retail theft of goods through retail theft prevention
14 measures.

15 (c) "Qualified retail theft prevention measure expenses" means any
16 combination of retail theft prevention measure costs paid or incurred by
17 a qualified business during the taxable year that cumulatively exceed
18 four thousand dollars for a qualified business with twenty-five or fewer
19 total employees or six thousand dollars for a qualified business with
20 more than twenty-five employees for each New York retail location.

21 (d) "Retail theft prevention measure" means (i) the use of security
22 officers as defined in paragraph (e) of this subdivision, (ii) security
23 cameras, (iii) perimeter security lighting, (iv) interior or exterior
24 locking or hardening measures, (v) alarm systems, (vi) access control
25 systems, or (vii) other appropriate anti-theft devices as determined by
26 the division to be eligible under this section.

27 (e) "Security officers" means security officers, registered under
28 article seven-A of the general business law, responsible for the securi-
29 ty and theft deterrence in a qualified business, whether employed
30 directly by such business or indirectly through a contractor.

31 2. Eligibility criteria. To be eligible for a tax credit under the
32 commercial security tax credit program, an eligible business must:

33 (a) be a qualified business required to file a tax return pursuant to
34 articles nine, nine-A or twenty-two of the tax law;

35 (b) have qualified retail theft prevention measure expenses that
36 exceed four thousand dollars for a qualified business with twenty-five
37 or fewer total employees or six thousand dollars for a qualified busi-
38 ness with more than twenty-five employees for each New York retail
39 location during the taxable year;

40 (c) provide a certification in a manner and form prescribed by the
41 commissioner that the business entity participates in a community anti-
42 theft partnership as established by the division between businesses and
43 relevant local law enforcement agencies; and

44 (d) may not owe past due state taxes or local property taxes unless
45 the business entity is making payments and complying with an approved
46 binding payment agreement entered into with the taxing authority.

47 3. Application and approval process. (a) A business entity must submit
48 a complete application as prescribed by the commissioner by October
49 thirty-first of each year.

50 (b) The commissioner shall establish procedures for business entities
51 to submit applications. As part of the application, each business entity
52 must:

53 (i) provide evidence of eligibility in a form and manner prescribed by
54 the commissioner;

55 (ii) agree to allow the department of taxation and finance to share
56 the business entity's tax information with the division. However, any

1 information shared as a result of this program shall not be available
2 for disclosure or inspection under the state freedom of information law
3 pursuant to article six of the public officers law;

4 (iii) allow the division and its agents access to any and all books
5 and records the division may require to confirm eligibility; and

6 (iv) agree to provide any additional information required by the divi-
7 sion relevant to this section.

8 4. Certificate of tax credit. After reviewing a business entity's
9 completed final application and determining that a business entity meets
10 the eligibility criteria as set forth in this section, the division may
11 issue to that business entity a certificate of tax credit. All applica-
12 tions will be processed by the division in the order they are received
13 and certificates of tax credit may be issued in amounts that, in the
14 aggregate, do not exceed the annual cap as set forth in subdivision
15 seven of this section.

16 5. Commercial security tax credit. (a) For taxable years beginning on
17 or after January first, two thousand twenty-four and before January
18 first, two thousand twenty-six, a business entity in the commercial
19 security tax credit program that meets the eligibility requirements of
20 subdivision two of this section may be eligible to claim a credit equal
21 to three thousand dollars for each retail location of the business enti-
22 ty located in New York state.

23 (b) A business entity may claim the tax credit in the taxable year
24 that begins in the year for which it was allocated a credit by the divi-
25 sion under this section.

26 (c) The credit shall be allowed as provided in section forty-nine,
27 section one hundred eighty-seven-r, subdivision sixty of section two
28 hundred ten-B and subsection (ppp) of section six hundred six of the tax
29 law.

30 (d) The commissioner shall, in consultation with the department of
31 taxation and finance, develop a certificate of tax credit that shall be
32 issued by the commissioner to eligible businesses.

33 (e) The commissioner shall solely determine the eligibility of any
34 applicant applying for entry into the program and shall remove any busi-
35 ness entity from the program for failing to meet any of the requirements
36 set forth in subdivision two and subdivision three of this section. In
37 the event a business entity is removed from the program, the division
38 shall notify the department of taxation and finance of such removal.

39 6. Maintenance of records. Each eligible business participating in the
40 program shall keep all relevant records for the duration of their
41 program participation for at least three years.

42 7. Cap on tax credit. The total amount of tax credits listed on
43 certificates of tax credit issued by the division pursuant to this
44 section may not exceed five million dollars per calendar year.

45 § 2. The tax law is amended by adding a new section 49 to read as
46 follows:

47 § 49. Commercial security tax credit. (a) Allowance of credit. For
48 taxable years beginning on or after January first, two thousand twenty-
49 four and before January first, two thousand twenty-six, a taxpayer
50 required to file a return pursuant to articles nine, nine-A or twenty-
51 two of this chapter shall be allowed a credit against such tax, pursuant
52 to the provisions referenced in subdivision (f) of this section. The
53 amount of the credit is equal to the amount determined pursuant to
54 section eight hundred forty-five-e of the executive law. No cost or
55 expense paid or incurred by the taxpayer that is included as part of the

1 calculation of this credit shall be the basis of any other tax credit
2 allowed under this chapter.

