

# STATE OF NEW YORK

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S. 4009

A. 3009

## SENATE - ASSEMBLY

February 1, 2023

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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

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

AN ACT to amend the tax law, in relation to providing the authority to abate interest for taxpayers impacted by declared disasters (Part A); to amend the tax law, in relation to clarifying the definition of limited partner for the purposes of the metropolitan commuter transportation mobility tax (Part B); to amend the tax law, in relation to making the investment tax credit refundable for eligible farmers for five years (Part C); to amend the tax law, in relation to the empire state film production credit and the empire state film post-production credit (Part D); to amend the tax law, in relation to the abatement of penalties for underpayment of estimated tax by a corporation (Part E); to amend the economic development law, in relation to the COVID-19 capital costs tax credit program (Part F); to amend the social services law and the tax law, in relation to creating a tax credit for the creation and expansion of child care (Part G); to amend the tax law, in relation to extending the authorization of any city having a population of one million or more to provide a biotechnology credit against the general corporation tax, unincorporated business tax, and banking corporation tax of such city (Part H); to amend the tax law, in relation to extending the current corporate tax rates (Subpart A); to amend the tax law, in relation to extending the rehabilitation of historic properties tax credit (Subpart B); to amend the tax law, in relation to extending the empire state commercial production tax credit for five years (Subpart C); to amend the tax law, in relation to extending provisions of law relating to the grade No. 6 heating oil conversion tax credit (Subpart D); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establishing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New

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

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York city musical and theatrical production tax credit (Subpart E)(Part I); to amend the tax law, in relation to making technical corrections to the credit for companies who provide transportation to individuals with disabilities (Subpart A); to amend the tax law, in relation to eligibility for the brownfield redevelopment tax credit (Subpart B); to amend the tax law, in relation to the pass-through entity tax and city pass-through entity tax and making technical corrections thereto (Subpart C) (Part J); to amend the real property tax law, in relation to simplifying the senior citizens real property tax exemption (Part K); to amend chapter 540 of the laws of 1992, amending the real property tax law relating to oil and gas charges, in relation to the effectiveness thereof (Part L); to amend the real property tax law, in relation to requiring excess proceeds from a tax foreclosure sale to be returned to the former owner (Part M); to amend the real property tax law and the state administrative procedure act, in relation to clarifying the solar or wind energy system appraisal model (Part N); to amend the tax law, in relation to the authority of counties to impose sales and compensating use taxes permanently; to amend chapter 67 of the laws of 2015, relating to authorizing the city of Yonkers to impose additional sales tax, in relation to the effectiveness thereof; to amend section 2 of item R of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the expiration of the authorization to the county of Genesee to impose an additional one percent of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 2 of item Z of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to the imposition of sales and compensating use taxes by the county of Monroe, in relation to making such provisions permanent; to amend section 4 of item EE of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authorization of the county of Onondaga to impose an additional rate of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 2 of item GG of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Orange to impose an additional rate of sales and compensating use taxes, in relation to making such provisions permanent; to amend section 3 of item XX of subpart C of part XXX of chapter 58 of the laws of 2020 amending the tax law relating to extending the authority of the county of Ulster to impose an additional 1 percent sales and compensating use tax, in relation to making such provisions permanent; and to repeal certain provisions of such law relating thereto (Part O); to repeal certain provisions of the tax law, relating to eliminating congestion surcharge registration requirements (Part P); to amend the tax law, in relation to the payment of tax on increased quantities of motor fuel and Diesel motor fuel on which the taxes pursuant to articles 12-A, 13-A and 28 were not previously paid (Part Q); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines for those operated by business enterprise program participants (Part R); to amend the tax law, in relation to an increase in the rate of tax on cigarettes (Part S); to amend the tax law, in relation to the revocation of certain certificates and civil penalties for refusal of a cigarette and tobacco inspection (Part T); to amend the tax law and the administrative code of the city of New York, in relation to extending the tax rate reduction under the New York state

real estate transfer tax and the New York city real property transfer tax for conveyances of real property to existing real estate investment funds (Part U); to amend the tax law, in relation to permitting the commissioner of taxation and finance to seek judicial review of decisions of the tax appeals tribunal (Part V); to amend the state finance law, in relation to clarifying the deposit timeframe for moneys deposited by the commissioner of taxation and finance (Part W); to amend the tax law, in relation to requiring the New York Racing Association, Inc. to enter into a repayment agreement with the state of New York for the repayment of funds provided by the state for the renovation of Belmont Park (Part X); to amend the tax law, in relation to a keno style lottery game (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to the operations of off-track betting corporations (Part Z); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital region off-track betting corporations' capital acquisition funds (Part AA); 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; 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 BB); and to amend the tax law, in relation to conforming to the federal taxation of S corporations (Part CC)

**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 2023-2024  
 3 state fiscal year. Each component is wholly contained within a Part  
 4 identified as Parts A through CC. 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. The opening paragraph of paragraph a of subdivision twen-  
 14 ty-eighth of section 171 of the tax law, as amended by chapter 451 of  
 15 the laws of 2022, is amended to read as follows:

16 [~~In the case of a taxpayer who is determined for federal tax purposes~~  
 17 ~~under the provisions of]~~ Have the authority to postpone certain dead-  
 18 lines for a period of up to ninety days, or longer when necessary to  
 19 align with relief provided by the Internal Revenue Service pursuant to

1 section seven thousand five hundred eight-A of the internal revenue code  
2 [~~to be affected by a presidentially declared disaster, or who~~], for a  
3 taxpayer who is determined [~~under regulations promulgated by the commis-~~  
4 ~~sioner~~] to be affected by a presidentially declared disaster or by a  
5 disaster emergency declared by the governor[, ~~have authority to provide~~  
6 ~~that a period of up to ninety days, or a longer period when necessary to~~  
7 ~~align with relief that has already been provided by the Internal Revenue~~  
8 ~~Service under the authority to postpone certain deadlines in section~~  
9 ~~seven thousand five hundred eight-A of the internal revenue code, may~~].  
10 Any extension period provided pursuant to the authority in this subdivi-  
11 sion shall be disregarded in determining under the tax law, or under a  
12 law enacted pursuant to the authority of the tax law or former article  
13 2-E of the general city law where administered by the commissioner, in  
14 respect of any tax liability (including any interest, penalty, addi-  
15 tional amount, or addition to the tax) of such taxpayer:

16 § 2. Paragraph c of subdivision twenty-eighth of section 171 of the  
17 tax law, as added by chapter 8 of the laws of 1998, is amended to read  
18 as follows:

19 c. Definitions. 1. Presidentially declared disaster. For purposes of  
20 this subdivision, the term "presidentially declared disaster" means any  
21 disaster which, with respect to an area, resulted in a subsequent deter-  
22 mination by the president of the United States that such area warrants  
23 assistance by the federal government under the disaster relief and emer-  
24 gency assistance act.

25 2. Taxpayer. For purposes of this subdivision, the term "taxpayer"  
26 means any person or entity required to file a return or remit any tax to  
27 the commissioner pursuant to this chapter.

28 § 3. Subdivision twenty-eighth of section 171 of the tax law is  
29 amended by adding a new paragraph d to read as follows:

30 d. Where a taxpayer who, pursuant to section seven thousand five  
31 hundred eight-a of the internal revenue code, is determined for federal  
32 tax purposes to be affected by a presidentially declared disaster, or  
33 who is determined to be affected by a disaster emergency declared by the  
34 governor, but the commissioner has not postponed a tax deadline pursuant  
35 to the authority in paragraph a of this subdivision due to such disas-  
36 ter, the commissioner may abate any amount of interest from the under-  
37 payment of any tax administered by the commissioner under this chapter  
38 that accrued for the period during which the taxpayer was unable to meet  
39 such deadline due to direct impacts of the disaster.

40 § 4. This act shall take effect immediately.

41 PART B

42 Section 1. Subsection (e) of section 800 of the tax law, as added by  
43 section 1 of part C of chapter 25 of the laws of 2009, is amended to  
44 read as follows:

45 (e) Net earnings from self-employment. Net earnings from self-employ-  
46 ment has the same meaning as in section 1402 of the internal revenue  
47 code, provided, however, that for purposes of determining whether the  
48 exclusion pursuant to paragraph 13 of subsection (a) of section 1402 of  
49 the internal revenue code applies, an individual shall not be considered  
50 a limited partner if the individual, directly or indirectly, takes part  
51 in the control, or participates in the management or operations of the  
52 partnership such that the individual is not a passive investor, regard-  
53 less of the individual's title or characterization in a partnership or  
54 operating agreement.

1 § 2. This act shall take effect immediately.

2 PART C

3 Section 1. Paragraph (d) of subdivision 1 of section 210-B of the tax  
4 law, as amended by section 31 of part T of chapter 59 of the laws of  
5 2015, is amended to read as follows:

6 (d) Except as otherwise provided in this paragraph, the credit allowed  
7 under this subdivision for any taxable year shall not reduce the tax due  
8 for such year to less than the fixed dollar minimum amount prescribed in  
9 paragraph (d) of subdivision one of section two hundred ten of this  
10 article. However, if the amount of credit allowable under this subdivi-  
11 sion for any taxable year reduces the tax to such amount or if the  
12 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
13 any amount of credit allowed for a taxable year commencing prior to  
14 January first, nineteen hundred eighty-seven and not deductible in such  
15 taxable year may be carried over to the following year or years and may  
16 be deducted from the taxpayer's tax for such year or years but in no  
17 event shall such credit be carried over to taxable years commencing on  
18 or after January first, two thousand two, and any amount of credit  
19 allowed for a taxable year commencing on or after January first, nine-  
20 teen hundred eighty-seven and not deductible in such year may be carried  
21 over to the fifteen taxable years next following such taxable year and  
22 may be deducted from the taxpayer's tax for such year or years. In lieu  
23 of such carryover, (i) any such taxpayer which qualifies as a new busi-  
24 ness under paragraph (f) of this subdivision may elect to treat the  
25 amount of such carryover as an overpayment of tax to be credited or  
26 refunded in accordance with the provisions of section one thousand  
27 eighty-six of this chapter, and (ii) any such taxpayer that is an eligi-  
28 ble farmer, as defined in subdivision eleven of this section, may for  
29 taxable years beginning before January first, two thousand twenty-eight,  
30 elect to treat the amount of such carryover as an overpayment of tax to  
31 be credited or refunded in accordance with the provisions of section one  
32 thousand eighty-six of this chapter, provided, however, the provisions  
33 of subsection (c) of section one thousand eighty-eight of this chapter  
34 notwithstanding, no interest shall be paid thereon.

35 § 2. Paragraph 5 of subsection (a) of section 606 of the tax law, as  
36 amended by chapter 170 of the laws of 1994, is amended to read as  
37 follows:

38 (5) If the amount of credit allowable under this subsection for any  
39 taxable year shall exceed the taxpayer's tax for such year, the excess  
40 allowed for a taxable year commencing prior to January first, nineteen  
41 hundred eighty-seven may be carried over to the following year or years  
42 and may be deducted from the taxpayer's tax for such year or years, but  
43 in no event shall such credit be carried over to taxable years commenc-  
44 ing on or after January first, nineteen hundred ninety-seven, and any  
45 amount of credit allowed for a taxable year commencing on or after Janu-  
46 ary first, nineteen hundred eighty-seven and not deductible in such year  
47 may be carried over to the ten taxable years next following such taxable  
48 year and may be deducted from the taxpayer's tax for such year or years.  
49 In lieu of carrying over any such excess, (A) a taxpayer who qualifies  
50 as an owner of a new business for purposes of paragraph ten of this  
51 subsection may, at ~~his~~ the taxpayer's option, receive such excess as a  
52 refund, and (B) a taxpayer that is an eligible farmer as defined in  
53 subsection (n) of this section may, at the taxpayer's option, for taxa-  
54 ble years beginning before January first, two thousand twenty-eight

1 receive such excess as a refund. Any refund paid pursuant to this para-  
2 graph shall be deemed to be a refund of an overpayment of tax as  
3 provided in section six hundred eighty-six of this article, provided,  
4 however, that no interest shall be paid thereon.  
5 § 3. This act shall take effect immediately, and apply to taxable  
6 years beginning on or after January 1, 2023.

7

## PART D

8 Section 1. Paragraph 2 of subdivision (a) of section 24 of the tax  
9 law, as separately amended by sections 1 and 2 of part M of chapter 59  
10 of the laws of 2020, is amended to read as follows:

11 (2) The amount of the credit shall be the product (or pro rata share  
12 of the product, in the case of a member of a partnership) of [~~twenty-~~  
13 ~~five~~] thirty percent, or thirty-five percent in the case of an eligible  
14 relocated television series, and the qualified production costs paid or  
15 incurred in the production of a qualified film, provided that: (i) the  
16 qualified production costs (excluding post production costs) paid or  
17 incurred which are attributable to the use of tangible property or the  
18 performance of services at a qualified film production facility in the  
19 production of such qualified film equal or exceed seventy-five percent  
20 of the production costs (excluding post production costs) paid or  
21 incurred which are attributable to the use of tangible property or the  
22 performance of services at any film production facility within and with-  
23 out the state in the production of such qualified film, and (ii) except  
24 with respect to a qualified independent film production company or  
25 pilot, at least ten percent of the total principal photography shooting  
26 days spent in the production of such qualified film must be spent at a  
27 qualified film production facility. However, if the qualified production  
28 costs (excluding post production costs) which are attributable to the  
29 use of tangible property or the performance of services at a qualified  
30 film production facility in the production of such qualified film is  
31 less than three million dollars, then the portion of the qualified  
32 production costs attributable to the use of tangible property or the  
33 performance of services in the production of such qualified film outside  
34 of a qualified film production facility shall be allowed only if the  
35 shooting days spent in New York outside of a film production facility in  
36 the production of such qualified film equal or exceed seventy-five  
37 percent of the total shooting days spent within and without New York  
38 outside of a film production facility in the production of such quali-  
39 fied film. The credit shall be allowed for the taxable year in which the  
40 production of such qualified film is completed. However, in the case of  
41 a qualified film that receives funds from additional pool 2, no credit  
42 shall be claimed before the later of (1) the taxable year the production  
43 of the qualified film is complete, or (2) the [~~first~~] taxable year  
44 [~~beginning immediately after the~~] that includes the last day of the  
45 allocation year for which the film has been allocated credit by the  
46 governor's office for motion picture and television development. If the  
47 amount of the credit is at least one million dollars but less than five  
48 million dollars, the credit shall be claimed over a two year period  
49 beginning in the first taxable year in which the credit may be claimed  
50 and in the next succeeding taxable year, with one-half of the amount of  
51 credit allowed being claimed in each year. If the amount of the credit  
52 is at least five million dollars, the credit shall be claimed over a  
53 three year period beginning in the first taxable year in which the cred-  
54 it may be claimed and in the next two succeeding taxable years, with

1 one-third of the amount of the credit allowed being claimed in each  
2 year.

3 § 2. Paragraph 5 of subdivision (a) of section 24 of the tax law, as  
4 amended by section 2 of part M of chapter 59 of the laws of 2022, is  
5 amended to read as follows:

6 (5) For the period two thousand fifteen through two thousand [~~twenty-~~  
7 ~~nine~~] thirty-four, in addition to the amount of credit established in  
8 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
9 equal to the product (or pro rata share of the product, in the case of a  
10 member of a partnership) of ten percent and the amount of wages or sala-  
11 ries paid to individuals directly employed (excluding those employed as  
12 writers, directors, [~~music-directors~~] composers, producers and perform-  
13 ers, including background actors with no scripted lines) by a qualified  
14 film production company or a qualified independent film production  
15 company for services performed by those individuals in one of the coun-  
16 ties specified in this paragraph in connection with a qualified film  
17 with a minimum budget of five hundred thousand dollars. For purposes of  
18 this additional credit, the services must be performed in one or more of  
19 the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga,  
20 Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware,  
21 Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton,  
22 Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery,  
23 Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego,  
24 Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca,  
25 St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Wash-  
26 ington, Wayne, Wyoming, or Yates. The aggregate amount of tax credits  
27 allowed pursuant to the authority of this paragraph shall be five  
28 million dollars each year during the period two thousand fifteen through  
29 two thousand [~~twenty-nine~~] thirty-four of the annual allocation made  
30 available to the program pursuant to paragraph four of subdivision (e)  
31 of this section. Such aggregate amount of credits shall be allocated by  
32 the governor's office for motion picture and television development  
33 among taxpayers in order of priority based upon the date of filing an  
34 application for allocation of film production credit with such office.  
35 If the total amount of allocated credits applied for under this para-  
36 graph in any year exceeds the aggregate amount of tax credits allowed  
37 for such year under this paragraph, such excess shall be treated as  
38 having been applied for on the first day of the next year. If the total  
39 amount of allocated tax credits applied for under this paragraph at the  
40 conclusion of any year is less than five million dollars, the remainder  
41 shall be treated as part of the annual allocation made available to the  
42 program pursuant to paragraph four of subdivision (e) of this section.  
43 However, in no event may the total of the credits allocated under this  
44 paragraph and the credits allocated under paragraph five of subdivision  
45 (a) of section thirty-one of this article exceed five million dollars in  
46 any year during the period two thousand fifteen through two thousand  
47 [~~twenty-nine~~] thirty-four.

48 § 2-a. Paragraph 1 of subdivision (b) of section 24 of the tax law, as  
49 amended by section 4 of part B of chapter 59 of the laws of 2013, is  
50 amended to read as follows:

51 (1) "Qualified production costs" means production costs only to the  
52 extent such costs are attributable to the use of tangible property or  
53 the performance of services within the state directly and predominantly  
54 in the production (including pre-production and post production) of a  
55 qualified film. The aggregate total eligible qualified production  
56 costs for producers, writers, directors, actors, and composers shall not

1 exceed forty percent of the aggregate sum total of all other qualified  
2 production costs.

3 § 3. Paragraph 2 of subdivision (b) of section 24 of the tax law, as  
4 added by section 1 of part P of chapter 60 of the laws of 2004, is  
5 amended to read as follows:

6 (2) "Production costs" means any costs for tangible property used and  
7 services performed directly and predominantly in the production (includ-  
8 ing pre-production and post production) of a qualified film.  
9 "Production costs" shall not include (i) costs for a story, script or  
10 scenario to be used for a qualified film and (ii) wages or salaries or  
11 other compensation for writers, directors, including [~~music-directors~~]  
12 composers, producers and performers (other than background actors with  
13 no scripted lines) to the extent those wages or salaries or other  
14 compensation exceed five hundred thousand dollars per individual.

15 "Production costs" generally include technical and crew production  
16 costs, such as expenditures for film production facilities, or any part  
17 thereof, props, makeup, wardrobe, film processing, camera, sound record-  
18 ing, set construction, lighting, shooting, editing and meals.