3 (b) To be eligible for the commercial security tax credit, the taxpay-
4 er shall have been issued a certificate of tax credit by the division of
5 criminal justice services pursuant to section eight hundred forty-five-e
6 of the executive law, which certificate shall set forth the amount of
7 the credit that may be claimed for the taxable year. The taxpayer shall
8 be allowed to claim only the amount listed on the certificate of tax
9 credit for the taxable year. A taxpayer that is a partner in a partner-
10 ship, member of a limited liability company or shareholder in a subchap-
11 ter S corporation that has received a certificate of tax credit shall be
12 allowed its pro rata share of the credit earned by the partnership,
13 limited liability company or subchapter S corporation.

14 (c) Tax return requirement. The taxpayer shall be required to attach
15 to its tax return in the form prescribed by the commissioner, proof of
16 receipt of its certificate of tax credit issued by the division of crim-
17 inal justice services.

18 (d) Information sharing. Notwithstanding any provision of this chap-
19 ter, employees of the division of criminal justice services and the
20 department shall be allowed and are directed to share and exchange:

21 (1) information derived from tax returns or reports that is relevant
22 to a taxpayer's eligibility to participate in the commercial security
23 tax credit program;

24 (2) information regarding the credit applied for, allowed or claimed
25 pursuant to this section and taxpayers that are applying for the commer-
26 cial security tax credit program or that are claiming such credit; and

27 (3) information contained in or derived from credit claim forms
28 submitted to the department and applications for admission into the
29 commercial security tax credit program. All information exchanged
30 between the department and the division of criminal justice services
31 shall not be subject to disclosure or inspection under the state's free-
32 dom of information law.

33 (e) Credit recapture. If a certificate of tax credit issued by the
34 division of criminal justice services under section eight hundred
35 forty-five-e of the executive law is revoked by the division, the amount
36 of credit described in this section and claimed by the taxpayer prior to
37 such revocation shall be added back to tax in the taxable year such
38 revocation becomes final.

39 (f) Cross references. For application of the credit provided for in
40 this section, see the following provisions of this chapter:

41 (1) article 9; section 187-r;

42 (2) article 9-A: section 210-B, subdivision 60;

43 (3) article 22: section 606, subdivision (ppp).

44 § 3. The tax law is amended by adding a new section 187-r to read as
45 follows:

46 § 187-r. Commercial security tax credit. 1. Allowance of credit. A
47 taxpayer shall be allowed a credit, to be computed as provided in
48 section forty-nine of this chapter, against the tax imposed by this
49 article.

50 2. Application of credit. In no event shall the credit under this
51 section be allowed in an amount that will reduce the tax payable to less
52 than the applicable minimum tax fixed by section one hundred eighty-
53 three of this article. If, however, the amount of credit allowable under
54 this section for any taxable year reduces the tax to such amount, any
55 amount of credit not deductible in such taxable year shall be treated as
56 an overpayment of tax to be refunded in accordance with the provisions

of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

§ 4. Section 210-B of the tax law is amended by adding a new subdivision 60 to read as follows:

60. Commercial security tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the taxes imposed by this article.

(b) Application of credit. The credit allowed under this subdivision for the taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowable under this subdivision for the taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

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

(ppp) Commercial security tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article.

(2) Application of credit. If the amount of the credit allowed under this subsection for the taxable year exceeds the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest will be paid thereon.

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

<u>(li) Commercial security tax</u>	<u>Amount of credit under</u>
<u>credit under subsection (ppp)</u>	<u>subdivision sixty of</u>
	<u>section two hundred ten-B</u>

§ 7. This act shall take effect immediately.

PART F

Section 1. Subdivisions (a), (b) and (d) of section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, subdivisions (a) and (d) as amended by section 5 of part A of chapter 59 of the laws of 2019 and subdivision (b) as amended by section 5 of part G of chapter 60 of the laws of 2016, are amended to read as follows:

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law and shall expire and be deemed repealed December 31, ~~2024~~ 2029, provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with

1 regard to individual taxpayers shall take effect September 15, 2011 but
2 only if the commissioner of taxation and finance has reported in the
3 report required by section seventeen-b of this act that the percentage
4 of individual taxpayers electronically filing their 2010 income tax
5 returns is less than eighty-five percent; provided that the commissioner
6 of taxation and finance shall notify the legislative bill drafting
7 commission of the date of the issuance of such report in order that the
8 commission may maintain an accurate and timely effective data base of
9 the official text of the laws of the state of New York in furtherance of
10 effectuating the provisions of section 44 of the legislative law and
11 section 70-b of the public officers law;

12 (b) sections fourteen, fifteen, sixteen and seventeen of this act
13 shall take effect September 15, 2011 but only if the commissioner of
14 taxation and finance has reported in the report required by section
15 seventeen-b of this act that the percentage of individual taxpayers
16 electronically filing their 2010 income tax returns is less than eight-
17 y-five percent; and

18 (d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this
19 act shall take effect January 1, [~~2025~~] 2030 but only if the commission-
20 er of taxation and finance has reported in the report required by
21 section seventeen-b of this act that the percentage of individual
22 taxpayers electronically filing their 2010 income tax returns is less
23 than eighty-five percent; and

24 § 2. This act shall take effect immediately.

25 PART G

26 Section 1. Subdivision (e) of section 23 of part U of chapter 61 of
27 the laws of 2011, amending the real property tax law and other laws
28 relating to establishing standards for electronic real property tax
29 administration, allowing the department of taxation and finance to use
30 electronic communication means to furnish tax notices and other docu-
31 ments, mandatory electronic filing of tax documents, debit cards issued
32 for tax refunds, improving sales tax compliance, as amended by section 1
33 of part S of chapter 59 of the laws of 2019, is amended to read as
34 follows:

35 (e) sections twenty-one and twenty-one-a of this act shall expire and
36 be deemed repealed December 31, [~~2024~~] 2029.

37 § 2. This act shall take effect immediately.

38 PART H

39 Section 1. Section 1136 of the tax law is amended by adding a new
40 subdivision (d-1) to read as follows:

41 (d-1)(1) Notwithstanding subdivision (d) of this section, a return may
42 be amended where such amendment would not result in the reduction or
43 elimination of a past-due tax liability, as such term is defined in
44 section one hundred seventy-one-v of this chapter. Provided, however,
45 that a person required to collect tax, as defined in section eleven
46 hundred thirty-one of this part, may amend a return within one hundred
47 eighty days of the date such return was due if the past-due liability
48 was self-assessed and reported by such person.

49 (2) Where there is no such past-due tax liability, an amended return
50 that would result in the reduction or elimination of tax due shall be
51 deemed a claim for credit or refund and must be filed within the time
52 required for filing a claim for credit or refund under section eleven

1 hundred thirty-nine of this part and otherwise meet the requirements of
2 such section.

3 (3) Where the commissioner has determined the amount of tax due pursu-
4 ant to paragraph one of subdivision (a) of section eleven hundred thir-
5 ty-eight of this part, an original return may be filed within one
6 hundred eighty days after mailing of notice of such determination.
7 Provided, however, that nothing in this paragraph shall affect any
8 penalty or interest that may have accrued for such tax period on account
9 of failure to timely file the original return.

10 (4) An assessment of tax, penalty and interest, including recovery of
11 a previously paid refund, attributable to a change or correction on a
12 return, may be made at any time within three years after such return is
13 filed.

14 § 2. Subdivision (a) of section 1145 of the tax law is amended by
15 adding a new paragraph 8 to read as follows:

16 (8) Notwithstanding any other provision of this article, any person
17 who willfully files or amends a return that contains false information
18 to reduce or eliminate a liability shall be subject to a penalty not to
19 exceed one thousand dollars per return. This penalty shall be in addi-
20 tion to any other penalty provided by law.

21 § 3. The commissioner of taxation and finance shall be required to
22 provide notice to persons required to collect tax of the amendments made
23 by sections one and two of this act no later than September 1, 2024.

24 § 4. This act shall take effect immediately, provided, however, the
25 amendments made by section one of this act shall apply to returns filed
26 or amended for periods commencing on and after December 1, 2024.

27 PART I

28 Section 1. Subdivision (jj) of section 1115 of the tax law, as amended
29 by section 1 of part M of chapter 59 of the laws of 2021, is amended to
30 read as follows:

31 (jj) Tangible personal property or services otherwise taxable under
32 this article sold to a related person shall not be subject to the taxes
33 imposed by section eleven hundred five of this article or the compensat-
34 ing use tax imposed under section eleven hundred ten of this article
35 where the purchaser can show that the following conditions have been met
36 to the extent they are applicable: (1)(i) the vendor and the purchaser
37 are referenced as either a "covered company" as described in section
38 243.2(f) or a "material entity" as described in section 243.2(1) of the
39 Code of Federal Regulations in a resolution plan that has been submitted
40 to an agency of the United States for the purpose of satisfying subpara-
41 graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-
42 Frank Wall Street Reform and Consumer Protection Act (the "Act") or any
43 successor law, or (ii) the vendor and the purchaser are separate legal
44 entities pursuant to a divestiture directed pursuant to subparagraph 5
45 of paragraph (d) of section one hundred sixty-five of such act or any
46 successor law; (2) the sale would not have occurred between such related
47 entities were it not for such resolution plan or divestiture; and (3) in
48 acquiring such property or services, the vendor did not claim an
49 exemption from the tax imposed by this state or another state based on
50 the vendor's intent to resell such services or property. A person is
51 related to another person for purposes of this subdivision if the person
52 bears a relationship to such person described in section two hundred
53 sixty-seven of the internal revenue code. The exemption provided by this
54 subdivision shall not apply to sales made, services rendered, or uses

1 occurring after June thirtieth, two thousand ~~[twenty-four]~~ twenty-five,
2 except with respect to sales made, services rendered, or uses occurring
3 pursuant to binding contracts entered into on or before such date; but
4 in no case shall such exemption apply after June thirtieth, two thousand
5 ~~[twenty-seven]~~ twenty-eight.

6 § 2. This act shall take effect immediately.

7 PART J

8 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of
9 section 1115 of the tax law, as amended by section 1 of part R of chap-
10 ter 59 of the laws of 2023, is amended to read as follows:

11 (B) Until May thirty-first, two thousand ~~[twenty-four]~~ twenty-five,
12 the food and drink excluded from the exemption provided by clauses (i),
13 (ii) and (iii) of subparagraph (A) of this paragraph, and bottled water,
14 shall be exempt under this subparagraph: (i) when sold for one dollar
15 and fifty cents or less through any vending machine that accepts coin or
16 currency only; or (ii) when sold for two dollars or less through any
17 vending machine that accepts any form of payment other than coin or
18 currency, whether or not it also accepts coin or currency.