19 § 4. Paragraph 8 of subdivision (b) of section 24 of the tax law, as  
20 added by section 2 of part B of chapter 59 of the laws of 2013, is  
21 amended to read as follows:

22 (8) "Relocated television production" shall mean, notwithstanding the  
23 limitations in subparagraph (i) of paragraph three of this subdivision,  
24 a television production that is a talk or variety program that filmed at  
25 least [~~five~~] two seasons outside the state prior to its first relocated  
26 season in New York, the episodes are filmed before a studio audience of  
27 two hundred or more, and the relocated television production incurs (i)  
28 at least thirty million dollars in annual production costs in the state,  
29 or (ii) at least ten million dollars in capital expenditures at a quali-  
30 fied production facility in the state.

31 § 5. Subdivision (b) of section 24 of the tax law is amended by adding  
32 a new paragraph 9 to read as follows:

33 (9) "Eligible relocated television series" shall mean the first two  
34 years of a regularly occurring production intended to run in its initial  
35 broadcast, regardless of the medium or mode of its distribution, in a  
36 series of narrative and/or thematically related episodes, each of which  
37 has a running time of at least thirty minutes in length (inclusive of  
38 commercial advertisement and interstitial programming, if any). For the  
39 purposes of this definition only, a television series produced by and  
40 for media services providers described as streaming services and/or  
41 digital platforms (and excluding network/cable) shall mean a regularly  
42 occurring production intended to run in its initial release in a series  
43 of narrative and/or thematically related episodes, the aggregate length  
44 of which is at least seventy-five minutes, although the episodes them-  
45 selves may vary in duration from the thirty minutes specified for  
46 network/cable production, which had filmed six episodes of the tele-  
47 vision series outside the state immediately prior to relocating to the  
48 state, where each episode of the television series had a minimum budget  
49 of at least one million dollars.

50 § 6. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
51 amended by section 3 of part M of chapter 59 of the laws of 2022, is  
52 amended to read as follows:

53 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
54 subdivision (a) of this section shall be increased by an additional four  
55 hundred twenty million dollars in each year starting in two thousand ten  
56 through two thousand [~~twenty-nine~~] twenty-three and seven hundred



1 million dollars each year starting in two thousand twenty-four through  
2 two thousand thirty-four, provided however, seven million dollars of the  
3 annual allocation shall be available for the empire state film post  
4 production credit pursuant to section thirty-one of this article in two  
5 thousand thirteen and two thousand fourteen, twenty-five million dollars  
6 of the annual allocation shall be available for the empire state film  
7 post production credit pursuant to section thirty-one of this article in  
8 each year starting in two thousand fifteen through two thousand [~~twen-~~  
9 ~~ty-nine-and~~] twenty-three, and forty-five millions dollars of the annual  
10 allocation shall be available for the empire state film post production  
11 credit pursuant to section thirty-one of this article in each year  
12 starting in two thousand twenty-four through two thousand thirty-four.  
13 Provided further, five million dollars of the annual allocation shall be  
14 made available for the television writers' and directors' fees and sala-  
15 ries credit pursuant to section twenty-four-b of this article in each  
16 year starting in two thousand twenty through two thousand [~~twenty-nine~~  
17 ~~thirty-four~~]. This amount shall be allocated by the governor's office for  
18 motion picture and television development among taxpayers in accordance  
19 with subdivision (a) of this section. If the commissioner of economic  
20 development determines that the aggregate amount of tax credits avail-  
21 able from additional pool 2 for the empire state film production tax  
22 credit have been previously allocated, and determines that the pending  
23 applications from eligible applicants for the empire state film post  
24 production tax credit pursuant to section thirty-one of this article is  
25 insufficient to utilize the balance of unallocated empire state film  
26 post production tax credits from such pool, the remainder, after such  
27 pending applications are considered, shall be made available for allo-  
28 cation in the empire state film tax credit pursuant to this section,  
29 subdivision twenty of section two hundred ten-B and subsection (gg) of  
30 section six hundred six of this chapter. Also, if the commissioner of  
31 economic development determines that the aggregate amount of tax credits  
32 available from additional pool 2 for the empire state film post  
33 production tax credit have been previously allocated, and determines  
34 that the pending applications from eligible applicants for the empire  
35 state film production tax credit pursuant to this section is insuffi-  
36 cient to utilize the balance of unallocated film production tax credits  
37 from such pool, then all or part of the remainder, after such pending  
38 applications are considered, shall be made available for allocation for  
39 the empire state film post production credit pursuant to this section,  
40 subdivision thirty-two of section two hundred ten-B and subsection (qq)  
41 of section six hundred six of this chapter. The governor's office for  
42 motion picture and television development must notify taxpayers of their  
43 allocation year and include the allocation year on the certificate of  
44 tax credit. Taxpayers eligible to claim a credit must report the allo-  
45 cation year directly on their empire state film production credit tax  
46 form for each year a credit is claimed and include a copy of the certif-  
47 icate with their tax return. In the case of a qualified film that  
48 receives funds from additional pool 2, no empire state film production  
49 credit shall be claimed before the later of the taxable year the  
50 production of the qualified film is complete, or the taxable year imme-  
51 diately following the allocation year for which the film has been allo-  
52 cated credit by the governor's office for motion picture and television  
53 development.

54 § 7. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
55 amended by section 4 of part M of chapter 59 of the laws of 2022, is  
56 amended to read as follows:

1 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
2 subdivision (a) of this section shall be increased by an additional four  
3 hundred twenty million dollars in each year starting in two thousand ten  
4 through two thousand [~~twenty-nine~~] twenty-three and seven hundred  
5 million dollars in each year starting in two thousand twenty-four  
6 through two thousand thirty-four, provided however, seven million  
7 dollars of the annual allocation shall be available for the empire state  
8 film post production credit pursuant to section thirty-one of this arti-  
9 cle in two thousand thirteen and two thousand fourteen [~~and~~], twenty-  
10 five million dollars of the annual allocation shall be available for the  
11 empire state film post production credit pursuant to section thirty-one  
12 of this article in each year starting in two thousand fifteen through  
13 two thousand [~~twenty-nine~~] twenty-three, and forty-five million dollars  
14 of the annual allocation shall be available for the empire state film  
15 post production credit pursuant to section thirty-one of this article in  
16 each year starting in two thousand twenty-four through two thousand  
17 thirty-four. This amount shall be allocated by the governor's office for  
18 motion picture and television development among taxpayers in accordance  
19 with subdivision (a) of this section. If the commissioner of economic  
20 development determines that the aggregate amount of tax credits avail-  
21 able from additional pool 2 for the empire state film production tax  
22 credit have been previously allocated, and determines that the pending  
23 applications from eligible applicants for the empire state film post  
24 production tax credit pursuant to section thirty-one of this article is  
25 insufficient to utilize the balance of unallocated empire state film  
26 post production tax credits from such pool, the remainder, after such  
27 pending applications are considered, shall be made available for allo-  
28 cation in the empire state film tax credit pursuant to this section,  
29 subdivision twenty of section two hundred ten-B and subsection (gg) of  
30 section six hundred six of this chapter. Also, if the commissioner of  
31 economic development determines that the aggregate amount of tax credits  
32 available from additional pool 2 for the empire state film post  
33 production tax credit have been previously allocated, and determines  
34 that the pending applications from eligible applicants for the empire  
35 state film production tax credit pursuant to this section is insuffi-  
36 cient to utilize the balance of unallocated film production tax credits  
37 from such pool, then all or part of the remainder, after such pending  
38 applications are considered, shall be made available for allocation for  
39 the empire state film post production credit pursuant to this section,  
40 subdivision thirty-two of section two hundred ten-B and subsection (qq)  
41 of section six hundred six of this chapter. The governor's office for  
42 motion picture and television development must notify taxpayers of their  
43 allocation year and include the allocation year on the certificate of  
44 tax credit. Taxpayers eligible to claim a credit must report the allo-  
45 cation year directly on their empire state film production credit tax  
46 form for each year a credit is claimed and include a copy of the certif-  
47 icate with their tax return. In the case of a qualified film that  
48 receives funds from additional pool 2, no empire state film production  
49 credit shall be claimed before the later of the taxable year the  
50 production of the qualified film is complete, or the taxable year imme-  
51 diately following the allocation year for which the film has been allo-  
52 cated credit by the governor's office for motion picture and television  
53 development.

54 § 8. Paragraph 2 of subdivision (a) of section 31 of the tax law, as  
55 amended by section 5 of part M of chapter 59 of the laws of 2020, is  
56 amended to read as follows:

1 (2) The amount of the credit shall be the product (or pro rata share  
2 of the product, in the case of a member of a partnership) of [~~twenty-~~  
3 ~~five~~] ~~thirty~~ percent and the qualified post production costs paid in the  
4 production of a qualified film at a qualified post production facility  
5 located within the metropolitan commuter transportation district as  
6 defined in section twelve hundred sixty-two of the public authorities  
7 law or [~~thirty~~] ~~thirty-five~~ percent and the qualified post production  
8 costs paid in the production of a qualified film at a qualified post  
9 production facility located elsewhere in the state.

10 § 9. Paragraph 6 of subdivision (a) of section 31 of the tax law, as  
11 amended by section 6 of part M of chapter 59 of the laws of 2022, is  
12 amended to read as follows:

13 (6) For the period two thousand fifteen through two thousand [~~twenty-~~  
14 ~~nine~~] ~~thirty-four~~, in addition to the amount of credit established in  
15 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
16 equal to the product (or pro rata share of the product, in the case of a  
17 member of a partnership) of ten percent and the amount of wages or sala-  
18 ries paid to individuals directly employed (excluding those employed as  
19 writers, directors, [~~music-directors~~] ~~composers~~, producers and perform-  
20 ers, including background actors with no scripted lines) for services  
21 performed by those individuals in one of the counties specified in this  
22 paragraph in connection with the post production work on a qualified  
23 film with a minimum budget of five hundred thousand dollars at a quali-  
24 fied post production facility in one of the counties listed in this  
25 paragraph. For purposes of this additional credit, the services must be  
26 performed in one or more of the following counties: Albany, Allegany,  
27 Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton,  
28 Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton,  
29 Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madi-  
30 son, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange,  
31 Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady,  
32 Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga,  
33 Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates. The  
34 aggregate amount of tax credits allowed pursuant to the authority of  
35 this paragraph shall be five million dollars each year during the period  
36 two thousand fifteen through two thousand [~~twenty-nine~~] ~~thirty-four~~ of  
37 the annual allocation made available to the empire state film post  
38 production credit pursuant to paragraph four of subdivision (e) of  
39 section twenty-four of this article. Such aggregate amount of credits  
40 shall be allocated by the governor's office for motion picture and tele-  
41 vision development among taxpayers in order of priority based upon the  
42 date of filing an application for allocation of post production credit  
43 with such office. If the total amount of allocated credits applied for  
44 under this paragraph in any year exceeds the aggregate amount of tax  
45 credits allowed for such year under this paragraph, such excess shall be  
46 treated as having been applied for on the first day of the next year. If  
47 the total amount of allocated tax credits applied for under this para-  
48 graph at the conclusion of any year is less than five million dollars,  
49 the remainder shall be treated as part of the annual allocation for two  
50 thousand seventeen made available to the empire state film post  
51 production credit pursuant to paragraph four of subdivision (e) of  
52 section twenty-four of this article. However, in no event may the total  
53 of the credits allocated under this paragraph and the credits allocated  
54 under paragraph five of subdivision (a) of section twenty-four of this  
55 article exceed five million dollars in any year during the period two  
56 thousand fifteen through two thousand [~~twenty-nine~~] ~~thirty-four~~.

1 § 10. This act shall take effect immediately for new initial applica-  
 2 tions received on or after such effective date; provided, however, that  
 3 the amendments to paragraph 4 of subdivision (e) of section 24 of the  
 4 tax law made by section six of this act shall take effect on the same  
 5 date and in the same manner as section 6 of chapter 683 of the laws of  
 6 2019, as amended, takes effect.

7 PART E

8 Section 1. Section 1085 of the tax law is amended by adding a new  
 9 subsection (e-1) to read as follows:

10 (e-1) Waiver of addition for underpayment of estimated tax. No addi-  
 11 tion to tax shall be imposed under subsection (c) of this section with  
 12 respect to any underpayment to the extent the commissioner determines  
 13 that by reason of casualty, disaster or other unusual circumstances the  
 14 imposition of such addition to tax would be against equity and good  
 15 conscience.

16 § 2. This act shall take effect immediately.

17 PART F

18 Section 1. Subdivision 4 of section 484 of the economic development  
 19 law, as added by section 1 of part E of chapter 59 of the laws of 2022,  
 20 is amended to read as follows:

21 4. The business entity must submit its application by [~~March thirty-~~  
 22 ~~first~~] September thirtieth, two thousand twenty-three.

23 § 2. This act shall take effect immediately.

24 PART G

25 Section 1. Article 6 of the social services law is amended by adding a  
 26 new title 1-A to read as follows:

27 TITLE 1-A  
 28 CHILD CARE CREATION AND EXPANSION TAX CREDIT PROGRAM

29 Section 394. Short title.

30 394-a. Definitions.

31 394-b. Eligibility criteria.

32 394-c. Application and approval process.

33 394-d. Child care creation and expansion tax credit.

34 394-e. Allocation of credit.

35 394-f. Powers and duties of the commissioner.

36 394-g. Maintenance of records.

37 § 394. Short title. This title shall be known and may be cited as the  
 38 "child care creation and expansion tax credit program act".

39 § 394-a. Definitions. For the purposes of this title:

40 1. "Certificate of tax credit" shall mean the document issued to a  
 41 business entity by the office after the office has verified that the  
 42 business entity has met all applicable eligibility criteria in this  
 43 title. The certificate shall specify the exact amount of the tax credit  
 44 under this title that a business entity may claim, pursuant to section  
 45 three hundred ninety-four-d of this title, and the service year.

46 2. "Child care program" shall mean a child day care for which a  
 47 license or registration to operate such program has been issued by the  
 48 office pursuant to section three hundred ninety of this article.

49 3. "Child care rate" shall mean the weekly child care subsidy market  
 50 rates, based on the eightieth percentile of the 2021-22 New York state

1 child care market rate survey, for infant and toddler care provided by a  
2 licensed or registered child care program, as reflected in the 2022  
3 child care market rate survey report published by the office in compli-  
4 ance with section 98.45 of title forty-five of the code of federal regu-  
5 lations.

6 4. "Child care seats" shall mean the maximum number of children to be  
7 allowed on the premises of a child care program at any time that such  
8 program is in operation as specified on the license or registration  
9 issued for such program by the office.

10 5. "Creates child care" shall mean the making available of child care  
11 seats in a child care program by a business entity, directly or through  
12 a third-party, for employees of such business entity, where such child  
13 care program was not available prior to April first, two thousand twen-  
14 ty-three, provided that the costs imposed on such employees for such  
15 child care program do not exceed forty percent of the child care rate.

16 6. "Commissioner" shall mean commissioner of the office of children  
17 and family services.

18 7. "Expands child care" shall mean the increase in the number of child  
19 care seats in a child care program made available by a business entity,  
20 directly or through a third party, for employees of such business enti-  
21 ty, provided that such increase requires a new or amended license or  
22 registration issued by the office pursuant to section three hundred  
23 ninety of this article on or after April first, two thousand twenty-  
24 three, and, provided further, that the costs imposed on such employees  
25 for such child care program do not exceed forty percent of the child  
26 care rate.

27 8. "Occupied" shall mean, for each service year in which a child care  
28 program is in operation, the average daily number of children in attend-  
29 ance on the premises of such child care program.

30 9. "Office" shall mean the office of children and family services.

31 10. "Service year" shall mean the twelve-month period, or portion  
32 thereof, commencing on January first and ending on December thirty-  
33 first.

34 § 394-b. Eligibility criteria. 1. To be eligible for a tax credit  
35 under the child care creation and expansion tax credit program, a busi-  
36 ness entity must:

37 (a) be a business entity that is required to file a tax return pursu-  
38 ant to article nine-A, twenty-two or thirty-three of the tax law;

39 (b) be a child care program, or contract with such child care program,  
40 as defined in this title that is licensed or registered pursuant to  
41 section three hundred ninety of this article;

42 (c) create or expand child care seats, directly or through a third  
43 party, for the employees of such business entity on or after April  
44 first, two thousand twenty-three and before January first, two thousand  
45 twenty-five;

46 (d) operate a business location in New York state;

47 (e) be in substantial compliance with any child care licensing laws  
48 and regulations related to the entity's business sector or other laws  
49 and regulations as determined by the commissioner; and

50 (f) not owe past due state taxes or local property taxes unless the  
51 business entity is making payments and complying with an approved bind-  
52 ing payment agreement entered into with the taxing authority.

53 § 394-c. Application and approval process. 1. A business entity must  
54 submit a complete application as prescribed by the commissioner by the  
55 thirty-first of January after the end of the service year.

1 2. The commissioner shall establish procedures for a business entity  
2 to submit applications. As part of the application, each business entity  
3 must:

4 (a) provide evidence in a form and manner prescribed by the commis-  
5 sioner of their business eligibility;

6 (b) provide the license or registration issued to the business entity,  
7 directly or through a third party, by the office to operate a child care  
8 program indicating the number of child care seats created or, in the  
9 case of a child care program that has experienced an expansion of child  
10 care seats, the license or registration issued by the office demonstrat-  
11 ing such expansion;

12 (c) provide evidence in a form and manner prescribed by the commis-  
13 sioner establishing:

14 (i) the total number of child care seats that were occupied during the  
15 service year;

16 (ii) of such total number of child care seats that were occupied, the  
17 number of infant child care seats that were occupied and the number of  
18 toddler child care seats that were occupied;

19 (iii) that, to the extent the business entity, directly or through a  
20 third party, has expanded child care, the number of child care seats in  
21 existence before such expansion and the number of such child care seats  
22 that were occupied before such expansion; and

23 (iv) that the costs imposed on the business entity's employees for  
24 such child care program do not exceed forty percent of the child care  
25 rate.

26 (d) agree to allow the department of taxation and finance to share the  
27 business entity's tax information relevant to the administration of this  
28 title with the office. However, any information shared as a result of  
29 this title shall not be available for disclosure or inspection under the  
30 state freedom of information law;

31 (e) allow the office and its agents access to any and all books and  
32 records the office may require to monitor compliance; and

33 (f) agree to provide any additional information required by the office  
34 relevant to this title.

35 3. After reviewing a business entity's completed final application and  
36 determining that the business entity meets the eligibility criteria as  
37 set forth in this title, the office may issue to that business entity a  
38 certificate of tax credit, which shall set forth the amount of the cred-  
39 it that may be claimed and the service year.

40 § 394-d. Child care creation and expansion tax credit. Allowance of  
41 credit. 1. A business entity in the child care creation and expansion  
42 tax credit program that meets the eligibility requirements of section  
43 three hundred ninety-four-b of this title may be eligible to claim a  
44 credit for the portion of the service year in which the child care  
45 program was in operation, equal to the sum of: (a) the product of the  
46 number of infant child care seats that have been created or expanded and  
47 twenty percent of the child care rate for such infant child care seats  
48 and (b) the product of the number of toddler child care seats that have  
49 been created or expanded and twenty percent of the child care rate for  
50 such toddler child care seats; provided that such infant and toddler  
51 child care seats are child care seats that are occupied. Notwithstand-  
52 ing the preceding sentence, a credit shall not be allowed for more than  
53 twenty-five child care seats that are occupied, and the amount of such  
54 credit may be reduced as a result of an allocation of available funds,  
55 as described in section three hundred ninety-four-e of this title.

1 2. The credit shall be allowed as provided in section forty-eight,  
2 subdivision fifty-nine of section two hundred ten-B, subsection (oo) of  
3 section six hundred six and subdivision (ee) of section fifteen hundred  
4 eleven of the tax law.

5 § 394-e. Allocation of credit. The aggregate amount of tax credits  
6 allowed under this title, subdivision fifty-nine of section two hundred  
7 ten-B, subsection (oo) of section six hundred six and subdivision (ee)  
8 of section fifteen hundred of the tax law shall be twenty-five million  
9 dollars each year during the period two thousand twenty-three and two  
10 thousand twenty-four. Such aggregate amount of credits shall be allo-  
11 cated by the office on a pro rata basis to each business entity that  
12 demonstrates eligibility pursuant to section three hundred ninety-four-b  
13 of this title.

14 § 394-f. Powers and duties of the commissioner. 1. The commissioner  
15 may promulgate regulations establishing an application process and  
16 eligibility criteria, which will be applied consistent with the purposes  
17 of this title so as not to exceed the annual cap on tax credits set  
18 forth in this title, that, notwithstanding any provisions to the contra-  
19 ry in the state administrative procedure act, may be adopted on an emer-  
20 gency basis.

21 2. The commissioner shall, in consultation with the department of  
22 taxation and finance, develop a certificate of tax credit that shall be  
23 issued by the commissioner to eligible businesses. Such certificate  
24 shall contain such information as required by the department of taxation  
25 and finance.

26 3. The commissioner shall solely determine the eligibility of any  
27 business entity applying for entry into the program and shall remove any  
28 business entity from the program for failing to meet any of the require-  
29 ments set forth in section three hundred ninety-four-b of this title.

30 § 394-g. Maintenance of records. Each business entity participating in  
31 the program shall keep all relevant records for the duration of their  
32 participation in the program for at least three years.

33 § 2. The tax law is amended by adding a new section 48 to read as  
34 follows:

35 § 48. Child care creation and expansion tax credit. (a) Allowance of  
36 credit. A taxpayer subject to tax under article nine-A, twenty-two or  
37 thirty-three of this chapter shall be allowed a credit against such tax,  
38 pursuant to the provisions referenced in subdivision (f) of this  
39 section. The amount of the credit is equal to the amount determined  
40 pursuant to section three hundred ninety-four-d of the social services  
41 law and shall be claimed in the taxable year that includes the last day  
42 of the service year for which the credit is calculated. No cost or  
43 expense paid or incurred by the taxpayer that is included as part of the  
44 calculation of this credit shall be the basis of any other tax credit  
45 allowed under this chapter.

46 (b) Eligibility. To be eligible for the child care creation and expan-  
47 sion tax credit, the taxpayer shall have been issued a certificate of  
48 tax credit by the office of children and family services pursuant to  
49 section three hundred ninety-four-c of the social services law. A  
50 taxpayer that is a partner in a partnership, member of a limited liabil-  
51 ity company or shareholder in a subchapter S corporation that has  
52 received a certificate of tax credit shall be allowed its pro rata share  
53 of the credit earned by the partnership, limited liability company or  
54 subchapter S corporation.

55 (c) Tax return requirement. The taxpayer shall be required to attach  
56 to its tax return in the form prescribed by the commissioner, proof of

1 receipt of its certificate of tax credit issued by the commissioner of  
2 the office of children and family services.

3 (d) Information sharing. Notwithstanding any provision of this chap-  
4 ter, employees of the office of children and family services and the  
5 department shall be allowed and are directed to share and exchange:

6 (1) information regarding the credit applied for, allowed or claimed  
7 pursuant to this section and taxpayers that are applying for the credit  
8 or that are claiming the credit; and

9 (2) information contained in or derived from credit claim forms  
10 submitted to the department. Except as provided in paragraph one of this  
11 subdivision, all information exchanged between the office of children  
12 and family services and the department shall not be subject to disclo-  
13 sure or inspection under the state's freedom of information law.

14 (e) Credit recapture. If a certificate of tax credit issued by the  
15 office of children and family services under title 1-A of article six of  
16 the social services law is revoked by such office, the amount of credit  
17 described in this section and claimed by the taxpayer prior to that  
18 revocation shall be added back to tax in the taxable year in which any  
19 such revocation becomes final.

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

22 (1) article 9-A: section 210-B, subdivision 59;

23 (2) article 22: section 606, subsection (ooo);

24 (3) article 33: section 1511, subdivision (ee).

25 § 3. Section 210-B of the tax law is amended by adding a new subdivi-  
26 sion 59 to read as follows:

27 59. Child care creation and expansion tax credit. (a) Allowance of  
28 credit. A taxpayer shall be allowed a credit, to be computed as  
29 provided in section forty-eight of this chapter, against the taxes  
30 imposed by this article.

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

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

45 (ooo) Child care creation and expansion tax credit. (1) Allowance of  
46 credit. A taxpayer shall be allowed a credit, to be computed as provided  
47 in section forty-eight of this chapter, against the tax imposed by this  
48 article.

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

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



<p>1 <u>(1) Child care creation and</u></p> <p>2 <u>expansion tax credit under</u></p> <p>3 <u>subsection (oo)</u></p>	<p><u>Amount of credit</u></p> <p><u>under subdivision 59</u></p> <p><u>of section two hundred</u></p> <p><u>ten-B</u></p>
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5 § 6. Section 1511 of the tax law is amended by adding a new subdivi-  
6 sion (ee) to read as follows:

7 (ee) Child care creation and expansion tax credit. (1) Allowance of  
8 credit. A taxpayer shall be allowed a credit, to be computed as provided  
9 in section forty-eight of this chapter, against the tax imposed by this  
10 article.

11 (2) Application of credit. The credit allowed under this subdivision  
12 shall not reduce the tax due for such year to be less than the minimum  
13 fixed by paragraph four of subdivision (a) of section fifteen hundred  
14 two or section fifteen hundred two-a of this article, whichever is  
15 applicable. However, if the amount of the credit allowed under this  
16 subdivision for any taxable year reduces the taxpayer's tax to such  
17 amount, any amount of credit thus not deductible will be treated as an  
18 overpayment of tax to be credited or refunded in accordance with the  
19 provisions of section one thousand eighty-six of this chapter.  
20 Provided, however, the provisions of subsection (c) of one thousand  
21 eighty-eight of this chapter notwithstanding, no interest shall be paid  
22 thereon.

23 § 7. This act shall take effect immediately.

24 PART H

25 Section 1. Paragraph 5 of subdivision (d) of section 1201-a of the tax  
26 law, as amended by chapter 260 of the laws of 2015, is amended to read  
27 as follows:

28 5. Any local law adopted pursuant to this subdivision may provide for  
29 a credit as authorized by this subdivision for a maximum of three  
30 consecutive calendar years, provided, however, that any such credit may  
31 not apply to taxable years beginning before January first, two thousand  
32 [~~ten~~] twenty-three or beginning on or after January first, two thousand  
33 [~~nineteen~~] twenty-six.

34 § 2. This act shall take effect immediately.

35 PART I

36 Section 1. This Part enacts into law major components of legislation  
37 relating to extending various taxes and tax credits. Each component is  
38 wholly contained within a Subpart identified as Subparts A through E.  
39 The effective date for each particular provision contained within such  
40 Subpart is set forth in the last section of such Subpart. Any provision  
41 in any section contained within a Subpart, including the effective date  
42 of the Subpart, which makes reference to a section "of this act", when  
43 used in connection with that particular component, shall be deemed to  
44 mean and refer to the corresponding section of the Subpart in which it  
45 is found. Section three of this Part sets forth the general effective  
46 date of this Part.

47 SUBPART A

48 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of  
49 section 210 of the tax law, as amended by section 1 of part HHH of chap-  
50 ter 59 of the laws of 2021, is amended to read as follows:

1 For taxable years beginning before January first, two thousand  
2 sixteen, the amount prescribed by this paragraph shall be computed at  
3 the rate of seven and one-tenth percent of the taxpayer's business  
4 income base. For taxable years beginning on or after January first, two  
5 thousand sixteen, the amount prescribed by this paragraph shall be six  
6 and one-half percent of the taxpayer's business income base. For taxable  
7 years beginning on or after January first, two thousand twenty-one and  
8 before January first, two thousand [~~twenty-four~~] twenty-seven for any  
9 taxpayer with a business income base for the taxable year of more than  
10 five million dollars, the amount prescribed by this paragraph shall be  
11 seven and one-quarter percent of the taxpayer's business income base.  
12 The taxpayer's business income base shall mean the portion of the  
13 taxpayer's business income apportioned within the state as hereinafter  
14 provided. However, in the case of a small business taxpayer, as defined  
15 in paragraph (f) of this subdivision, the amount prescribed by this  
16 paragraph shall be computed pursuant to subparagraph (iv) of this para-  
17 graph and in the case of a manufacturer, as defined in subparagraph (vi)  
18 of this paragraph, the amount prescribed by this paragraph shall be  
19 computed pursuant to subparagraph (vi) of this paragraph, and, in the  
20 case of a qualified emerging technology company, as defined in subpara-  
21 graph (vii) of this paragraph, the amount prescribed by this paragraph  
22 shall be computed pursuant to subparagraph (vii) of this paragraph.

23 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210  
24 of the tax law, as amended by section 2 of part HHH of chapter 59 of the  
25 laws of 2021, is amended to read as follows:

26 (1) (i) The amount prescribed by this paragraph shall be computed  
27 at .15 percent for each dollar of the taxpayer's total business capital,  
28 or the portion thereof apportioned within the state as hereinafter  
29 provided for taxable years beginning before January first, two thousand  
30 sixteen. However, in the case of a cooperative housing corporation as  
31 defined in the internal revenue code, the applicable rate shall be .04  
32 percent until taxable years beginning on or after January first, two  
33 thousand twenty and zero percent for taxable years beginning on or after  
34 January first, two thousand twenty-one. The rate of tax for subsequent  
35 tax years shall be as follows: .125 percent for taxable years beginning  
36 on or after January first, two thousand sixteen and before January  
37 first, two thousand seventeen; .100 percent for taxable years beginning  
38 on or after January first, two thousand seventeen and before January  
39 first, two thousand eighteen; .075 percent for taxable years beginning  
40 on or after January first, two thousand eighteen and before January  
41 first, two thousand nineteen; .050 percent for taxable years beginning  
42 on or after January first, two thousand nineteen and before January  
43 first, two thousand twenty; .025 percent for taxable years beginning on  
44 or after January first, two thousand twenty and before January first,  
45 two thousand twenty-one; and .1875 percent for years beginning on or  
46 after January first, two thousand twenty-one and before January first,  
47 two thousand [~~twenty-four~~] twenty-seven, and zero percent for taxable  
48 years beginning on or after January first, two thousand [~~twenty-four~~]  
49 twenty-seven. Provided however, for taxable years beginning on or after  
50 January first, two thousand twenty-one, the rate of tax for a small  
51 business as defined in paragraph (f) of this subdivision shall be zero  
52 percent. The rate of tax for a qualified New York manufacturer shall be  
53 .132 percent for taxable years beginning on or after January first, two  
54 thousand fifteen and before January first, two thousand sixteen, .106  
55 percent for taxable years beginning on or after January first, two thou-  
56 sand sixteen and before January first, two thousand seventeen, .085

1 percent for taxable years beginning on or after January first, two thou-  
2 sand seventeen and before January first, two thousand eighteen; .056  
3 percent for taxable years beginning on or after January first, two thou-  
4 sand eighteen and before January first, two thousand nineteen; .038  
5 percent for taxable years beginning on or after January first, two thou-  
6 sand nineteen and before January first, two thousand twenty; .019  
7 percent for taxable years beginning on or after January first, two thou-  
8 sand twenty and before January first, two thousand twenty-one; and zero  
9 percent for years beginning on or after January first, two thousand  
10 twenty-one. (ii) In no event shall the amount prescribed by this para-  
11 graph exceed three hundred fifty thousand dollars for qualified New York  
12 manufacturers and for all other taxpayers five million dollars.  
13 § 3. This act shall take effect immediately.

14

## SUBPART B

15 Section 1. Subparagraph (A) of paragraph 1 of subsection (oo) of  
16 section 606 of the tax law, as amended by section 1 of part CCC of chap-  
17 ter 59 of the laws of 2021, is amended to read as follows:

18 (A) For taxable years beginning on or after January first, two thou-  
19 sand ten and before January first, two thousand [~~twenty-five~~] **thirty**, a  
20 taxpayer shall be allowed a credit as hereinafter provided, against the  
21 tax imposed by this article, in an amount equal to one hundred percent  
22 of the amount of credit allowed the taxpayer with respect to a certified  
23 historic structure, and one hundred fifty percent of the amount of cred-  
24 it allowed the taxpayer with respect to a certified historic structure  
25 that is a small project, under internal revenue code section 47(c)(3),  
26 determined without regard to ratably allocating the credit over a five  
27 year period as required by subsection (a) of such section 47, with  
28 respect to a certified historic structure located within the state.  
29 Provided, however, the credit shall not exceed five million dollars. For  
30 taxable years beginning on or after January first, two thousand [~~twen-~~  
31 ~~ty-five~~] **thirty**, a taxpayer shall be allowed a credit as hereinafter  
32 provided, against the tax imposed by this article, in an amount equal to  
33 thirty percent of the amount of credit allowed the taxpayer with respect  
34 to a certified historic structure under internal revenue code section  
35 47(c)(3), determined without regard to ratably allocating the credit  
36 over a five year period as required by subsection (a) of such section  
37 47, with respect to a certified historic structure located within the  
38 state; provided, however, the credit shall not exceed one hundred thou-  
39 sand dollars.

40 § 2. Subparagraph (i) of paragraph (a) of subdivision 26 of section  
41 210-B of the tax law, as amended by section 2 of part CCC of chapter 59  
42 of the laws of 2021, is amended to read as follows:

43 (i) For taxable years beginning on or after January first, two thou-  
44 sand ten, and before January first, two thousand [~~twenty-five~~] **thirty**, a  
45 taxpayer shall be allowed a credit as hereinafter provided, against the  
46 tax imposed by this article, in an amount equal to one hundred percent  
47 of the amount of credit allowed the taxpayer for the same taxable year  
48 with respect to a certified historic structure, and one hundred fifty  
49 percent of the amount of credit allowed the taxpayer with respect to a  
50 certified historic structure that is a small project, under internal  
51 revenue code section 47(c)(3), determined without regard to ratably  
52 allocating the credit over a five year period as required by subsection  
53 (a) of such section 47, with respect to a certified historic structure

1 located within the state. Provided, however, the credit shall not exceed  
2 five million dollars.

3 § 3. Clause (B) of subparagraph (ii) of paragraph (a) of subdivision  
4 26 of section 210-B of the tax law, as added by section 17 of part A of  
5 chapter 59 of the laws of 2014, is redesignated as paragraph (a-1) and  
6 is amended to read as follows:

7 (a-1) If the taxpayer is a partner in a partnership or a shareholder  
8 in a New York S corporation, then the credit caps imposed in [~~subpara-~~  
9 ~~graph (A)] paragraph (a) of this [~~paragraph~~] subdivision shall be  
10 applied at the entity level, so that the aggregate credit allowed to all  
11 the partners or shareholders of each such entity in the taxable year  
12 does not exceed the credit cap that is applicable in that taxable year.~~

13 § 4. Subparagraph (ii) of paragraph (a) of subdivision 26 of section  
14 210-B of the tax law, as amended by section 2 of part RR of chapter 59  
15 of the laws of 2018, is amended to read as follows:

16 (ii) For taxable years beginning on or after January first, two thou-  
17 sand [~~twenty-five~~] thirty, a taxpayer shall be allowed a credit as here-  
18 inafter provided, against the tax imposed by this article, in an amount  
19 equal to thirty percent of the amount of credit allowed the taxpayer for  
20 the same taxable year determined without regard to ratably allocating  
21 the credit over a five year period as required by subsection (a) of  
22 section 47 of the internal revenue code, with respect to a certified  
23 historic structure under subsection (c)(3) of section 47 of the internal  
24 revenue code with respect to a certified historic structure located  
25 within the state. Provided, however, the credit shall not exceed one  
26 hundred thousand dollars.

27 § 5. Subparagraph (A) of paragraph 1 of subdivision (y) of section  
28 1511 of the tax law, as amended by section 3 of part CCC of chapter 59  
29 of the laws of 2021, is amended to read as follows:

30 (A) For taxable years beginning on or after January first, two thou-  
31 sand ten and before January first, two thousand [~~twenty-five~~] thirty, a  
32 taxpayer shall be allowed a credit as hereinafter provided, against the  
33 tax imposed by this article, in an amount equal to one hundred percent  
34 of the amount of credit allowed the taxpayer with respect to a certified  
35 historic structure, and one hundred fifty percent of the amount of cred-  
36 it allowed the taxpayer with respect to a certified historic structure  
37 that is a small project, under internal revenue code section 47(c)(3),  
38 determined without regard to ratably allocating the credit over a five  
39 year period as required by subsection (a) of such section 47, with  
40 respect to a certified historic structure located within the state.  
41 Provided, however, the credit shall not exceed five million dollars. For  
42 taxable years beginning on or after January first, two thousand [~~twen-~~  
43 ~~ty-five~~] thirty, a taxpayer shall be allowed a credit as hereinafter  
44 provided, against the tax imposed by this article, in an amount equal to  
45 thirty percent of the amount of credit allowed the taxpayer with respect  
46 to a certified historic structure under internal revenue code section  
47 47(c)(3), determined without regard to ratably allocating the credit  
48 over a five year period as required by subsection (a) of such section 47  
49 with respect to a certified historic structure located within the state.  
50 Provided, however, the credit shall not exceed one hundred thousand  
51 dollars.