19 § 2. This act shall take effect immediately.

20 PART K

21 Intentionally Omitted

22 PART L

23 Section 1. Subdivision (a) of section 493 of the tax law, as added by
24 chapter 92 of the laws of 2021, is amended to read as follows:

25 (a) There is hereby imposed a tax on adult-use cannabis products sold
26 by a distributor to a person who sells adult-use cannabis products at
27 retail at the ~~[following rates:~~

28 ~~(1) cannabis flower at the rate of five-tenths of one cent per milli-~~
29 ~~gram of the amount of total THC, as reflected on the product label,~~

30 ~~(2) concentrated cannabis at the rate of eight-tenths of one cent per~~
31 ~~milligram of the amount of total THC, as reflected on the product label,~~
32 ~~and~~

33 ~~(3) cannabis edible product at the rate of three cents per milligram~~
34 ~~of the amount of total THC, as reflected on the product label. This tax~~
35 ~~shall accrue at the time of such sale or transfer. Where] rate of nine~~
36 percent of the amount charged for the sale or transfer of such adult-use
37 cannabis products to such retailer; provided that where a person who
38 distributes adult-use cannabis is licensed under the cannabis law as a
39 microbusiness or registered organization and such person sells adult-use
40 cannabis products at retail, such person shall be liable for the tax,
41 ~~[and]~~ such tax shall accrue at the time of the retail sale, and the
42 amount subject to the tax imposed by this subdivision shall be seventy-
43 five percent of the amount charged by such person for the sale or trans-
44 fer of such products to a retail customer.

45 § 2. Section 496 of the tax law is amended by adding new subdivision
46 (d) to read as follows:

47 (d) If books and records are not provided or are determined to be
48 insufficient, the amount of tax due shall be determined by the commis-
49 sioner from such information as may be available. In the absence of

evidence of the wholesale price for the tax imposed by subdivision (a) of section four hundred ninety-three of this article, the tax may be determined based on the retail price of such adult-use cannabis products.

§ 3. Subdivision (a) of section 496-b of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(a) The provisions of part four of article [~~twenty-seven~~] twenty-eight of this chapter shall apply to the taxes imposed by section four hundred ninety-three of this article in the same manner and with the same force and effect as if the language of such article had been incorporated in full into this section and had expressly referred to the tax imposed by this article, except to the extent that any provision of such article is either inconsistent with a provision of this article or is not relevant to this article.

§ 4. This act shall take effect immediately; provided, however, that sections one and two of this act shall apply to sales of adult-use cannabis products on or after June 1, 2024, and section three of this act shall apply to sales of adult-use cannabis products on or after December 1, 2024.

PART M

Intentionally Omitted

PART N

Intentionally Omitted

PART O

Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part OO of chapter 56 of the laws of 2023, is amended to read as follows:

2. a. Notwithstanding any other provision of law or regulation to the contrary, from April nineteenth, two thousand twenty-one to March thirty-first, two thousand twenty-two, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section shall also be available to such off-track betting corporation for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

b. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-two to March thirty-first, two thousand twenty-three, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporations for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

1 c. Notwithstanding any other provision of law or regulation to the
2 contrary, from April first, two thousand twenty-three to March thirty-
3 first, two thousand twenty-four, twenty-three percent of the funds, not
4 to exceed two and one-half million dollars, in the Catskill off-track
5 betting corporation's capital acquisition fund established pursuant to
6 this section, and one million dollars in the Capital off-track betting
7 corporation's capital acquisition fund established pursuant to this
8 section, shall be available to such off-track betting corporation for
9 the purposes of expenditures necessary to accept authorized wagers; past
10 due statutory obligations to New York licensed or franchised racing
11 corporations or associations; past due contractual obligations due to
12 other racing associations or organizations for the costs of acquiring a
13 simulcast signal; past due statutory payment obligations due to the New
14 York state thoroughbred breeding and development fund corporation, agri-
15 culture and New York state horse breeding development fund, and the
16 Harry M. Zweig memorial fund for equine research; and past due obli-
17 gations due the state.

18 d. Notwithstanding any other provision of law or regulation to the
19 contrary, from April first, two thousand twenty-four to March thirty-
20 first, two thousand twenty-five, twenty-three percent of the funds, not
21 to exceed two and one-half million dollars, in the Catskill off-track
22 betting corporation's capital acquisition fund established pursuant to
23 this section, and one million dollars in the Capital off-track betting
24 corporation's capital acquisition fund established pursuant to this
25 section, shall be available to such off-track betting corporation for
26 the purposes of expenditures necessary to accept authorized wagers; past
27 due statutory obligations to New York licensed or franchised racing
28 corporations or associations; past due contractual obligations due to
29 other racing associations or organizations for the costs of acquiring a
30 simulcast signal; past due statutory payment obligations due to the New
31 York state thoroughbred breeding and development fund corporation, agri-
32 culture and New York state horse breeding development fund, and the
33 Harry M. Zweig memorial fund for equine research; and past due obli-
34 gations due the state.