52 § 6. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax  
2 law, as amended by section 1 of part AAA of chapter 59 of the laws of  
3 2019, is amended to read as follows:

4 (1) A taxpayer which is a qualified commercial production company, or  
5 which is a sole proprietor of a qualified commercial production company,  
6 and which is subject to tax under article nine-A or twenty-two of this  
7 chapter, shall be allowed a credit against such tax, pursuant to the  
8 provisions referenced in subdivision (c) of this section, to be computed  
9 as provided in this section. Provided, however, to be eligible for such  
10 credit, at least seventy-five percent of the production costs (excluding  
11 post production costs) paid or incurred directly and predominantly in  
12 the actual filming or recording of the qualified commercial must be  
13 costs incurred in New York state. The tax credit allowed pursuant to  
14 this section shall apply to taxable years beginning before January  
15 first, two thousand [~~twenty-four~~] twenty-nine.

16 § 2. Paragraph (c) of subdivision 23 of section 210-B of the tax law,  
17 as amended by chapter 518 of the laws of 2018, is amended to read as  
18 follows:

19 (c) Expiration of credit. The credit allowed under this subdivision  
20 shall not be applicable to taxable years beginning on or after January  
21 first, two thousand [~~twenty-four~~] twenty-nine.

22 § 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as  
23 amended by chapter 518 of the laws of 2018, is amended to read as  
24 follows:

25 (1) Allowance of credit. A taxpayer that is eligible pursuant to the  
26 provisions of section twenty-eight of this chapter shall be allowed a  
27 credit to be computed as provided in such section against the tax  
28 imposed by this article. The tax credit allowed pursuant to this section  
29 shall apply to taxable years beginning before January first, two thou-  
30 sand [~~twenty-four~~] twenty-nine.

31 § 4. This act shall take effect immediately.

32 SUBPART D

33 Section 1. Paragraph 1 of subdivision (a) of section 47 of the tax  
34 law, as added by section 1 of part I of chapter 59 of the laws of 2022,  
35 is amended to read as follows:

36 (1) Allowance of credit. A taxpayer that meets the eligibility  
37 requirements of subdivision (b) of this section and is subject to tax  
38 under article nine-A or twenty-two of this chapter may be eligible to  
39 claim a grade no. 6 heating oil conversion tax credit in the taxable  
40 year the conversion is complete. The credit shall be equal to fifty  
41 percent of the conversion costs for all of the taxpayer's buildings  
42 located at a facility regulated pursuant to section 19-0302 or title ten  
43 of article seventeen of the environmental conservation law, paid by such  
44 taxpayer on or after January first, two thousand twenty-two and before  
45 [~~July~~] January first, two thousand [~~twenty-three~~] twenty-four. The  
46 credit cannot exceed five hundred thousand dollars per facility.

47 § 2. This act shall take effect immediately.

48 SUBPART E

49 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws  
50 of 2021 amending the tax law and the state finance law relating to  
51 establishing the New York city musical and theatrical production tax  
52 credit and establishing the New York state council on the arts cultural

1 program fund, as amended by section 7 of part F of chapter 59 of the  
2 laws of 2022, is amended to read as follows:

3 § 6. This act shall take effect immediately; provided however, that  
4 ~~[section]~~ sections one, two, three and four of this act shall apply to  
5 taxable years beginning on or after January 1, 2021, and before January  
6 1, ~~[2024]~~ 2026 and shall expire and be deemed repealed January 1, ~~[2024]~~  
7 2026; provided further, however that the obligations under paragraph 3  
8 of subdivision (g) of section 24-c of the tax law, as added by section  
9 one of this act, shall remain in effect until December 31, ~~[2025]~~ 2027.

10 § 2. Paragraph 2 of subdivision (a) of section 24-c of the tax law, as  
11 amended by section 1 of part F of chapter 59 of the laws of 2022, is  
12 amended to read as follows:

13 (2) The amount of the credit shall be the product (or pro rata share  
14 of the product, in the case of a member of a partnership) of twenty-five  
15 percent and the sum of the qualified production expenditures paid for  
16 during the qualified New York city musical and theatrical production's  
17 credit period. Provided however that the amount of the credit cannot  
18 exceed three million dollars per qualified New York city musical and  
19 theatrical production for productions whose first performance is prior  
20 to January first, two thousand ~~[twenty-three]~~ twenty-five. ~~[For~~  
21 ~~productions whose first performance is on or after January first, two~~  
22 ~~thousand twenty three, such cap shall decrease to one million five~~  
23 ~~hundred thousand dollars per qualified New York city musical and theat-~~  
24 ~~rical production unless the New York city tourism economy has not suffi-~~  
25 ~~ciently recovered, as determined by the department of economic develop-~~  
26 ~~ment in consultation with the division of the budget. In determining~~  
27 ~~whether the New York city tourism economy has sufficiently recovered,~~  
28 ~~the department of economic development will perform an analysis of key~~  
29 ~~New York city economic indicators which shall include, but not be limit-~~  
30 ~~ed to, hotel occupancy rates and travel metrics. The department of~~  
31 ~~economic development's analysis shall also be informed by the status of~~  
32 ~~any remaining COVID-19 restrictions affecting New York city musical and~~  
33 ~~theatrical productions.]~~ In no event shall a qualified New York city  
34 musical and theatrical production be eligible for more than one credit  
35 under this program.

36 § 3. Subparagraph (i) of paragraph 5 of subdivision (b) of section  
37 24-c of the tax law, as amended by section 2 of part F of chapter 59 of  
38 the laws of 2022, is amended to read as follows:

39 (i) "The credit period of a qualified New York city musical and theat-  
40 rical production company" is the period starting on the production start  
41 date and ending on the earlier of the date the qualified musical and  
42 theatrical production has expended sufficient qualified production  
43 expenditures to reach its credit cap, September thirtieth, two thousand  
44 ~~[twenty-three]~~ twenty-five or the date the qualified musical and theat-  
45 rical production closes.

46 § 4. Subdivision (c) of section 24-c of the tax law, as added by  
47 section 1 of subpart B of part PP of chapter 59 of the laws of 2021, is  
48 amended to read as follows:

49 (c) The credit shall be allowed for the taxable year beginning on or  
50 after January first, two thousand twenty-one but before January first,  
51 two thousand ~~[twenty-four]~~ twenty-six. A qualified New York city  
52 musical and theatrical production company shall claim the credit in the  
53 year in which its credit period ends.

54 § 5. Paragraphs 1 and 2 of subdivision (f) of section 24-c of the tax  
55 law, paragraph 1 as amended by section 3 of part F of chapter 59 of the

1 laws of 2022, and paragraph 2 as amended by section 4 of part F of chap-  
2 ter 59 of the laws of 2022, are amended to read as follows:

3 (1) The aggregate amount of tax credits allowed under this section,  
4 subdivision fifty-seven of section two hundred ten-B and subsection  
5 (mmm) of section six hundred six of this chapter shall be [~~two~~] three  
6 hundred million dollars. Such aggregate amount of credits shall be allo-  
7 cated by the department of economic development among taxpayers based on  
8 the date of first performance of the qualified musical and theatrical  
9 production.

10 (2) The commissioner of economic development, after consulting with  
11 the commissioner, shall promulgate regulations to establish procedures  
12 for the allocation of tax credits as required by this section. Such  
13 rules and regulations shall include provisions describing the applica-  
14 tion process, the due dates for such applications, the standards that  
15 will be used to evaluate the applications, the documentation that will  
16 be provided by applicants to substantiate to the department the amount  
17 of qualified production expenditures of such applicants, and such other  
18 provisions as deemed necessary and appropriate. Notwithstanding any  
19 other provisions to the contrary in the state administrative procedure  
20 act, such rules and regulations may be adopted on an emergency basis. In  
21 no event shall a qualified New York city musical and theatrical  
22 production submit an application for this program after June thirtieth,  
23 two thousand [~~twenty-three~~] twenty-five.

24 § 6. This act shall take effect immediately; provided that the amend-  
25 ments to section 24-c of the tax law made by sections two, three, four  
26 and five of this act shall not affect the repeal of such section and  
27 shall be deemed repealed therewith.

28 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
29 sion, section or part of this act shall be adjudged by any court of  
30 competent jurisdiction to be invalid, such judgment shall not affect,  
31 impair, or invalidate the remainder thereof, but shall be confined in  
32 its operation to the clause, sentence, paragraph, subdivision, section  
33 or part thereof directly involved in the controversy in which such judg-  
34 ment shall have been rendered. It is hereby declared to be the intent of  
35 the legislature that this act would have been enacted even if such  
36 invalid provisions had not been included herein.

37 § 3. This act shall take effect immediately provided, however, that  
38 the applicable effective dates of Subparts A through E of this act shall  
39 be as specifically set forth in the last section of such Subparts.

40 PART J

41 Section 1. This act enacts into law major components of legislation  
42 relating to taxation. Each component is wholly contained within a  
43 Subpart identified as Subparts A through C. The effective date for each  
44 particular provision contained within such Subpart is set forth in the  
45 last section of such Subpart. Any provision in any section contained  
46 within a Subpart, including the effective date of the Subpart, which  
47 makes reference to a section "of this act", when used in connection with  
48 that particular component, shall be deemed to mean and refer to the  
49 corresponding section of the Subpart in which it is found. Section three  
50 of this act sets forth the general effective date of this act.

51 SUBPART A

1 Section 1. Paragraph (b) of subdivision 38 of section 210-B of the tax  
2 law, as amended by section 2 of part L of chapter 59 of the laws of  
3 2022, is amended to read as follows:

4 (b) Definitions. The term "accessible by individuals with disabili-  
5 ties" shall, for the purposes of this subdivision, refer to a vehicle  
6 that complies with federal regulations promulgated pursuant to the Amer-  
7 icans with Disabilities Act applicable to vans under twenty-two feet in  
8 length, by the federal Department of Transportation, in Code of Federal  
9 Regulations, title 49, parts 37 and 38[~~, and by the federal Architecture  
10 and Transportation Barriers Compliance Board, in Code of Federal Regu-  
11 lations, title 36, section 1192.23,~~] and the Federal Motor Vehicle Safe-  
12 ty Standards, Code of Federal Regulations, title 49, part [~~57~~] 571. The  
13 term "electric vehicle" shall, for the purposes of this subdivision,  
14 have the same meaning as in section sixty-six-s of the public service  
15 law.

16 § 2. Paragraph 2 of subsection (tt) of section 606 of the tax law, as  
17 amended by section 4 of part L of chapter 59 of the laws of 2022, is  
18 amended to read as follows:

19 (2) Definitions. The term "accessible by individuals with disabili-  
20 ties" shall, for the purposes of this subsection, refer to a vehicle  
21 that complies with federal regulations promulgated pursuant to the Amer-  
22 icans with Disabilities Act applicable to vans under twenty-two feet in  
23 length, by the federal Department of Transportation, in Code of Federal  
24 Regulations, title 49, parts 37 and 38[~~, and by the federal Architecture  
25 and Transportation Barriers Compliance Board, in Code of Federal Regu-  
26 lations, title 36, section 1192.23,~~] and the Federal Motor Vehicle Safe-  
27 ty Standards, Code of Federal Regulations, title [~~29~~] 49, part [~~57~~] 571.  
28 The term "electric vehicle" shall, for the purposes of this subsection,  
29 have the same meaning as in section sixty-six-s of the public service  
30 law.

31 § 3. This act shall take effect immediately and shall apply to taxable  
32 years beginning on or after January 1, 2023.

33 SUBPART B

34 Section 1. Paragraph 2 of subdivision (b) of section 21 of the tax  
35 law, as amended by section 7 of part LL of chapter 58 of the laws of  
36 2022, is amended to read as follows:

37 (2) Site preparation costs. The term "site preparation costs" shall  
38 mean all amounts properly chargeable to a capital account, which are  
39 paid or incurred which are necessary to implement a site's investi-  
40 gation, remediation, or qualification for a certificate of completion,  
41 and shall include costs of: excavation; demolition; activities undertak-  
42 en under the oversight of the department of labor or in accordance with  
43 standards established by the department of health to remediate and  
44 dispose of regulated materials including asbestos, lead or polychlori-  
45 nated biphenyls; environmental consulting; engineering; legal costs;  
46 transportation, disposal, treatment or containment of contaminated soil;  
47 remediation measures taken to address contaminated soil vapor; cover  
48 systems consistent with applicable regulations; physical support of  
49 excavation; dewatering and other work to facilitate or enable remedi-  
50 ation activities; sheeting, shoring, and other engineering controls  
51 required to prevent off-site migration of contamination from the quali-  
52 fied site or migrating onto the qualified site; and the costs of fenc-  
53 ing, temporary electric wiring, scaffolding, and security facilities  
54 until such time as the certificate of completion has been issued. Site



1 preparation shall include all costs paid or incurred within sixty months  
2 after the last day of the tax year in which the certificate of  
3 completion is issued that are necessary for compliance with the certifi-  
4 cate of completion or subsequent modifications thereof, or the remedial  
5 program defined in such certificate of completion including but not  
6 limited to institutional controls, engineering controls, an approved  
7 site management plan, and an environmental easement with respect to the  
8 qualified site; provided, however, with respect to any qualified site  
9 for which ~~[the department of environmental conservation has issued a  
10 notice to the taxpayer on or after July first, two thousand fifteen but  
11 on or before June twenty-fourth, two thousand twenty-one that its  
12 request for participation has been accepted under subdivision six of  
13 section 27-1407 of the environmental conservation law]~~ a certificate of  
14 completion was issued on or after July first, two thousand fifteen but  
15 on or before June twenty-fourth, two thousand twenty-one, site prepara-  
16 tion shall include all costs paid or incurred within eighty-four months  
17 after the last day of the tax year in which the certificate of  
18 completion is issued that are necessary for compliance with the certifi-  
19 cate of completion or subsequent modifications thereof, or the remedial  
20 program defined in such certificate of completion including but not  
21 limited to institutional controls, engineering controls, an approved  
22 site management plan, and an environmental easement with respect to the  
23 qualified site. Site preparation cost shall not include the costs of  
24 foundation systems that exceed the cover system requirements in the  
25 regulations applicable to the qualified site.  
26 § 2. This act shall take effect immediately and shall be deemed to  
27 have been in effect on and after April 9, 2022.

28

## SUBPART C

29 Section 1. Paragraphs 1, 2 and 3 of subsection (h) of section 860 of  
30 the tax law, paragraph 1 as added by section 1 of part C of chapter 59  
31 of the laws of 2021, and paragraph 2 as amended and paragraph 3 as added  
32 by section 2 of subpart A of part MM of chapter 59 of the laws of 2022,  
33 are amended to read as follows:

34 (1) In the case of an electing partnership, the sum of (i) all items  
35 of income, gain, loss, or deduction derived from or connected with New  
36 York sources to the extent they are included in the taxable income of a  
37 nonresident partner subject to tax under article twenty-two, under para-  
38 graph one of subsection (a) of section six hundred thirty-two of this  
39 chapter; ~~and~~ (ii) all items of income, gain, loss, or deduction to the  
40 extent they are included in the taxable income of a resident partner  
41 subject to tax under article twenty-two of this chapter; and (iii) all  
42 pass-through entity taxes including taxes paid under this article to New  
43 York, taxes paid under article twenty-four-B of this chapter to the city  
44 of New York, and taxes paid to other jurisdictions that are substantial-  
45 ly similar to the taxes paid under this article, to the extent that, for  
46 federal income tax purposes, the taxes are paid and deducted in the  
47 taxable year, and are included in the taxable income of the partners  
48 subject to tax under article twenty-two of this chapter for the taxable  
49 year.

50 (2) In the case of an electing standard S corporation, the sum of (i)  
51 all items of income, gain, loss, or deduction derived from or connected  
52 with New York sources to the extent they would be included under para-  
53 graph two of subsection (a) of section six hundred thirty-two of this  
54 chapter in the taxable income of a shareholder subject to tax under

1 article twenty-two of this chapter; and (ii) all pass-through entity  
2 taxes including taxes paid under this article to New York, taxes paid  
3 under article twenty-four-B of this chapter to the city of New York, and  
4 taxes paid to other jurisdictions that are substantially similar to the  
5 taxes paid under this article, to the extent that, for federal income  
6 tax purposes, the taxes are paid and deducted in the taxable year, and  
7 are included in the taxable income of the shareholders subject to tax  
8 under article twenty-two of this chapter for the taxable year.

9 (3) In the case of an electing resident S corporation, the sum of (i)  
10 all items of income, gain, loss, or deduction to the extent they are  
11 included in the taxable income of a shareholder subject to tax under  
12 article twenty-two of this chapter; and (ii) all pass-through entity  
13 taxes including taxes paid under this article to New York, taxes paid  
14 under article twenty-four-B of this chapter to the city of New York, and  
15 taxes paid to other jurisdictions that are substantially similar to  
16 taxes paid under this article, to the extent that, for federal income  
17 tax purposes, the taxes are paid and deducted in the taxable year, and  
18 are included in the taxable income of the shareholders subject to tax  
19 under article twenty-two of this chapter for the taxable year.

20 § 2. Subsection (c) of section 861 of the tax law, as amended by  
21 section 3 of subpart A of part MM of chapter 59 of the laws of 2022, is  
22 amended to read as follows:

23 (c) The annual election must be made [~~by~~] on or before the due date of  
24 the first estimated payment under section eight hundred sixty-four of  
25 this article and will take effect for the current taxable year. Only one  
26 election may be made during each calendar year. An election made under  
27 this section is irrevocable [~~as of~~] after the due date.

28 § 3. Paragraphs 1 and 2 of subsection (b) of section 867 of the tax  
29 law, as added by section 1 of subpart B of part MM of chapter 59 of the  
30 laws of 2022, are amended to read as follows:

31 (1) In the case of an electing city partnership, the sum of (i) all  
32 items of income, gain, loss, or deduction to the extent they are  
33 included in the city taxable income of a partner or member of the elect-  
34 ing city partnership who is a city taxpayer; and (ii) all pass-through  
35 entity taxes including taxes paid under article twenty-four-A of this  
36 chapter to New York, taxes paid under this article to the city of New  
37 York, and taxes paid to other jurisdictions that are substantially simi-  
38 lar to taxes paid under article twenty-four-A of this chapter, to the  
39 extent that, for federal income tax purposes, the taxes were paid and  
40 deducted in the taxable year, and they are included in the taxable  
41 income of the partners subject to tax under article twenty-two of this  
42 chapter for the taxable year.

43 (2) In the case of an electing city resident S corporation, the sum of  
44 (i) all items of income, gain, loss, or deduction to the extent they  
45 would be included in the city taxable income of a shareholder of the  
46 electing city resident S corporation who is a city taxpayer; and (ii)  
47 all pass-through entity taxes including taxes paid under article twen-  
48 ty-four-A of this chapter to New York, taxes paid under this article to  
49 the city of New York, and taxes paid to other jurisdictions that are  
50 substantially similar to taxes paid under article twenty-four-A of this  
51 chapter, to the extent that, for federal income tax purposes, the taxes  
52 were paid and deducted in the taxable year, and they are included in the  
53 taxable income of the shareholders subject to tax under article twenty-  
54 two of this chapter for the taxable year.

1 § 4. Subsection (e) of section 867 of the tax law, as added by section  
2 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
3 to read as follows:

4 (e) City taxpayer. A city taxpayer means [~~a city resident individual~~  
5 ~~subject to the tax imposed pursuant to the authority of article thirty~~  
6 ~~of this chapter~~]:

7 (1) a city resident individual, as defined in subsection (a) of  
8 section thirteen hundred five of this chapter; and

9 (2) a city resident trust or estate, as defined in subsection (c) of  
10 section thirteen hundred five of this chapter.

11 § 5. Subsection (i) of section 867 of the tax law, as added by section  
12 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
13 to read as follows:

14 (i) Eligible city partnership. Eligible city partnership means any  
15 partnership as provided for in section 7701(a)(2) of the Internal Reven-  
16 ue Code that has a filing requirement under paragraph one of subsection  
17 (c) of section six hundred fifty-eight of this chapter other than a  
18 publicly traded partnership as defined in section 7704 of the Internal  
19 Revenue Code, where at least one partner or member is a city [~~resident~~  
20 ~~individual~~] taxpayer. An eligible city partnership includes any entity,  
21 including a limited liability company, treated as a partnership for  
22 federal income tax purposes that otherwise meets the requirements of  
23 this subsection.

24 § 6. Subsection (j) of section 867 of the tax law, as added by section  
25 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
26 to read as follows:

27 (j) Eligible city resident S corporation. Eligible city resident S  
28 corporation means any New York S corporation as defined pursuant to  
29 subdivision one-A of section two hundred eight of this chapter that is  
30 subject to tax under section two hundred nine of this chapter that has  
31 only city [~~resident individual~~] taxpayer shareholders. An eligible city  
32 resident S corporation includes any entity, including a limited liabil-  
33 ity company, treated as an S corporation for federal income tax purposes  
34 that otherwise meets the requirements of this subsection.

35 § 7. Subsection (c) of section 868 of the tax law, as added by section  
36 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended  
37 to read as follows:

38 (c) The annual election to be taxed pursuant to this article must be  
39 made [~~by~~] on or before the due date of the first estimated payment under  
40 section eight hundred sixty-four of this chapter and will take effect  
41 for the current taxable year. Only one election to be taxed pursuant to  
42 this article may be made during each calendar year. An election made  
43 under this section is irrevocable [~~as of~~] after such due date. To the  
44 extent an election made under section eight hundred sixty-one of this  
45 chapter is revoked or otherwise invalidated an election made under this  
46 section is automatically invalidated.

47 § 8. This act shall take effect immediately, provided, however, that:

48 (i) sections one and two of this act shall be deemed to have been in  
49 full force and effect on and after the effective date of part C of chap-  
50 ter 59 of the laws of 2021; (ii) sections three and seven of this act  
51 shall be deemed to have been in full force and effect on and after the  
52 effective date of section 1 of subpart B of part MM of chapter 59 of the  
53 laws of 2022; and (iii) sections four, five and six of this act shall  
54 apply to taxable years beginning on or after January 1, 2023.

55 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
56 sion, section or part of this act shall be adjudged by any court of

1 competent jurisdiction to be invalid, such judgment shall not affect,  
2 impair, or invalidate the remainder thereof, but shall be confined in  
3 its operation to the clause, sentence, paragraph, subdivision, section  
4 or part thereof directly involved in the controversy in which such judg-  
5 ment shall have been rendered. It is hereby declared to be the intent of  
6 the legislature that this act would have been enacted even if such  
7 invalid provisions had not been included herein.

8 § 3. This act shall take effect immediately; provided, however, that  
9 the applicable effective dates of Subparts A through C of this act shall  
10 be as specifically set forth in the last section of such Subparts.

11 PART K

12 Section 1. Paragraphs (a) and (d) of subdivision 1 of section 467 of  
13 the real property tax law, as amended by section 1 of part B of chapter  
14 686 of the laws of 2022, are amended to read as follows:

15 (a) Real property owned by one or more persons, each of whom is  
16 sixty-five years of age or over, or real property owned by [~~husband and~~  
17 ~~wife~~] a married couple or by siblings, one of whom is sixty-five years  
18 of age or over, or real property owned by one or more persons, some of  
19 whom qualify under this section and the others of whom qualify under  
20 section four hundred fifty-nine-c of this title, shall be exempt from  
21 payments in lieu of taxes (PILOT) to the battery park city authority or  
22 from taxation by any municipal corporation in which located to the  
23 extent of fifty per centum of the assessed valuation thereof, provided  
24 the governing board of such municipality, after public hearing, adopts a  
25 local law, ordinance or resolution providing therefor. For the purposes  
26 of this section, [~~sibling shall mean a brother or a sister, whether~~  
27 ~~related~~] the term "sibling" shall include persons whose relationship as  
28 siblings has been established through either half blood, whole blood or  
29 adoption.

30 (d) The real property tax or PILOT exemption on real property owned by  
31 [~~husband and wife~~] a married couple, one of whom is sixty-five years of  
32 age or over, once granted, shall not be rescinded by any municipal  
33 corporation solely because of the death of the older spouse so long as  
34 the surviving spouse is at least sixty-two years of age.

35 § 2. Subdivision 3 of section 467 of the real property tax law, as  
36 amended by section 1 of part B of chapter 686 of the laws of 2022, para-  
37 graph (a) as separately amended by chapter 488 of the laws of 2022, is  
38 amended to read as follows:

39 3. No exemption shall be granted:

40 (a)(i) if the income of the owner or the combined income of the owners  
41 of the property for the applicable income tax year [~~immediately preced-~~  
42 ~~ing the date of making application for exemption~~] exceeds the sum of  
43 three thousand dollars, or such other sum not less than three thousand  
44 dollars nor more than [~~twenty six thousand dollars beginning July first,~~  
45 ~~two thousand six, twenty seven thousand dollars beginning July first,~~  
46 ~~two thousand seven, twenty eight thousand dollars beginning July first,~~  
47 ~~two thousand eight, twenty nine thousand dollars beginning July first,~~  
48 ~~two thousand nine, fifty thousand dollars beginning July first, two~~  
49 ~~thousand twenty two, and in a city with a population of one million or~~  
50 ~~more fifty thousand dollars beginning July first, two thousand seven~~  
51 ~~teen,~~] fifty thousand dollars, as may be provided by the local law,  
52 ordinance or resolution adopted pursuant to this section.

53 (ii) Where the taxable status date is on or before April fourteenth,  
54 the applicable income tax year shall [~~mean~~] be the twelve-month period

1 for which the owner or owners filed a federal personal income tax return  
2 for the year before the income tax year immediately preceding the date  
3 of application and where the taxable status date is on or after April  
4 fifteenth, the applicable income tax year shall [~~mean~~] be the twelve-  
5 month period for which the owner or owners filed a federal personal  
6 income tax return for the income tax year immediately preceding the date  
7 of application.

8 (iii) Where title is vested in [~~either the husband or the wife, their~~]  
9 a married person, the combined income of such person and such person's  
10 spouse may not exceed such sum, except where [~~the husband or wife, or~~  
11 ~~ex-husband or ex-wife~~] one spouse or ex-spouse is absent from the prop-  
12 erty as provided in subparagraph (ii) of paragraph (d) of this subdivi-  
13 sion, then only the income of the spouse or ex-spouse residing on the  
14 property shall be considered and may not exceed such sum. [~~Such income~~  
15 ~~shall include social security and retirement benefits, interest, divi-~~  
16 ~~dends, total gain from the sale or exchange of a capital asset which may~~  
17 ~~be offset by a loss from the sale or exchange of a capital asset in the~~  
18 ~~same income tax year, net rental income, salary or earnings, and net~~  
19 ~~income from self-employment, but shall not include a return of capital,~~  
20 ~~gifts, inheritances, payments made to individuals because of their~~  
21 ~~status as victims of Nazi persecution, as defined in P.L. 103-286 or~~  
22 ~~monies earned through employment in the federal foster grandparent~~  
23 ~~program and any such income shall be offset by all medical and~~  
24 ~~prescription drug expenses actually paid which were not reimbursed or~~  
25 ~~paid for by insurance, if the governing board of a municipality, after a~~  
26 ~~public hearing, adopts a local law, ordinance or resolution providing~~  
27 ~~therefor. In addition, an exchange of an annuity for an annuity~~  
28 ~~contract, which resulted in non-taxable gain, as determined in section~~  
29 ~~one thousand thirty-five of the internal revenue code, shall be excluded~~  
30 ~~from such income. Provided that such exclusion shall be based on satis-~~  
31 ~~factory proof that such an exchange was solely an exchange of an annuity~~  
32 ~~for an annuity contract that resulted in a non-taxable transfer deter-~~  
33 ~~mined by such section of the internal revenue code. Furthermore, such~~  
34 ~~income shall not include the proceeds of a reverse mortgage, as author-~~  
35 ~~ized by section six-h of the banking law, and sections two hundred~~  
36 ~~eighty and two hundred eighty a of the real property law, provided,~~  
37 ~~however, that monies used to repay a reverse mortgage may not be~~  
38 ~~deducted from income, and provided additionally that any interest or~~  
39 ~~dividends realized from the investment of reverse mortgage proceeds~~  
40 ~~shall be considered income. The provisions of this paragraph notwith-~~  
41 ~~standing, such income shall not include veterans disability compen-~~  
42 ~~sation, as defined in Title 38 of the United States Code provided the~~  
43 ~~governing board of such municipality, after public hearing, adopts a~~  
44 ~~local law, ordinance or resolution providing therefor. In computing net~~  
45 ~~rental income and net income from self-employment no depreciation~~  
46 ~~deduction shall be allowed for the exhaustion, wear and tear of real or~~  
47 ~~personal property held for the production of income,]~~

48 (iv) The term "income" as used herein shall mean the "adjusted gross  
49 income" for federal income tax purposes as reported on the applicant's  
50 federal or state income tax return for the applicable income tax year,  
51 subject to any subsequent amendments or revisions, plus any social secu-  
52 rity benefits not included in such adjusted gross income, minus any  
53 distributions, to the extent included in federal adjusted gross income,  
54 received from an individual retirement account and an individual retire-  
55 ment annuity; provided that if no such return was filed for the applica-  
56 ble income tax year, the applicant's income shall be determined based on

1 the amounts that would have so been reported if such a return had been  
2 filed; and provided further, that the governing board of a municipality  
3 may adopt a local law, ordinance or resolution providing that any social  
4 security benefits that were not included in the applicant's adjusted  
5 gross income shall not be considered income for purposes of this  
6 section;

7 (b) unless the owner shall have held an exemption under this section  
8 for [~~his~~] the owner's previous residence or unless the title of the  
9 property shall have been vested in the owner or one of the owners of the  
10 property for at least twelve consecutive months prior to the date of  
11 making application for exemption, provided, however, that in the event  
12 of the death of [~~either a husband or wife~~] a married person in whose  
13 name title of the property shall have been vested at the time of death  
14 and then becomes vested solely in [~~the survivor~~] such person's surviving  
15 spouse by virtue of devise by or descent from the deceased [~~husband or~~  
16 ~~wife~~] spouse, the time of ownership of the property by the deceased  
17 [~~husband or wife~~] spouse shall be deemed also a time of ownership by the  
18 [~~survivor~~] surviving spouse and such ownership shall be deemed contin-  
19 uous for the purposes of computing such period of twelve consecutive  
20 months. In the event of a transfer by [~~either a husband or wife to the~~  
21 ~~other~~] a married person to such person's spouse of all or part of the  
22 title to the property, the time of ownership of the property by the  
23 transferor spouse shall be deemed also a time of ownership by the trans-  
24 feree spouse and such ownership shall be deemed continuous for the  
25 purposes of computing such period of twelve consecutive months. Where  
26 property of the owner or owners has been acquired to replace property  
27 formerly owned by such owner or owners and taken by eminent domain or  
28 other involuntary proceeding, except a tax sale, the period of ownership  
29 of the former property shall be combined with the period of ownership of  
30 the property for which application is made for exemption and such peri-  
31 ods of ownership shall be deemed to be consecutive for purposes of this  
32 section. Where a residence is sold and replaced with another within one  
33 year and both residences are within the state, the period of ownership  
34 of both properties shall be deemed consecutive for purposes of the  
35 exemption from taxation by a municipality within the state granting such  
36 exemption. Where the owner or owners transfer title to property which as  
37 of the date of transfer was exempt from taxation or PILOT under the  
38 provisions of this section, the reacquisition of title by such owner or  
39 owners within nine months of the date of transfer shall be deemed to  
40 satisfy the requirement of this paragraph that the title of the property  
41 shall have been vested in the owner or one of the owners for such period  
42 of twelve consecutive months. Where, upon or subsequent to the death of  
43 an owner or owners, title to property which as of the date of such death  
44 was exempt from taxation or PILOT under such provisions, becomes vested,  
45 by virtue of devise or descent from the deceased owner or owners, or by  
46 transfer by any other means within nine months after such death, solely  
47 in a person or persons who, at the time of such death, maintained such  
48 property as a primary residence, the requirement of this paragraph that  
49 the title of the property shall have been vested in the owner or one of  
50 the owners for such period of twelve consecutive months shall be deemed  
51 satisfied;

52 (c) unless the property is used exclusively for residential purposes,  
53 provided, however, that in the event any portion of such property is not  
54 so used exclusively for residential purposes but is used for other  
55 purposes, such portion shall be subject to taxation or PILOT and the

1 remaining portion only shall be entitled to the exemption provided by  
2 this section;

3 (d) unless the real property is the legal residence of and is occupied  
4 in whole or in part by the owner or by all of the owners of the proper-  
5 ty: except where, (i) an owner is absent from the residence while  
6 receiving health-related care as an inpatient of a residential health  
7 care facility, as defined in section twenty-eight hundred one of the  
8 public health law, provided that any income accruing to that person  
9 shall only be income only to the extent that it exceeds the amount paid  
10 by such owner, spouse, or co-owner for care in the facility, and  
11 provided further, that during such confinement such property is not  
12 occupied by other than the spouse or co-owner of such owner; or, (ii)  
13 the real property is owned by a [~~husband and/or wife, or an ex-husband~~  
14 ~~and/or an ex-wife, and either~~] married person or a married couple, or by  
15 a formerly married person or a formerly married couple, and one spouse  
16 or ex-spouse is absent from the residence due to divorce, legal sepa-  
17 ration or abandonment and all other provisions of this section are met  
18 provided that where an exemption was previously granted when both  
19 resided on the property, then the person remaining on the real property  
20 shall be sixty-two years of age or over.

21 § 3. Paragraph (a) of subdivision 3-a of section 467 of the real prop-  
22 erty tax law, as amended by section 1 of part B of chapter 686 of the  
23 laws of 2022, is amended to read as follows:

24 (a) For the purposes of this section, title to that portion of real  
25 property owned by a cooperative apartment corporation in which a  
26 tenant-stockholder of such corporation resides and which is represented  
27 by [~~his~~] the tenant-stockholder's share or shares of stock in such  
28 corporation as determined by its or their proportional relationship to  
29 the total outstanding stock of the corporation, including that owned by  
30 the corporation, shall be deemed to be vested in such tenant-stockhold-  
31 er.

32 § 4. Subdivisions 5 and 5-a of section 467 of the real property tax  
33 law, as amended by section 1 of part B of chapter 686 of the laws of  
34 2022, are amended to read as follows:

35 5. Application for such exemption must be made by the owner, or all of  
36 the owners of the property, on forms prescribed by the commissioner to  
37 be furnished by the appropriate assessing authority and shall furnish  
38 the information and be executed in the manner required or prescribed in  
39 such forms, and shall be filed in such assessor's office on or before  
40 the appropriate taxable status date. Notwithstanding any other provision  
41 of law, at the option of the municipal corporation, any person otherwise  
42 qualifying under this section shall not be denied the exemption under  
43 this section if [~~he~~] such person becomes sixty-five years of age after  
44 the appropriate taxable status date and on or before December thirty-  
45 first of the same year.

46 5-a. Any local law or ordinance adopted pursuant to paragraph (a) of  
47 subdivision one of this section may be amended, or a local law or ordi-  
48 nance may be adopted to provide, notwithstanding subdivision five of  
49 this section, that an application for such exemption may be filed with  
50 the assessor after the appropriate taxable status date but not later  
51 than the last date on which a petition with respect to complaints of  
52 assessment may be filed, where failure to file a timely application  
53 resulted from: (a) a death of the applicant's spouse, child, parent[~~r~~  
54 ~~brother or sister~~] or sibling; or (b) an illness of the applicant or of  
55 the applicant's spouse, child, parent[~~r~~, ~~brother or sister~~] or sibling,  
56 which actually prevents the applicant from filing on a timely basis, as

1 certified by a licensed physician. The assessor shall approve or deny  
2 such application as if it had been filed on or before the taxable status  
3 date.

4 § 5. Subdivision 6 of section 467 of the real property tax law, as  
5 amended by section 1 of part B of chapter 686 of the laws of 2022, is  
6 amended to read as follows:

7 6. (a) At least sixty days prior to the appropriate taxable status  
8 date, the assessing authority shall mail to each person who was granted  
9 exemption pursuant to this section on the latest completed assessment  
10 roll an application form and a notice that such application must be  
11 filed on or before the taxable status date and be approved in order for  
12 the exemption to be granted. The assessing authority shall, within three  
13 days of the completion and filing of the tentative assessment roll,  
14 notify by mail any applicant [~~who has included with his~~] whose applica-  
15 tion includes at least one self-addressed, pre-paid envelope, of the  
16 approval or denial of the application; provided, however, that the  
17 assessing authority shall, upon the receipt and filing of the applica-  
18 tion, send by mail notification of receipt to any applicant who has  
19 included two of such envelopes with the application. Where an applicant  
20 is entitled to a notice of denial pursuant to this subdivision, such  
21 notice shall be on a form prescribed by the commissioner and shall state  
22 the reasons for such denial and shall further state that the applicant  
23 may have such determination reviewed in the manner provided by law.  
24 Failure to mail any such application form or notices or the failure of  
25 such person to receive any of the same shall not prevent the levy,  
26 collection and enforcement of the payment of the taxes or PILOT on prop-  
27 erty owned by such person.