35 e. Prior to a corporation being able to utilize the funds authorized
36 by paragraph c or d of this subdivision, the corporation must attest
37 that the surcharge monies from section five hundred thirty-two of this
38 chapter are being held separate and apart from any amounts otherwise
39 authorized to be retained from pari-mutuel pools and all surcharge
40 monies have been and will continue to be paid to the localities as
41 prescribed in law. Once this condition is satisfied, the corporation
42 must submit an expenditure plan to the gaming commission for review.
43 Such plan shall include the corporation's outstanding liabilities,
44 projected revenue for the upcoming year, a detailed explanation of how
45 the funds will be used, and any other information necessary to detail
46 such plan as determined by the commission. Upon review, the commission
47 shall make a determination as to whether the requirements of this para-
48 graph have been satisfied and notify the corporation of expenditure plan
49 approval. In the event the commission determines the requirements of
50 this paragraph have not been satisfied, the commission shall notify the
51 corporation of all deficiencies necessary for approval. As a condition
52 of such expenditure plan approval, the corporation shall provide a
53 report to the commission no later than [~~October first, two thousand~~
54 ~~twenty-three~~] the last day of the calendar year for which the funds are
55 requested, which shall include an accounting of the use of such funds.
56 At such time, the commission may cause an independent audit to be

1 conducted of the corporation's books to ensure that all moneys were
2 spent as indicated in such approved plan. The audit shall be paid for
3 from money in the fund established by this section. If the audit deter-
4 mines that a corporation used the money authorized under this section
5 for a purpose other than one listed in their expenditure plan, then the
6 corporation shall reimburse the capital acquisition fund for the unau-
7 thorized amount.

8 § 2. This act shall take effect immediately.

9 PART P

10 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
11 racing, pari-mutuel wagering and breeding law, as amended by section 1
12 of part BB of chapter 59 of the laws of 2023, is amended to read as
13 follows:

14 (a) Any racing association or corporation or regional off-track
15 betting corporation, authorized to conduct pari-mutuel wagering under
16 this chapter, desiring to display the simulcast of horse races on which
17 pari-mutuel betting shall be permitted in the manner and subject to the
18 conditions provided for in this article may apply to the commission for
19 a license so to do. Applications for licenses shall be in such form as
20 may be prescribed by the commission and shall contain such information
21 or other material or evidence as the commission may require. No license
22 shall be issued by the commission authorizing the simulcast transmission
23 of thoroughbred races from a track located in Suffolk county. The fee
24 for such licenses shall be five hundred dollars per simulcast facility
25 and for account wagering licensees that do not operate either a simul-
26 cast facility that is open to the public within the state of New York or
27 a licensed racetrack within the state, twenty thousand dollars per year
28 payable by the licensee to the commission for deposit into the general
29 fund. Except as provided in this section, the commission shall not
30 approve any application to conduct simulcasting into individual or group
31 residences, homes or other areas for the purposes of or in connection
32 with pari-mutuel wagering. The commission may approve simulcasting into
33 residences, homes or other areas to be conducted jointly by one or more
34 regional off-track betting corporations and one or more of the follow-
35 ing: a franchised corporation, thoroughbred racing corporation or a
36 harness racing corporation or association; provided (i) the simulcasting
37 consists only of those races on which pari-mutuel betting is authorized
38 by this chapter at one or more simulcast facilities for each of the
39 contracting off-track betting corporations which shall include wagers
40 made in accordance with section one thousand fifteen, one thousand
41 sixteen and one thousand seventeen of this article; provided further
42 that the contract provisions or other simulcast arrangements for such
43 simulcast facility shall be no less favorable than those in effect on
44 January first, two thousand five; (ii) that each off-track betting
45 corporation having within its geographic boundaries such residences,
46 homes or other areas technically capable of receiving the simulcast
47 signal shall be a contracting party; (iii) the distribution of revenues
48 shall be subject to contractual agreement of the parties except that
49 statutory payments to non-contracting parties, if any, may not be
50 reduced; provided, however, that nothing herein to the contrary shall
51 prevent a track from televising its races on an irregular basis primari-
52 ly for promotional or marketing purposes as found by the commission. For
53 purposes of this paragraph, the provisions of section one thousand thir-
54 teen of this article shall not apply. Any agreement authorizing an

1 in-home simulcasting experiment commencing prior to May fifteenth, nine-
2 teen hundred ninety-five, may, and all its terms, be extended until June
3 thirtieth, two thousand [~~twenty-four~~] twenty-five; provided, however,
4 that any party to such agreement may elect to terminate such agreement
5 upon conveying written notice to all other parties of such agreement at
6 least forty-five days prior to the effective date of the termination,
7 via registered mail. Any party to an agreement receiving such notice of
8 an intent to terminate, may request the commission to mediate between
9 the parties new terms and conditions in a replacement agreement between
10 the parties as will permit continuation of an in-home experiment until
11 June thirtieth, two thousand [~~twenty-four~~] twenty-five; and (iv) no
12 in-home simulcasting in the thoroughbred special betting district shall
13 occur without the approval of the regional thoroughbred track.

14 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
15 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
16 section 2 of part BB of chapter 59 of the laws of 2023, is amended to
17 read as follows:

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

30 § 3. The opening paragraph of subdivision 1 of section 1014 of the
31 racing, pari-mutuel wagering and breeding law, as amended by section 3
32 of part BB of chapter 59 of the laws of 2023, is amended to read as
33 follows:

34 The provisions of this section shall govern the simulcasting of races
35 conducted at thoroughbred tracks located in another state or country on
36 any day during which a franchised corporation is conducting a race meet-
37 ing in Saratoga county at Saratoga thoroughbred racetrack until June
38 thirtieth, two thousand [~~twenty-four~~] twenty-five and on any day regard-
39 less of whether or not a franchised corporation is conducting a race
40 meeting in Saratoga county at Saratoga thoroughbred racetrack after June
41 thirtieth, two thousand [~~twenty-four~~] twenty-five. On any day on which a
42 franchised corporation has not scheduled a racing program but a
43 thoroughbred racing corporation located within the state is conducting
44 racing, each off-track betting corporation branch office and each simul-
45 casting facility licensed in accordance with section one thousand seven
46 (that has entered into a written agreement with such facility's repre-
47 sentative horsemen's organization, as approved by the commission), one
48 thousand eight, or one thousand nine of this article shall be authorized
49 to accept wagers and display the live simulcast signal from thoroughbred
50 tracks located in another state or foreign country subject to the
51 following provisions:

52 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
53 and breeding law, as amended by section 4 of part BB of chapter 59 of
54 the laws of 2023, is amended to read as follows:

55 1. The provisions of this section shall govern the simulcasting of
56 races conducted at harness tracks located in another state or country

1 during the period July first, nineteen hundred ninety-four through June
2 thirtieth, two thousand [~~twenty-four~~] twenty-five. This section shall
3 supersede all inconsistent provisions of this chapter.

4 § 5. The opening paragraph of subdivision 1 of section 1016 of the
5 racing, pari-mutuel wagering and breeding law, as amended by section 5
6 of part BB of chapter 59 of the laws of 2023, is amended to read as
7 follows:

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

25 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
26 wagering and breeding law, as amended by section 6 of part BB of chapter
27 59 of the laws of 2023, is amended to read as follows:

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

44 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
45 racing, pari-mutuel wagering and breeding law and other laws relating to
46 simulcasting, as amended by section 7 of part BB of chapter 59 of the
47 laws of 2023, is amended to read as follows:

48 § 32. This act shall take effect immediately and the pari-mutuel tax
49 reductions in section six of this act shall expire and be deemed
50 repealed on July 1, [~~2024~~] 2025; provided, however, that nothing
51 contained herein shall be deemed to affect the application, qualifica-
52 tion, expiration, or repeal of any provision of law amended by any
53 section of this act, and such provisions shall be applied or qualified
54 or shall expire or be deemed repealed in the same manner, to the same
55 extent and on the same date as the case may be as otherwise provided by
56 law; provided further, however, that sections twenty-three and twenty-

1 five of this act shall remain in full force and effect only until May 1,
2 1997 and at such time shall be deemed to be repealed.

3 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
4 racing, pari-mutuel wagering and breeding law and other laws relating to
5 simulcasting and the imposition of certain taxes, as amended by section
6 8 of part BB of chapter 59 of the laws of 2023, is amended to read as
7 follows:

8 § 54. This act shall take effect immediately; provided, however,
9 sections three through twelve of this act shall take effect on January
10 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
11 ing law, as added by section thirty-eight of this act, shall expire and
12 be deemed repealed on July 1, ~~2024~~ 2025; and section eighteen of this
13 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
14 two of this act shall take effect as of the same date as chapter 772 of
15 the laws of 1989 took effect.

16 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
17 pari-mutuel wagering and breeding law, as amended by section 9 of part
18 BB of chapter 59 of the laws of 2023, is amended to read as follows:

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

33 Such rate may not be changed more than once per calendar quarter to be
34 effective on the first day of the calendar quarter. "Exotic bets" and
35 "multiple bets" shall have the meanings set forth in section five
36 hundred nineteen of this chapter. "Super exotic bets" shall have the
37 meaning set forth in section three hundred one of this chapter. For
38 purposes of this section, a "pick six bet" shall mean a single bet or
39 wager on the outcomes of six races. The breaks are hereby defined as the
40 odd cents over any multiple of five for payoffs greater than one dollar
41 five cents but less than five dollars, over any multiple of ten for
42 payoffs greater than five dollars but less than twenty-five dollars,
43 over any multiple of twenty-five for payoffs greater than twenty-five
44 dollars but less than two hundred fifty dollars, or over any multiple of
45 fifty for payoffs over two hundred fifty dollars. Out of the amount so
46 retained there shall be paid by such franchised corporation to the
47 commissioner of taxation and finance, as a reasonable tax by the state
48 for the privilege of conducting pari-mutuel betting on the races run at
49 the race meetings held by such franchised corporation, the following
50 percentages of the total pool for regular and multiple bets five percent
51 of regular bets and four percent of multiple bets plus twenty percent of
52 the breaks; for exotic wagers seven and one-half percent plus twenty
53 percent of the breaks, and for super exotic bets seven and one-half
54 percent plus fifty percent of the breaks.

55 For the period April first, two thousand one through December thirty-
56 first, two thousand ~~twenty-four~~ twenty-five, 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-four~~ twenty-five, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

§ 10. This act shall take effect immediately.