28 (b) Except in cities of one million or more, any person who has been  
29 granted exemption pursuant to this section on five (5) consecutive  
30 completed assessment rolls, including any years when the exemption was  
31 granted to a property owned by [~~a husband and/or wife~~] a married person  
32 or a married couple while both spouses resided in such property, shall  
33 not be subject to the requirements set forth in paragraph (a) of this  
34 subdivision provided the governing board of the municipality in which  
35 said property is situated after public hearing adopts a local law, ordi-  
36 nance or resolution providing therefor however said person shall be  
37 mailed an application form and a notice [~~informing him of his~~] setting  
38 forth such person's rights. Such exemption shall be automatically grant-  
39 ed on each subsequent assessment roll. Provided, however, that when tax  
40 payment is made by such person a sworn affidavit must be included with  
41 such payment which shall state that such person continues to be eligible  
42 for such exemption. Such affidavit shall be on a form prescribed by the  
43 commissioner. If such affidavit is not included with the tax payment,  
44 the collecting officer shall proceed pursuant to section five hundred  
45 fifty-one-a of this chapter.

46 (c) In cities of one million or more, any person who has been granted  
47 exemption pursuant to this section shall file the completed application  
48 with the appropriate assessing authority every twenty-four months from  
49 the date such exemption was granted without the necessity of having been  
50 granted exemption pursuant to this section on five (5) consecutive  
51 completed assessment rolls including any years when the exemption was  
52 granted to a property owned by [~~a husband and/or wife~~] a married person  
53 or a married couple while both spouses resided in such property.

54 § 6. Subdivision 8-a of section 467 of the real property tax law, as  
55 amended by section 1 of part B of chapter 686 of the laws of 2022, is  
56 amended to read as follows:



1 8-a. Notwithstanding any provision of law to the contrary, the local  
2 governing body of a municipal corporation that is authorized to adopt a  
3 local law pursuant to subdivision eight of this section is further  
4 authorized to adopt a local law providing that where a renewal applica-  
5 tion for the exemption authorized by this section has not been filed on  
6 or before the taxable status date, and the owner believes that good  
7 cause existed for the failure to file the renewal application by that  
8 date, the owner may, no later than the last day for paying taxes or  
9 PILOT without incurring interest or penalty, submit a written request to  
10 the assessor asking [~~him or her~~] the assessor to extend the filing dead-  
11 line and grant the exemption. Such request shall contain an explanation  
12 of why the deadline was missed, and shall be accompanied by a renewal  
13 application, reflecting the facts and circumstances as they existed on  
14 the taxable status date. The assessor may extend the filing deadline and  
15 grant the exemption if [~~he or she~~] the assessor is satisfied that (i)  
16 good cause existed for the failure to file the renewal application by  
17 the taxable status date, and that (ii) the applicant is otherwise enti-  
18 tled to the exemption. The assessor shall make a determination and mail  
19 notice [~~of his or her determination~~] thereof to the owner. If the deter-  
20 mination states that the assessor has granted the exemption, [~~he or she~~]  
21 the assessor shall thereupon be authorized and directed to correct the  
22 assessment roll accordingly, or, if another person has custody or  
23 control of the assessment roll, to direct that person to make the appro-  
24 priate corrections. If the correction is not made before taxes are  
25 levied, the failure to take the exemption into account in the computa-  
26 tion of the tax shall be deemed a "clerical error" for purposes of title  
27 three of article five of this chapter, and shall be corrected accord-  
28 ingly.

29 § 7. This act shall take effect immediately and shall apply to all  
30 applications for exemptions pursuant to section 467 of the real property  
31 tax law on assessment rolls that are based on taxable status dates  
32 occurring on and after October 1, 2023.

33 PART L

34 Section 1. Section 2 of chapter 540 of the laws of 1992, amending the  
35 real property tax law relating to oil and gas charges, as amended by  
36 section 1 of part C of chapter 59 of the laws of 2020, is amended to  
37 read as follows:

38 § 2. This act shall take effect immediately and shall be deemed to  
39 have been in full force and effect on and after April 1, 1992; provided,  
40 however that any charges imposed by section 593 of the real property tax  
41 law as added by section one of this act shall first be due for values  
42 for assessment rolls with tentative completion dates after July 1, 1992,  
43 and provided further, that this act shall remain in full force and  
44 effect until March 31, [~~2024~~] 2027, at which time section 593 of the  
45 real property tax law as added by section one of this act shall be  
46 repealed.

47 § 2. This act shall take effect immediately.

48 PART M

49 Section 1. The real property tax law is amended by adding a new  
50 section 989 to read as follows:

51 § 989. Distribution of surplus in tax enforcement proceedings. 1.  
52 Notwithstanding the provisions of any general, special or local law to

1 the contrary, when a property owner is divested of title due to the  
2 foreclosure of a delinquent real property tax lien on the property, and  
3 the property is sold to a third party, the proceeds of such sale shall  
4 be distributed as follows:

5 (a) If the proceeds of the sale are less than or equal to the total  
6 taxes due on the property plus interest, penalties and other charges  
7 duly imposed upon the property, including the administrative costs asso-  
8 ciated with the foreclosure process, the entire proceeds shall be paid  
9 to the local government.

10 (b) If the proceeds of the sale exceed the total taxes due on the  
11 property plus interest, penalties and other charges duly imposed upon  
12 the property, including the administrative costs associated with the  
13 foreclosure process, the excess shall be distributed as follows:

14 (i) If the property is not subject to other liens, the excess proceeds  
15 shall be paid to the prior owner or owners of the property.

16 (ii) If the property is subject to other liens, the lienholders shall  
17 be paid from the excess proceeds in the same order and to the same  
18 extent as they would be in an action to foreclose a mortgage pursuant to  
19 article thirteen of the real property actions and proceedings law. Any  
20 proceeds remaining after the other lienholders have been so paid shall  
21 be paid to the prior owner or owners of the property.

22 2. The provisions of this section shall apply whether property is sold  
23 through a public auction or otherwise.

24 3. When a foreclosure concludes with the tax district taking title to  
25 property, the provisions of this section shall not apply unless and  
26 until the tax district sells the property to a third party; provided  
27 that in such a case, if there are excess proceeds to be paid to the  
28 prior owner or owners of the property, such proceeds shall be paid to  
29 the owner or owners of the property prior to its acquisition by the tax  
30 district.

31 4. The provisions of this section shall not apply to the enforcement  
32 of tax liens on abandoned real property. For purposes of this section,  
33 real property shall be deemed abandoned if it:

34 (a) has been included on a local municipal roll, registry or list of  
35 vacant and abandoned residential property pursuant to section eleven  
36 hundred eleven-a of this chapter, or

37 (b) has been certified as abandoned commercial or industrial real  
38 property pursuant to article nineteen-A of the real property actions and  
39 proceedings law, or

40 (c) has been included on the statewide registry of vacant and aban-  
41 doned property pursuant to section thirteen hundred ten of the real  
42 property actions and proceedings law.

43 5. This section shall be construed to supersede all general, special  
44 and local laws relating to tax enforcement to the extent that such laws  
45 would otherwise allow the proceeds of a sale to be distributed in a  
46 manner other than as set forth in this section. This section is not  
47 intended to supersede such laws in other respects.

48 § 2. Subdivision 2 of section 1104 of the real property tax law, as  
49 amended by chapter 532 of the laws of 1994, paragraph (iii) as further  
50 amended by subdivision (b) of section 1 of part W of chapter 56 of the  
51 laws of 2010, is amended to read as follows:

52 2. The provisions of this article shall not be applicable to a county,  
53 city or town which: (i) on January first, nineteen hundred ninety-three,  
54 was authorized to enforce the collection of delinquent taxes pursuant to  
55 a county charter, city charter, administrative code or special law; (ii)  
56 adopted a local law, no later than July first, nineteen hundred ninety-

1 four, providing that the collection of taxes in such county, city or  
 2 town shall continue to be enforced pursuant to such charter, code or  
 3 special law, as such charter, code or special law may from time to time  
 4 be amended; and (iii) filed a copy of such local law with the commis-  
 5 sioner no later than August first, nineteen hundred ninety-four.  
 6 Provided, however, that nothing contained herein shall be construed to  
 7 exempt any such county, city or town from the provisions of section nine  
 8 hundred eighty-nine of this chapter.

9 § 3. Subdivision 1 of section 1166 of the real property tax law, as  
 10 amended by chapter 500 of the laws of 2015, is amended to read as  
 11 follows:

12 1. Whenever any tax district shall become vested with the title to  
 13 real property by virtue of a foreclosure proceeding brought pursuant to  
 14 the provisions of this article, such tax district is hereby authorized  
 15 to sell and convey the real property so acquired, which shall include  
 16 any and all gas, oil or mineral rights associated with such real proper-  
 17 ty, either with or without advertising for bids, notwithstanding the  
 18 provisions of any general, special or local law. The proceeds obtained  
 19 from any such sale shall be distributed in the manner provided by  
 20 section nine hundred eighty-nine of this chapter.

21 § 4. This act shall take effect October 1, 2023, and shall apply to  
 22 all tax foreclosure proceedings commenced on and after such date.

23 PART N

24 Section 1. Section 575-b of the real property tax law is amended by  
 25 adding a new subdivision 1-a to read as follows:

26 1-a. Notwithstanding any provision of law to the contrary, the solar  
 27 or wind energy system appraisal model authorized by this section shall  
 28 be identified, formulated, adopted, published, and updated periodically  
 29 in the manner provided in this section without regard to the provisions  
 30 of article two of the state administrative procedure act.

31 § 2. Subparagraph (viii) of paragraph (b) of subdivision 2 of section  
 32 102 of the state administrative procedure act, as amended by chapter 74  
 33 of the laws of 1987, is amended to read as follows:

34 (viii) appraisal models, discount rates, state equalization rates,  
 35 class ratios, special equalization rates and special equalization ratios  
 36 established pursuant to the real property tax law;

37 § 3. No assessing unit that failed to use the appraisal model pursu-  
 38 ant to section 575-b of the real property tax law in 2022 shall be held  
 39 liable for failing to use such model in 2022. Within fifteen days from  
 40 the effective date of this act, the commissioner of taxation and finance  
 41 may readopt the 2022 appraisal model or models and discount rates for  
 42 use in 2023, without additional consultation with the New York state  
 43 energy research and development authority or the New York state asses-  
 44 sors association, and without soliciting or considering additional  
 45 public comments.

46 § 4. This act shall take effect immediately and shall be deemed to  
 47 have been in full force and effect on and after the effective date of  
 48 part X of chapter 59 of the laws of 2021.

49 PART O

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

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

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

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

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

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

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

24 (E) Provided, however, that (I) the county of Rockland may impose  
 25 additional rates of five-eighths percent and three-eighths percent, in  
 26 lieu of imposing such additional rate in quarter percent increments;  
 27 (II) the county of Ontario may impose additional rates of one-eighth  
 28 percent and three-eighths percent, in lieu of imposing such additional  
 29 rate in quarter percent increments; (III) three-quarters percent of the  
 30 additional rate authorized to be imposed by the county of Nassau shall  
 31 be subject to the limitation set forth in section twelve hundred sixty-  
 32 two-e of this article; (IV) the one and three-quarters percent addi-  
 33 tional rate to be imposed by the county of Erie shall be subject to the  
 34 limitations set forth in section twelve hundred sixty-two-q of this  
 35 article.

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

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

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

48 (2) One and one-quarter percent - None;

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

50 § 3. Subparagraphs (iii) and (iv) of the opening paragraph of section  
 51 1210 of the tax law are REPEALED and a new subparagraph (iii) is added  
 52 to read as follows:

53 (iii) the maximum rate referred to in section twelve hundred twenty-  
 54 four of this article shall be calculated without reference to the addi-  
 55 tional rates authorized for counties, other than the counties of Cayuga,

1 Cortland, Fulton, Madison, and Otsego, in clause two of subparagraph (i)  
2 and the cities in subparagraph (ii) of this paragraph.

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

5 (p) Notwithstanding any provision of this section or any other law to  
6 the contrary, a county authorized to impose an additional rate or rates  
7 of sales and compensating use taxes by clause two of subparagraph (i) of  
8 the opening paragraph of this section, or a city, other than the city of  
9 Mount Vernon, authorized to impose an additional rate of such taxes by  
10 subparagraph (ii) of such opening paragraph, may adopt a local law,  
11 ordinance, or resolution by a majority vote of its governing body impos-  
12 ing such rate or rates for a period not to exceed two years, and any  
13 such period must end on November thirtieth of an odd-numbered year.  
14 Notwithstanding the preceding sentence, the city of White Plains is  
15 authorized to exceed such two-year limitation to impose the tax author-  
16 ized by subparagraph (ii) of such opening paragraph for the period  
17 commencing on September first, two thousand twenty-three and ending on  
18 November thirtieth, two thousand twenty-five. Any such local law, ordi-  
19 nance, or resolution shall also be subject to the provisions of subdivi-  
20 sions (d) and (e) of this section.

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

22 § 6. Subdivision (a) of section 1223 of the tax law, as amended by  
23 chapter 44 of the laws of 2019, is amended to read as follows:

24 (a) No transaction taxable under sections twelve hundred two through  
25 twelve hundred four of this article shall be taxed pursuant to this  
26 article by any county or by any city located therein, or by both, at an  
27 aggregate rate in excess of the highest rate set forth in the applicable  
28 subdivision of section twelve hundred one of this article or, in the  
29 case of any taxes imposed pursuant to the authority of section twelve  
30 hundred ten or twelve hundred eleven of this article (other than taxes  
31 imposed by the county of Nassau, Erie, [~~Steuben, Cattaraugus, Suffolk,~~  
32 Oneida, [~~Genesee, Greene, Franklin, Hamilton,~~ Herkimer, [~~Tioga, Orle-~~  
33 ~~ans,~~ and Allegany[, ~~Ulster, Albany, Rensselaer, Tompkins, Wyoming,~~  
34 ~~Columbia, Schuyler, Rockland, Chenango, Monroe, Chemung, Seneca, Sulli-~~  
35 ~~van, Wayne, Livingston, Schenectady, Montgomery, Delaware, Clinton,~~  
36 ~~Niagara, Yates, Lewis, Essex, Dutchess, Schoharie, Putnam, Chautauqua,~~  
37 ~~Orange, Oswego, Ontario, Jefferson, St. Lawrence, Westchester or Ononda-~~  
38 ~~ga and by the county of Cortland and the city of Cortland and by the~~  
39 ~~county of Broome and the city of Binghamton and by the county of Cayuga~~  
40 ~~and the city of Auburn and by the county of Otsego and the city of~~  
41 ~~Oneonta and by the county of Madison and the city of Oneida and by the~~  
42 ~~county of Fulton and the city of Gloversville or the city of Johnstown]~~  
43 as provided in section twelve hundred ten of this article) at a rate in  
44 excess of [~~three~~ four percent, except that, in the city of Yonkers[, ~~in~~  
45 ~~the city of Mount Vernon, in the city of New Rochelle, in the city of~~  
46 ~~Fulton, in the city of Oswego, and in the city of White Plains,~~] the  
47 rate may not be in excess of four and one-half percent, and except that  
48 in the city of Poughkeepsie in the county of Dutchess, if such county  
49 withdraws from the metropolitan commuter transportation district pursu-  
50 ant to section twelve hundred seventy-nine-b of the public authorities  
51 law and if the revenues from a three-eighths percent rate of such tax  
52 imposed by such county, pursuant to the authority of section twelve  
53 hundred ten of this article, are required by local laws, ordinances or  
54 resolutions to be set aside for mass transportation purposes, the rate  
55 may not be in excess of [~~three~~ four and three-eighths percent.

1 § 7. Subdivisions (d), (e), (f), (g), (h), (i), (j), (k), (l), (m),  
2 (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (z-1),  
3 (aa), (bb), (cc), (dd), (ee), (ff), (gg), (hh), (ii) and (jj) of section  
4 1224 of the tax law are REPEALED.

5 § 8. Section 1224 of the tax law is amended by adding three new subdivi-  
6 sions (d), (e), and (f) to read as follows:

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

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

22 (1) Counties:

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

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

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

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

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

39 (2) Cities:

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

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

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

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

44 (E) One and one-quarter percent - None;

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

46 (f) Each of the following cities is authorized to preempt the taxes  
47 imposed by the county in which it is located pursuant to the authority  
48 of section twelve hundred ten of this article, to the extent of one-half  
49 the maximum aggregate rate authorized under section twelve hundred ten  
50 of this article, including the additional rate that the county in which  
51 such city is located is authorized to impose: Auburn, in Cayuga county;  
52 Cortland, in Cortland county; Gloversville and Johnstown, in Fulton  
53 county; Oneida, in Madison county; Oneonta, in Otsego county. As of the  
54 date this subdivision takes effect, any such preemption by such a city  
55 in effect on such date shall continue in full force and effect until the  
56 effective date of a local law, ordinance, or resolution adopted or

1 amended by the city to change such preemption. Any preemption by such a  
 2 city pursuant to this subdivision that takes effect after the effective  
 3 date of this subdivision shall be subject to the notice requirements in  
 4 section twelve hundred twenty-three of this subpart and to the other  
 5 requirements of this article.

6 § 9. Subdivision (b) of section 1262-b of the tax law is REPEALED.

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

10 § 1262-e. Establishment of local government assistance programs in  
 11 Nassau county. 1. Towns and cities. Notwithstanding any other provision  
 12 of law to the contrary, for the calendar year beginning on January  
 13 first, nineteen hundred ninety-eight and continuing through the calendar  
 14 year beginning on January first, two thousand twenty-three, and each  
 15 calendar year thereafter beginning on January first, the county of  
 16 Nassau shall enact and establish a local government assistance program  
 17 for the towns and cities within such county to assist such towns and  
 18 cities to minimize real property taxes; defray the cost and expense of  
 19 the treatment, collection, management, disposal, and transportation of  
 20 municipal solid waste, and to comply with the provisions of chapter two  
 21 hundred ninety-nine of the laws of nineteen hundred eighty-three; and  
 22 defray the cost of maintaining conservation and environmental control  
 23 programs. Such special assistance program for the towns and cities with-  
 24 in such county and the funding for such program shall equal one-third of  
 25 the revenues received by such county from the imposition of the three-  
 26 quarters percent sales and use tax during calendar years two thousand  
 27 one, two thousand two, two thousand three, two thousand four, two thou-  
 28 sand five, two thousand six, two thousand seven, two thousand eight, two  
 29 thousand nine, two thousand ten, two thousand eleven, two thousand  
 30 twelve, two thousand thirteen, two thousand fourteen, two thousand  
 31 fifteen, two thousand sixteen, two thousand seventeen, two thousand  
 32 eighteen, two thousand nineteen, two thousand twenty, two thousand twen-  
 33 ty-one, two thousand twenty-two ~~and~~, two thousand twenty-three and  
 34 each calendar year thereafter additional to the regular three percent  
 35 rate authorized for such county in section twelve hundred ten of this  
 36 article. The monies for such special local assistance shall be paid and  
 37 distributed to the towns and cities on a per capita basis using the  
 38 population figures in the latest decennial federal census. Provided  
 39 further, that notwithstanding any other law to the contrary, the estab-  
 40 lishment of such special assistance program shall preclude any city or  
 41 town within such county from preempting or claiming under any other  
 42 section of this chapter the revenues derived from the additional tax  
 43 authorized by section twelve hundred ten of this article. Provided  
 44 further, that any such town or towns may, by resolution of the town  
 45 board, apportion all or a part of monies received in such special  
 46 assistance program to an improvement district or special district  
 47 account within such town or towns in order to accomplish the purposes of  
 48 this special assistance program.