PART Q

Section 1. Paragraph (c) of subdivision 1 of section 471-b of the tax law, as added by section 19 of part D of chapter 134 of the laws of 2010, is amended to read as follows:

(c) ~~[Such tax on little cigars shall be at the same rate imposed on cigarettes under this article]~~ The tax on each little cigar shall be at the rate of twenty-six and three-quarters cents and is intended to be imposed only once upon the sale of any little ~~cigars~~ cigar.

§ 2. Paragraph (iii) of subdivision a of section 471-c of the tax law, as added by section 21 of part D of chapter 134 of the laws of 2010, is amended to read as follows:

(iii) ~~[Such tax on little cigars shall be at the same rate imposed on cigarettes under this article]~~ The tax on each little cigar shall be at the rate of twenty-six and three-quarters cents and is intended to be imposed only once upon the sale of any little ~~cigars~~ cigar.

§ 3. This act shall take effect on the first day of the calendar month next succeeding the ninetieth day after it shall have become a law.

PART R

Section 1. Paragraph (a) of subdivision 9 of section 208 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part QQ of chapter 59 of the laws of 2022, is amended to read as follows:

(a) The franchised corporation shall maintain a separate account for all funds held on deposit in trust by the corporation for individual horsemen's accounts. Purse funds shall be paid by the corporation as required to meet its purse payment obligations. Funds held in horsemen's accounts shall only be released or applied as requested and directed by the individual horseman. Through calendar year ~~two thousand twenty-five~~ two thousand twenty-seven the New York Jockey Injury Compensation Fund, Inc. may use up to two million dollars from the account established pursuant to this subdivision to pay the annual costs required by section two hundred twenty-one of this article.

§ 2. The opening paragraph of subdivision 7 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part QQ of chapter 59 of the laws of 2022, is amended to read as follows:

In order to pay the costs of the insurance required by this section and by the workers' compensation law and to carry out its other powers and duties and to pay for any of its liabilities under section fourteen-a of the workers' compensation law, the New York Jockey Injury Compensation Fund, Inc. shall ascertain the total funding necessary and establish the sums that are to be paid by all owners and trainers licensed or required to be licensed under section two hundred twenty of

1 this article, to obtain the total funding amount required annually. In
2 order to provide that any sum required to be paid by an owner or trainer
3 is equitable, the fund shall establish payment schedules that reflect
4 such factors as are appropriate, including where applicable, the
5 geographic location of the racing corporation at which the owner or
6 trainer participates, the duration of such participation, the amount of
7 any purse earnings, the number of horses involved, or such other factors
8 as the fund shall determine to be fair, equitable and in the best inter-
9 ests of racing. In no event shall the amount deducted from an owner's
10 share of purses exceed two percent; provided, however, through calendar
11 year [~~two thousand twenty-five~~] two thousand twenty-seven, the New York
12 Jockey Injury Compensation Fund, Inc. may use up to two million dollars
13 from the account established pursuant to subdivision nine of section two
14 hundred eight of this article to pay the annual costs required by this
15 section and the funds from such account shall not count against the two
16 percent of purses deducted from an owner's share of purses. The amount
17 deducted from an owner's share of purses shall not exceed one percent
18 after April first, [~~two thousand twenty-four~~] two thousand twenty-seven.
19 In the cases of multiple ownerships and limited racing appearances, the
20 fund shall equitably adjust the sum required.

21 § 3. The opening paragraph of subdivision 2 of section 228 of the
22 racing, pari-mutuel wagering and breeding law, as amended by chapter 198
23 of the laws of 2023, is amended to read as follows:

24 The commission shall, as a condition of racing, require any franchised
25 corporation and every other corporation subject to its jurisdiction to
26 withhold one percent of all purses, except that for the franchised
27 corporation, starting on September first, two thousand seven and contin-
28 uing through August thirty-first, [~~two thousand twenty-four~~] two thou-
29 sand twenty-seven, two percent of all purses shall be withheld, and, in
30 the case of the franchised corporation, to pay such sum to the
31 horsemen's organization or its successor that was first entitled to
32 receive payments pursuant to this section in accordance with rules of
33 the commission adopted effective November third, nineteen hundred eight-
34 y-three representing at least fifty-one percent of the owners and train-
35 ers using the facilities of such franchised corporation, on the condi-
36 tion that such horsemen's organization shall expend as much as is
37 necessary, but not to exceed one-half of one percent of such total sum,
38 to acquire and maintain the equipment required to establish a program at
39 a state college within this state with an approved equine science
40 program to test for the presence of steroids in horses, provided further
41 that the qualified organization shall also, in an amount to be deter-
42 mined by its board of directors, annually include in its expenditures
43 for benevolence programs, funds to support an organization providing
44 services necessary to backstretch employees, and, in the case of every
45 other corporation, to pay such one percent sum of purses to the
46 horsemen's organization or its successor that was first entitled to
47 receive payments pursuant to this section in accordance with rules of
48 the commission adopted effective May twenty-third, nineteen hundred
49 eighty-six representing at least fifty-one percent of the owners and
50 trainers using the facilities of such corporation.

51 § 4. This act shall take effect immediately.

1 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel
2 wagering and breeding law, as amended by chapter 243 of the laws of
3 2020, is amended to read as follows:

4 1. For the purpose of maintaining a proper control over race meetings
5 conducted pursuant to sections two hundred five and two hundred six of
6 this article, the commission shall license owners, which term shall be
7 deemed to include part-owners and lessees, trainers, assistant trainers
8 and jockeys, jockey agents, stable employees, and such other persons as
9 the commission may by rule prescribe at running races and at steeple-
10 chases, provided, however, that no such license shall be required for
11 seasonal employees hired solely to work for no longer than six weeks
12 during the summer meet at Saratoga racetrack, and any such other times
13 as race dates historically assigned to Belmont Park are conducted at the
14 Saratoga racetrack in two thousand twenty-four and two thousand twenty-
15 five as approved in writing by the commission. In the event that a
16 proposed licensee is other than a natural person, the commission shall
17 require by regulation disclosure of the names and addresses of all
18 owners of an interest in such entity. The commission may retain, employ
19 or appoint such officers, employees and agents, as it may deem necessary
20 to receive, examine and make recommendations, for the consideration of
21 the commission, in respect of applications for such licenses; prescribe
22 their duties in connection therewith, and fix their compensation there-
23 for within the limitations prescribed by law. Each applicant for a
24 license shall pay to the commission an annual license fee as follows:
25 owner's license, if a renewal, fifty dollars, and if an original appli-
26 cation, one hundred dollars; trainer's license, thirty dollars; assist-
27 ant trainer's license, thirty dollars; jockey's license, fifty dollars;
28 jockey agent's license, twenty dollars; and stable employee's license,
29 five dollars. Each applicant may apply for a two-year or three-year
30 license by payment to the commission of the appropriate multiple of the
31 annual fee. The commission may by rule fix the license fees to be paid
32 by other persons required to be licensed by the rules of the commission,
33 not to exceed thirty dollars per category. The application for the
34 license shall be in writing in such form as the commission may
35 prescribe, and contain such information as the commission may require.
36 The commission shall henceforth cause all applicants for licenses to be
37 photographed and fingerprinted and may issue identification cards to
38 licensees. Such fingerprints shall be submitted to the division of crim-
39 inal justice services for a state criminal history record check, as
40 defined in subdivision one of section three thousand thirty-five of the
41 education law, and may be submitted to the federal bureau of investi-
42 gation for a national criminal history record check. A fee equal to the
43 actual cost of issuance shall be charged for the initial issuance of
44 such identification cards. Each such license unless revoked for cause
45 shall be for the period of no more than one, two or three years, deter-
46 mined by rule of the commission, expiring on the applicant's birth date.
47 Licenses current on the effective date of this provision shall not be
48 reduced in duration by this provision. An applicant who applies for a
49 license that, if issued, would take effect less than six months prior to
50 the applicant's birth date may, by payment of a fifty percent higher
51 fee, receive a license which shall not expire until the applicant's
52 second succeeding birth date. All receipts of the commission derived
53 from the operation of this section shall be paid by it into the state
54 treasury on or before the tenth day of each month. All officials
55 connected with the actual conduct of racing shall be subject to approval
56 by the commission.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 31, 2026.

PART T

Section 1. Subdivision 2 of section 490 of the tax law, as amended by chapter 92 of the laws of 2021, is amended to read as follows:

2. There is hereby imposed an excise tax on the gross receipts from the sale of medical cannabis by a registered organization to a certified patient or designated caregiver, to be paid by the registered organization, at the rate of ~~[seven]~~ three and fifteen-hundredths percent. The tax imposed by this article shall be charged against and be paid by the registered organization and shall not be added as a separate charge or line item on any sales slip, invoice, receipt or other statement or memorandum of the price given to the retail customer.

§ 2. Subdivision 4 of section 89-h of the state finance law, as amended by section 28 of part FFF of chapter 56 of the laws of 2022, is amended to read as follows:

4. The moneys of the medical cannabis trust fund, following appropriation by the legislature, shall be allocated upon a certificate of approval of availability by the director of the budget as follows: (a) ~~[Twenty-two and five-tenths]~~ fifty percent of the monies shall be transferred to the counties in New York state in which the medical cannabis was manufactured and allocated in proportion to the gross sales originating from medical cannabis manufactured in each such county; and (b) ~~[twenty-two and five-tenths]~~ fifty percent of the moneys shall be transferred to the counties in New York state in which the medical cannabis was dispensed and allocated in proportion to the gross sales occurring in each such county~~[(c) five percent of the monies shall be transferred to the office of addiction services and supports, which shall use that revenue for additional drug abuse prevention, counseling and treatment services; (d) five percent of the revenue received by the department shall be transferred to the division of criminal justice services, which shall use that revenue for a program of discretionary grants to state and local law enforcement agencies that demonstrate a need relating to article three of the cannabis law; said grants could be used for personnel costs of state and local law enforcement agencies; and (e) forty-five percent of the monies shall be deposited to the New York state cannabis revenue fund]~~. For purposes of this subdivision, the city of New York shall be deemed to be a county.

§ 3. This act shall take effect June 1, 2024; provided, however, that:

(a) the amendments to subdivision 2 of section 490 of the tax law made by section one of this act shall not affect the repeal of such section and shall be deemed repealed therewith; and

(b) the amendments to subdivision 4 of section 89-h of the state finance law made by section two of this act shall not affect the repeal of such section and shall be deemed repealed therewith.

§ 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.

1 § 3. This act shall take effect immediately provided, however, that
2 the applicable effective date of Parts A through T of this act shall be
3 as specifically set forth in the last section of such Parts.