49 2. Villages. Notwithstanding any other provision of law to the contra-  
 50 ry, for the calendar year beginning on January first, nineteen hundred  
 51 ninety-eight and continuing through the calendar year beginning on Janu-  
 52 ary first, two thousand twenty-three, and each calendar year thereafter,  
 53 the county of Nassau, by local law, is hereby empowered to enact and  
 54 establish a local government assistance program for the villages within  
 55 such county to assist such villages to minimize real property taxes;  
 56 defray the cost and expense of the treatment, collection, management,

1 disposal, and transportation of municipal solid waste; and defray the  
2 cost of maintaining conservation and environmental control programs. The  
3 funding of such local assistance program for the villages within such  
4 county may be provided by Nassau county during any calendar year in  
5 which such village local assistance program is in effect and shall not  
6 exceed one-sixth of the revenues received from the imposition of the  
7 three-quarters percent sales and use tax that are remaining after the  
8 towns and cities have received their funding pursuant to the provisions  
9 of subdivision one of this section. The funding for such village local  
10 assistance program shall be paid and distributed to the villages on a  
11 per capita basis using the population figures in the latest decennial  
12 federal census. Provided further, that the establishment of such village  
13 local assistance program shall preclude any village within such county  
14 from preempting or claiming under any other section of this chapter the  
15 revenues derived from the additional tax authorized by section twelve  
16 hundred ten of this article.

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

20 § 1262-g. Oneida county allocation and distribution of net collections  
21 from the additional [~~one percent rate~~] rates of sales and compensating  
22 use taxes. Notwithstanding any contrary provision of law, (a) if the  
23 county of Oneida imposes sales and compensating use taxes at a rate  
24 which is one percent additional to the three percent rate authorized by  
25 section twelve hundred ten of this article, as authorized by such  
26 section, [~~(a)~~] (i) where a city in such county imposes tax pursuant to  
27 the authority of subdivision (a) of such section twelve hundred ten,  
28 such county shall allocate, distribute and pay in cash quarterly to such  
29 city one-half of the net collections attributable to such additional one  
30 percent rate of the county's taxes collected in such city's boundaries;  
31 [~~(b)~~] (ii) where a city in such county does not impose tax pursuant to  
32 the authority of such subdivision (a) of such section twelve hundred  
33 ten, such county shall allocate, distribute and pay in cash quarterly to  
34 such city not so imposing tax a portion of the net collections attribut-  
35 able to one-half of the county's additional one percent rate of tax  
36 calculated on the basis of the ratio which such city's population bears  
37 to the county's total population, such populations as determined in  
38 accordance with the latest decennial federal census or special popu-  
39 lation census taken pursuant to section twenty of the general municipal  
40 law completed and published prior to the end of the quarter for which  
41 the allocation is made, which special census must include the entire  
42 area of the county; [~~and (c)~~] provided, however, that such county shall  
43 dedicate the first one million five hundred thousand dollars of net  
44 collections attributable to such additional one percent rate of tax  
45 received by such county after the county receives in the aggregate eigh-  
46 teen million five hundred thousand dollars of net collections from such  
47 additional one percent rate of tax [~~imposed for any of the periods:~~  
48 ~~September first, two thousand twelve through August thirty first, two~~  
49 ~~thousand thirteen; September first, two thousand thirteen through August~~  
50 ~~thirty first, two thousand fourteen; and September first, two thousand~~  
51 ~~fourteen through August thirty first, two thousand fifteen; September~~  
52 ~~first, two thousand fifteen through August thirty first, two thousand~~  
53 ~~sixteen; and September first, two thousand sixteen through August thir-~~  
54 ~~ty first, two thousand seventeen; September first, two thousand seven-~~  
55 ~~teen through August thirty first, two thousand eighteen; September~~  
56 ~~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.

§ 12. Section 1262-h of the tax law, as amended by chapter 315 of the laws of 2020, is amended to read as follows:

§ 1262-h. Allocation and distribution of net collections from the additional one percent rate of sales and compensating use taxes in Steuben county. Notwithstanding any provision of law to the contrary, of the net collections received by the county of Steuben as a result of the imposition of the additional one percent rate of tax authorized by section twelve hundred ten of this article [~~(a) during the period beginning December first, nineteen hundred ninety-three and ending November thirtieth, nineteen hundred ninety-four, the county of Steuben shall pay or cause to be paid to the city of Hornell the sum of two hundred thousand dollars, to the city of Corning the sum of three hundred thousand dollars, and the sum of five hundred thousand dollars to the towns and villages of the county of Steuben, on the basis of the ratio which the full valuation of real property in each town or village bears to the aggregate full valuation of real property in all of the towns and villages in such area. Of the net collections received by the county of Steuben as a result of the imposition of said additional one percent rate of tax authorized by section twelve hundred ten of this article during the period beginning December first, nineteen hundred ninety-four and ending November thirtieth, nineteen hundred ninety five, the county of Steuben shall pay or cause to be paid to the city of Hornell the sum of three hundred thousand dollars, to the city of Corning the sum of four hundred fifty thousand dollars, and the sum of seven hundred fifty thousand dollars to the towns and villages of the county of Steuben, on the basis of the ratio which the full valuation of real property in each town or village bears to the aggregate full valuation of real property in all of the towns and villages in such area, and (b) during the period beginning December first, nineteen hundred ninety-five and ending November thirtieth, two thousand seven, the county of Steuben shall annually pay or cause to be paid to the city of Hornell the sum of five hundred~~

1  ~~fifty thousand dollars, to the city of Corning the sum of six hundred~~  
2  ~~thousand dollars, and the sum of seven hundred fifty thousand dollars to~~  
3  ~~the towns and villages of the county of Steuben, on the basis of the~~  
4  ~~ratio which the full valuation of real property in each town or village~~  
5  ~~bears to the aggregate full valuation of real property in all of the~~  
6  ~~towns and villages in such area; and during the period beginning Decem-~~  
7  ~~ber first, two thousand seven and ending November thirtieth, two thou-~~  
8  ~~sand nine, the county of Steuben shall annually pay or cause to be paid~~  
9  ~~to the city of Hornell the sum of six hundred ten thousand dollars, to~~  
10  ~~the city of Corning the sum of six hundred fifty thousand dollars, and~~  
11  ~~the sum of seven hundred fifty thousand dollars to the towns and~~  
12  ~~villages of the county of Steuben, on the basis of the ratio which the~~  
13  ~~full valuation of real property in each town or village bears to the~~  
14  ~~aggregate full valuation of real property in all of the towns and~~  
15  ~~villages in such area; and during the period beginning December first,~~  
16  ~~two thousand nine and ending November thirtieth, two thousand eleven,~~  
17  ~~the county of Steuben shall annually pay or cause to be paid to the city~~  
18  ~~of Hornell the sum of seven hundred ten thousand dollars, to the city of~~  
19  ~~Corning the sum of seven hundred ten thousand dollars, and the sum of~~  
20  ~~seven hundred fifty thousand dollars to the towns and villages of the~~  
21  ~~county of Steuben, on the basis of the ratio which the full valuation of~~  
22  ~~real property in each town or village bears to the aggregate full valu-~~  
23  ~~ation of real property in all of the towns and villages in such area;~~  
24  ~~and during the period beginning December first, two thousand eleven and~~  
25  ~~ending November thirtieth, two thousand thirteen, the county of Steuben~~  
26  ~~shall annually pay or cause to be paid to the city of Hornell the sum of~~  
27  ~~seven hundred forty thousand dollars, to the city of Corning the sum of~~  
28  ~~seven hundred forty thousand dollars, and the sum of seven hundred fifty~~  
29  ~~thousand dollars to the towns and villages of the county of Steuben, on~~  
30  ~~the basis of the ratio which the full valuation of real property in each~~  
31  ~~town or village bears to the aggregate full valuation of real property~~  
32  ~~in all of the towns and villages in such area; and during the period~~  
33  ~~beginning December first, two thousand thirteen and ending November~~  
34  ~~thirtieth, two thousand fifteen, the county of Steuben shall annually~~  
35  ~~pay or cause to be paid to the city of Hornell the sum of seven hundred~~  
36  ~~sixty-five thousand dollars, to the city of Corning the sum of seven~~  
37  ~~hundred sixty five thousand dollars, and the sum of seven hundred fifty~~  
38  ~~thousand dollars to the towns and villages of the county of Steuben, on~~  
39  ~~the basis of the ratio which the full valuation of real property in each~~  
40  ~~town or village bears to the aggregate full valuation of real property~~  
41  ~~in all of the towns and villages in such area; and during the period~~  
42  ~~beginning December first, two thousand fifteen and ending November thir-~~  
43  ~~tieth, two thousand seventeen, the county of Steuben shall annually pay~~  
44  ~~or cause to be paid to the city of Hornell the sum of seven hundred~~  
45  ~~sixty-five thousand dollars, to the city of Corning the sum of seven~~  
46  ~~hundred sixty five thousand dollars, and the sum of seven hundred fifty~~  
47  ~~thousand dollars to the towns and villages of the county of Steuben, on~~  
48  ~~the basis of the ratio which the full valuation of real property in each~~  
49  ~~town or village bears to the aggregate full valuation of real property~~  
50  ~~in all of the towns and villages in such area; and during the period~~  
51  ~~beginning December first, two thousand seventeen and ending November~~  
52  ~~thirtieth, two thousand twenty, the county of Steuben shall annually pay~~  
53  ~~or cause to be paid to the city of Hornell the sum of seven hundred~~  
54  ~~eighty thousand dollars, to the city of Corning the sum of seven hundred~~  
55  ~~eighty thousand dollars, and the sum of seven hundred fifty thousand~~  
56  ~~dollars to the towns and villages of the county of Steuben, on the basis~~

1 ~~of the ratio which the full valuation of real property in each town or~~  
2 ~~village bears to the aggregate full valuation of real property in all of~~  
3 ~~the towns and villages in such area, and during the] for any~~ period  
4 beginning on or after December first, two thousand twenty [~~and ending~~  
5 ~~November thirtieth, two thousand twenty-three~~], the county of Steuben  
6 shall annually pay or cause to be paid to the city of Hornell the sum of  
7 eight hundred twenty thousand dollars, to the city of Corning the sum of  
8 eight hundred twenty thousand dollars, and the sum of seven hundred  
9 ninety thousand dollars to the towns and villages of the county of Steu-  
10 ben, on the basis of the ratio which the full valuation of real property  
11 in each town or village bears to the aggregate full valuation of real  
12 property in all of the towns and villages in such area.

13 § 13. Subdivision (c) of section 1262-j of the tax law, as amended by  
14 section 2 of item TT of subpart C of part XXX of chapter 58 of the laws  
15 of 2020, is amended to read as follows:

16 (c) Notwithstanding any provision of law to the contrary, of the net  
17 collections received by the county of Suffolk as a result of the  
18 increase of one percent to the tax authorized by section twelve hundred  
19 ten of this article for [~~the~~] any period beginning or after June first,  
20 two thousand one [~~and ending November thirtieth, two thousand twenty-~~  
21 ~~three~~], imposed by local laws or resolutions (by simple majority) by the  
22 county legislature, and signed by the county executive, the county of  
23 Suffolk shall allocate such net collections as follows: no less than  
24 one-eighth and no more than three-eighths of such net collections  
25 received shall be dedicated for public safety purposes and the balance  
26 shall be deposited in the general fund of the county of Suffolk.

27 § 14. Section 1262-l of the tax law, as amended by section 2 of item  
28 MM of subpart C of part XXX of chapter 58 of the laws of 2020, is  
29 amended to read as follows:

30 § 1262-1. Allocation and distribution of net collections from the  
31 additional rate of sales and compensating use tax in Rockland county. 1.  
32 Notwithstanding any provision of law to the contrary, if the county of  
33 Rockland imposes the additional five-eighths of one percent rate of tax  
34 authorized by section twelve hundred ten of this article [~~during the~~]  
35 for each period beginning on or after March first, two thousand two,  
36 [~~and ending November thirtieth, two thousand twenty-three,~~] such county  
37 shall allocate and distribute twenty percent of the net collections from  
38 such additional rate to the towns and villages in the county in accord-  
39 ance with subdivision (c) of section twelve hundred sixty-two of this  
40 part on the basis of the ratio which the population of each such town or  
41 village bears to such county's total population; and

42 2. Notwithstanding any provision of law to the contrary, if the county  
43 of Rockland imposes the additional three-eighths of one percent rate of  
44 tax authorized by section twelve hundred ten of this article [~~during~~  
45 ~~the~~] for any period beginning on or after March first, two thousand  
46 seven, [~~and ending November thirtieth, two thousand twenty-three,~~] such  
47 county shall allocate and distribute [~~sixteen and two-thirds~~] thirty-  
48 three and one-third percent of the net collections from such additional  
49 rate to the general funds of towns and villages within the county of  
50 Rockland with existing town and village police departments from [~~March~~  
51 ~~first, two thousand seven through December thirty first, two thousand~~  
52 ~~seven and thirty three and one third percent of the net collections from~~  
53 ~~such additional rate from~~] January first, two thousand eight [~~through~~  
54 ~~November thirtieth, two thousand twenty-three~~] and thereafter. The  
55 monies allocated and distributed pursuant to this subdivision shall be  
56 allocated and distributed to towns and villages with police departments

1 on the basis of the number of full-time equivalent police officers  
2 employed by each police department and shall not be used for salaries  
3 heretofore or hereafter negotiated.

4 § 15. Section 1262-n of the tax law, as amended by section 2 of item  
5 CC of subpart C of part XXX of chapter 58 of the laws of 2020, is  
6 amended to read as follows:

7 § 1262-n. Disposition of net collections from the additional one  
8 percent rate of sales and compensating use taxes in the county of  
9 Niagara. Notwithstanding any contrary provision of law, if the county  
10 of Niagara imposes the additional one percent rate of sales and compen-  
11 sating use taxes authorized by section twelve hundred ten of this arti-  
12 cle for all or any portion of [~~the~~] each period beginning on or after  
13 March first, two thousand three [~~and ending November thirtieth, two~~  
14 ~~thousand twenty-three,~~] the county shall use all net collections from  
15 such additional one percent rate to pay the county's expenses for Medi-  
16 caid. The net collections from the additional one percent rate imposed  
17 pursuant to this section shall be deposited in a special fund to be  
18 created by such county separate and apart from any other funds and  
19 accounts of the county. Any and all remaining net collections from such  
20 additional one percent tax, after the Medicaid expenses are paid, shall  
21 be deposited by the county of Niagara in the general fund of such county  
22 for any county purpose.

23 § 16. Section 1262-o of the tax law, as amended by section 2 of item F  
24 of subpart C of part XXX of chapter 58 of the laws of 2020, is amended  
25 to read as follows:

26 § 1262-o. Disposition of net collections from the additional rate of  
27 sales and compensating use taxes in the county of Chautauqua. [~~Notwith-~~  
28 ~~standing any contrary provision of law, if the county of Chautauqua~~  
29 ~~imposes the additional one and one-quarter percent rate of sales and~~  
30 ~~compensating use taxes authorized by section twelve hundred ten of this~~  
31 ~~article for all or any portion of the period beginning March first, two~~  
32 ~~thousand five and ending August thirty first, two thousand six, the~~  
33 ~~additional one percent rate authorized by such section for all or any of~~  
34 ~~the period beginning September first, two thousand six and ending Novem-~~  
35 ~~ber thirtieth, two thousand seven, the additional three-quarters of one~~  
36 ~~percent rate authorized by such section for all or any of the period~~  
37 ~~beginning December first, two thousand seven and ending November thirti-~~  
38 ~~eth, two thousand ten, the county shall allocate one fifth of the net~~  
39 ~~collections from the additional three-quarters of one percent to the~~  
40 ~~cities, towns and villages in the county on the basis of their respec-~~  
41 ~~tive populations, determined in accordance with the latest decennial~~  
42 ~~federal census or special population census taken pursuant to section~~  
43 ~~twenty of the general municipal law completed and published prior to the~~  
44 ~~end of the quarter for which the allocation is made, and allocate the~~  
45 ~~remainder of the net collections from the additional three-quarters of~~  
46 ~~one percent as follows: (1) to pay the county's expenses for Medicaid~~  
47 ~~and other expenses required by law; (2) to pay for local road and bridge~~  
48 ~~projects; (3) for the purposes of capital projects and repaying any~~  
49 ~~debts incurred for such capital projects in the county of Chautauqua~~  
50 ~~that are not otherwise paid for by revenue received from the mortgage~~  
51 ~~recording tax; and (4) for deposit into a reserve fund for bonded~~  
52 ~~indebtedness established pursuant to the general municipal law. Notwith-~~  
53 ~~standing any contrary provision of law, if the county of Chautauqua~~  
54 ~~imposes the additional one-half percent rate of sales and compensating~~  
55 ~~use taxes authorized by such section twelve hundred ten for all or any~~  
56 ~~of the period beginning December first, two thousand ten and ending~~

~~November thirtieth, two thousand fifteen, the county shall allocate three tenths of the net collections from the additional one half of one percent to the cities, towns and villages in the county on the basis of their respective populations, 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, and allocate the remainder of the net collections from the additional one half of one percent as follows: (1) to pay the county's expenses for Medicaid and other expenses required by law; (2) to pay for local road and bridge projects; (3) for the purposes of capital projects and repaying any debts incurred for such capital projects in the county of Chautauqua that are not otherwise paid for by revenue received from the mortgage recording tax; and (4) for deposit into a reserve fund for bonded indebtedness established pursuant to the general municipal law.]~~

Notwithstanding any contrary provision of law, if the county of Chautauqua imposes the additional one percent rate of sales and compensating use taxes authorized by such section twelve hundred ten for all or any of [~~the~~] any period beginning on or after December first, two thousand fifteen and [~~ending November thirtieth, two thousand twenty-three,~~] the county shall allocate three-twentieths of the net collections from the additional one percent to the cities, towns and villages in the county on the basis of their respective populations, 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, and allocate the remainder of the net collections from the additional one percent as follows: (1) to pay the county's expenses for Medicaid and other expenses required by law; (2) to pay for local road and bridge projects; (3) for the purposes of capital projects and repaying any debts incurred for such capital projects in the county of Chautauqua that are not otherwise paid for by revenue received from the mortgage recording tax; and (4) for deposit into a reserve fund for bonded indebtedness established pursuant to the general municipal law. The net collections from the additional rates imposed pursuant to this section 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 to be used for purposes above described.

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

§ 1262-p. Disposition of net collections from the additional one percent rate of sales and compensating use taxes in the county of Livingston. Notwithstanding any contrary provision of law, if the county of Livingston imposes the additional one percent rate of sales and compensating use taxes authorized by section twelve hundred ten of this article for all or any portion of [~~the~~] any period beginning on or after June first, two thousand three [~~and ending November thirtieth, two thousand twenty-three~~], the county shall use all net collections from such additional one percent rate to pay the county's expenses for Medicaid. The net collections from the additional one percent rate imposed pursuant to this section 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 one percent tax, after the Medicaid expenses are paid, shall be deposit-

1 ed by the county of Livingston in the general fund of such county for  
2 any county purpose.

3 § 18. Subdivision 1 of section 1262-q of the tax law, as amended by  
4 chapter 243 of the laws of 2011, is amended to read as follows:

5 (1) If the county of Erie imposes the additional one percent rate of  
6 sales and compensating use taxes authorized by [~~item (i) of clause (4)~~  
7 ~~of subparagraph (i) of the opening paragraph of~~] section twelve hundred  
8 ten of this article [~~during the~~] for any period beginning January first,  
9 two thousand seven, or thereafter, the county shall allocate each calen-  
10 dar year the first twelve million five hundred thousand dollars of the  
11 net collections from such one percent rate to the cities of such county  
12 and the area in such county outside its cities to be applied or distrib-  
13 uted in the same manner and proportion as the net collections for such  
14 cities and area are applied or distributed under the revenue distrib-  
15 ution agreement entered into pursuant to the authority of subdivision  
16 (c) of section twelve hundred sixty-two of this part in effect on Janu-  
17 ary first, two thousand six, and subject to all provisions of such  
18 agreement governing the net collections for such cities and area and  
19 shall retain the remainder of such net collections for any county  
20 purpose.

21 § 19. Subdivision 2 of section 1262-q of the tax law, as amended by  
22 section 2 of item N of subpart C of part XXX of chapter 58 of the laws  
23 of 2020, is amended to read as follows:

24 (2) Net collections from the additional three-quarters of one percent  
25 rate of sales and compensating use taxes which the county may impose  
26 [~~during the period~~] commencing December first, two thousand eleven, [~~and~~  
27 ~~ending November thirtieth, two thousand twenty three,~~] pursuant to the  
28 authority of [~~item (ii) of clause (4) of subparagraph (i) of the opening~~  
29 ~~paragraph of~~] section twelve hundred ten of this article shall be used  
30 by the county solely for county purposes and shall not be subject to any  
31 revenue distribution agreement the county entered into pursuant to the  
32 authority of subdivision (c) of section twelve hundred sixty-two of this  
33 part.

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

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

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

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

1 § 1262-s. Disposition of net collections from the additional one-quarter  
2 ter of one percent rate of sales and compensating use taxes in the county  
3 ty of Herkimer. Notwithstanding any contrary provision of law, if the  
4 county of Herkimer imposes ~~[the additional]~~ sales and compensating use  
5 tax at a rate that is one and one-quarter ~~[of one]~~ percent ~~[rate of~~  
6 ~~sales and compensating use taxes]~~ additional to the three percent rate  
7 authorized by section twelve hundred ten of this article as authorized  
8 by ~~[section twelve hundred ten-E]~~ clause two of subparagraph (i) of the  
9 opening paragraph of section twelve hundred ten of this article ~~[for all~~  
10 ~~or any portion of the period beginning December first, two thousand~~  
11 ~~seven and ending November thirtieth, two thousand twenty three]~~, the  
12 county shall use all net collections ~~[from such]~~ attributable to the  
13 additional one-quarter ~~[of one]~~ percent of such additional rate to pay  
14 the county's expenses for the construction of additional correctional  
15 facilities. The net collections from ~~[the]~~ such additional one-quarter  
16 percent of such additional rate ~~[imposed pursuant to section twelve~~  
17 ~~hundred ten-E of this article]~~ shall be deposited in a special fund to  
18 be created by such county separate and apart from any other funds and  
19 accounts of the county. Any and all remaining net collections from such  
20 additional tax, after the expenses of such construction are paid, shall  
21 be deposited by the county of Herkimer in the general fund of such county  
22 for any county purpose.

23 § 22. Section 1262-t of the tax law, as added by chapter 67 of the  
24 laws of 2015, is amended to read as follows:

25 § 1262-t. City of Yonkers - disposition of net collections from the  
26 additional one-half of one percent rate of sales and compensating use  
27 taxes in the city of Yonkers. Notwithstanding any provision of law to  
28 the contrary, if the city of Yonkers imposes the additional one-half of  
29 one percent rate of sales and compensating use taxes authorized by ~~[item~~  
30 ~~(b) of clause one of]~~ subparagraph (ii) of the opening paragraph of  
31 section twelve hundred ten of this article, the city shall use the net  
32 collections from such additional one-half of one percent rate solely for  
33 the support of education, unless the city council votes, on an annual  
34 basis, to use such net collections for a different purpose of the city,  
35 provided, however, that the requirements of paragraph b of subdivision  
36 five-b of section two thousand five hundred seventy-six of the education  
37 law are met.

38 § 23. The tax law is amended by adding a new section 1262-w to read as  
39 follows:

40 § 1262-w. Disposition of net collections from the additional rate of  
41 sales and compensating use tax in Clinton county. Notwithstanding any  
42 contrary provision of law, if the county of Clinton imposes the addi-  
43 tional one percent rate of sales and compensating use taxes authorized  
44 pursuant to clause two of subparagraph (i) of the opening paragraph of  
45 section twelve hundred ten of this article, net collections from such  
46 additional rate shall be paid to the county and the county shall set  
47 aside such net collections and use them solely for county purposes. Such  
48 net collections shall not be subject to any revenue distribution agree-  
49 ment entered into by the county and the city in the county pursuant to  
50 the authority of subdivision (c) of section twelve hundred sixty-two of  
51 this part.

52 § 24. The tax law is amended by adding a new section 1262-x to read as  
53 follows:

54 § 1262-x. Allocation and distribution of net collections from the  
55 additional one percent rate of sales and compensating use taxes in West-  
56 chester county. Notwithstanding any provision of law to the contrary,

1 if the county of Westchester imposes the additional one percent rate of  
2 sales and compensating use tax authorized by section twelve hundred ten  
3 of this article, the county shall allocate and credit or pay net  
4 collections from such additional one percent rate with respect to the  
5 area of the county outside any city imposing sales and compensating use  
6 taxes at a rate of one and one-half percent or greater pursuant to the  
7 authority of subdivision (a) or at any rate pursuant to the authority of  
8 subdivision (b) of section twelve hundred ten of this article as  
9 follows:

10 (1) Seventy percent of such net collections shall be retained by the  
11 county to be used for any county purpose.

12 (2) Ten percent of such net collections shall be allocated and paid  
13 quarterly by the county commissioner of finance, in cash, to the several  
14 school districts in such area of the county outside any such city impos-  
15 ing sales and compensating use taxes. Such allocation and payment, to  
16 such several school districts, shall be made on the basis of the ratio  
17 which the population of each such school district bears to the aggregate  
18 population of all of the school districts in such area. In the case of  
19 school districts which are partially within and partially without the  
20 county, or partially within or partially without the area of the county  
21 outside a city imposing sales and compensating use taxes, the allocation  
22 and payment to each such school district shall be made on the basis of  
23 the population in such school district in the county, or in such area of  
24 the county outside a city imposing sales and compensating use taxes, as  
25 the case may be. Such populations shall be determined in accordance with  
26 the latest federal census or special population census under section  
27 twenty of the general municipal law completed and published prior to the  
28 end of the quarter in which such allocation and payment are made, which  
29 special population census shall include the entire area of the county;  
30 provided that such special population census shall not be taken more  
31 than once in every two years. A school district split between Westches-  
32 ter county and another county shall apply such allocation and payment  
33 solely to the benefit of the residents of the county in which the sales  
34 and compensating use taxes are imposed.

35 (3) Twenty percent of such net collections shall be allocated and paid  
36 quarterly by the county commissioner of finance, in cash, to the cities  
37 not imposing sales and compensating use taxes and to the towns and  
38 villages on which such rate is imposed, on the basis of the ratio which  
39 the population of each such city, town or village on which such rate is  
40 imposed bears to the entire population of all such cities, towns and  
41 villages in the area on which such rate is imposed. Such populations  
42 shall be determined in accordance with the latest federal census or  
43 special population census under section twenty of the general municipal  
44 law completed and published prior to the end of the quarter in which  
45 such allocation is made, which special population census shall include  
46 the entire area of the county; provided that such special population  
47 census shall not be taken more than once in every two years.

48 § 25. Paragraph 2 of subdivision (c) of section 1261 of the tax law,  
49 as amended by chapter 67 of the laws of 2015, is amended to read as  
50 follows:

51 (2) However, the taxes, penalties and interest from the additional one  
52 percent rate which the city of Yonkers is authorized to impose pursuant  
53 to [~~item (a) of clause one of~~] subparagraph (ii) of the opening para-  
54 graph of section twelve hundred ten of this article, after the comp-  
55 troller has reserved such refund fund and such cost shall be paid to the  
56 special sales and compensating use tax fund for the city of Yonkers



1 established by section ninety-two-f of the state finance law at the  
2 times set forth in the preceding sentence.

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

5 § 1265. References to certain provisions authorizing additional rates.  
6 Notwithstanding any provision of law to the contrary, any reference in  
7 any section of this chapter or other law, or in any local law, ordi-  
8 nance, or resolution adopted pursuant to the authority of this article,  
9 to net collections or revenues from a tax imposed by a county or city  
10 pursuant to the authority of a clause, or to a subclause of a clause, of  
11 subparagraph (i) or (ii) of the opening paragraph of section twelve  
12 hundred ten of this article repealed by section one or two of a part of  
13 the chapter of the laws of two thousand twenty-three that added this  
14 section or pursuant to section twelve hundred ten-E of this article  
15 repealed by section five of such part shall be deemed to be a reference  
16 to net collections or revenues from a tax imposed by that county or city  
17 pursuant to the authority of the equivalent provision of clause two of  
18 subparagraph (i) or to subparagraph (ii) of the opening paragraph of  
19 such section twelve hundred ten as added by such section one or two of  
20 such part of the chapter of the laws of two thousand twenty-three.

21 § 27. Section 7 of chapter 67 of the laws of 2015, amending the tax  
22 law relating to authorizing the city of Yonkers to impose additional  
23 sales tax, as amended by section 2 of item CCC of subpart C of part XXX  
24 of chapter 58 of the laws of 2020, is amended to read as follows:

25 § 7. This act shall take effect immediately [~~and shall expire and be~~  
26 ~~deemed repealed November 30, 2023~~].

27 § 28. Section 2 of item R of subpart C of part XXX of chapter 58 of  
28 the laws of 2020 amending the tax law relating to extending the expira-  
29 tion of the authorization to the county of Genesee to impose an addi-  
30 tional one percent of sales and compensating use taxes, is amended to  
31 read as follows:

32 § 2. Notwithstanding any other provision of law to the contrary, the  
33 one percent increase in sales and compensating use taxes authorized for  
34 the county of Genesee [~~until November 30, 2023~~] pursuant to [~~clause 20~~  
35 ~~of subparagraph (i) of the opening paragraph of~~] section 1210 of the tax  
36 law[~~, as amended by section one of this act,~~] shall be divided in the  
37 same manner and proportion as the existing three percent sales and  
38 compensating use taxes in such county are divided.

39 § 29. Section 2 of item Z of subpart C of part XXX of chapter 58 of  
40 the laws of 2020 amending the tax law relating to the imposition of  
41 sales and compensating use taxes by the county of Monroe, is amended  
42 to read as follows:

43 § 2. Notwithstanding the provisions of subdivisions (b) and (c) of  
44 section 1262 and section 1262-g of the tax law, net collections, as such  
45 term is defined in section 1262 of the tax law, derived from the imposi-  
46 tion of sales and compensating use taxes by the county of Monroe at the  
47 additional rate of one percent as authorized pursuant to [~~clause (25) of~~  
48 ~~subparagraph (i) of the opening paragraph of~~] section 1210 of the tax  
49 law[~~, as amended by section one of this act,~~] which are in addition to  
50 the current net collections derived from the imposition of such taxes at  
51 the three percent rate authorized by [~~the opening paragraph of~~] section  
52 1210 of the tax law, shall be distributed and allocated as follows: for  
53 [~~the~~] any period [~~of~~] beginning on or after December 1, 2020 [~~through~~  
54 ~~November 30, 2023~~] in cash, five percent to the school districts in the  
55 area of the county outside the city of Rochester, three percent to the  
56 towns located within the county, one and one-quarter percent to the

1 villages located within the county, and ninety and three-quarters  
2 percent to the city of Rochester and county of Monroe. The amount of the  
3 ninety and three-quarters percent to be distributed and allocated to the  
4 city of Rochester and county of Monroe shall be distributed and allo-  
5 cated to each so that the combined total distribution and allocation to  
6 each from the sales tax revenues pursuant to sections 1262 and 1262-g of  
7 the tax law and this section shall result in the same total amount being  
8 distributed and allocated to the city of Rochester and county of Monroe.  
9 The amount so distributed and allocated to the county shall be used for  
10 county purposes. The foregoing cash payments to the school districts  
11 shall be allocated on the basis of the enrolled public school pupils,  
12 thereof, as such term is used in subdivision (b) of section 1262 of the  
13 tax law, residing in the county of Monroe. The cash payments to the  
14 towns located within the county of Monroe shall be allocated on the  
15 basis of the ratio which the population of each town, exclusive of the  
16 population of any village or portion thereof located within a town,  
17 bears to the total population of the towns, exclusive of the population  
18 of the villages located within such towns. The cash payments to the  
19 villages located within the county shall be allocated on the basis of  
20 the ratio which the population of each village bears to the total popu-  
21 lation of the villages located within the county. The term population as  
22 used in this section shall have the same meaning as used in subdivision  
23 (b) of section 1262 of the tax law.

24 § 30. Section 4 of item EE of subpart C of part XXX of chapter 58 of  
25 the laws of 2020 amending the tax law relating to extending the authori-  
26 zation of the county of Onondaga to impose an additional rate of sales  
27 and compensating use taxes, is amended to read as follows:

28 § 4. Notwithstanding any contrary provision of law, net collections  
29 from the additional one percent rate of sales and compensating use taxes  
30 which may be imposed by the county of Onondaga during ~~[the]~~ any period  
31 commencing on or after December 1, 2022 ~~[and ending November 30, 2023]~~,  
32 pursuant to the authority of section 1210 of the tax law, shall not be  
33 subject to any revenue distribution agreement entered into under subdivi-  
34 sion (c) of section 1262 of the tax law, but shall be allocated and  
35 distributed or paid, at least quarterly, as follows: (i) 1.58% to the  
36 county of Onondaga for any county purpose; (ii) 97.79% to the city of  
37 Syracuse; and (iii) .63% to the school districts in accordance with  
38 subdivision (a) of section 1262 of the tax law.

39 § 31. Section 2 of item GG of subpart C of part XXX of chapter 58 of  
40 the laws of 2020 amending the tax law relating to extending the authori-  
41 ty of the county of Orange to impose an additional rate of sales and  
42 compensating use taxes, is amended to read as follows:

43 § 2. Notwithstanding subdivision (c) of section 1262 of the tax law,  
44 net collections from any additional rate of sales and compensating use  
45 taxes which may be imposed by the county of Orange ~~[during the]~~ for any  
46 period commencing on or after December 1, 2020, ~~[and ending November 30,~~  
47 ~~2023]~~ pursuant to the authority of section 1210 of the tax law, shall  
48 be paid to the county of Orange and shall be used by such county solely  
49 for county purposes and shall not be subject to any revenue distribution  
50 agreement entered into pursuant to the authority of subdivision (c) of  
51 section 1262 of the tax law.

52 § 32. Section 3 of item XX of subpart C of part XXX of chapter 58 of  
53 the laws of 2020 amending the tax law relating to extending the authori-  
54 ty of the county of Ulster to impose an additional 1 percent sales and  
55 compensating use tax, is amended to read as follows:

1 § 3. If, pursuant to the authority of this act, the county of Ulster  
2 imposes sales and compensating use taxes at a rate greater than three  
3 percent for all or any portion of [~~the~~ any period commencing on or  
4 after September 1, 2002, [~~and ending November 30, 2023,~~] net collections  
5 from such additional rate of tax imposed during such period shall be  
6 deemed to be, and shall be included in, net collections subject to such  
7 county's existing agreement with the city of Kingston entered into  
8 pursuant to subdivision (c) of section 1262 of the tax law and such net  
9 collections shall be allocated in accordance with such agreement.

10 § 33. This act shall take effect immediately.

11 PART P

12 Section 1. Section 1299-C of the tax law is REPEALED.

13 § 2. Notwithstanding any provision of law to the contrary, there shall  
14 be no refund of any registration fees paid prior to the effective date  
15 of this act.

16 § 3. This act shall take effect immediately.

17 PART Q

18 Section 1. Section 285-a of the tax law is amended by adding a new  
19 subdivision 4 to read as follow:

20 4. Upon each sale of motor fuel, other than a sale that is otherwise  
21 exempt under this article, the distributor must charge the tax imposed  
22 by this article to the purchaser on each gallon sold. If the taxes  
23 imposed by this article have not already been assumed or paid by a  
24 distributor on any quantity of such fuel for any reason, including, but  
25 not limited to, the expansion of such fuel as a result of temperature  
26 fluctuation, the distributor must remit such taxes to the commissioner  
27 on the return for the period in which such sale was made.

28 § 2. Section 285-b of the tax law is amended by adding a new subdivi-  
29 sion 5 to read as follows:

30 5. Upon each sale of Diesel motor fuel, other than a sale that is  
31 otherwise exempt under this article, the distributor must charge the tax  
32 imposed by this article to the purchaser on each gallon sold. If the  
33 taxes imposed by this article have not already been assumed or paid by a  
34 distributor on any quantity of such fuel for any reason, including, but  
35 not limited to, the expansion of such fuel as a result of temperature  
36 fluctuation, the distributor must remit such taxes to the commissioner  
37 on the return for the period in which such sale was made.

38 § 3. Section 308 of the tax law is amended by adding a new subdivision  
39 (j) to read as follows:

40 (j) Every petroleum business subject to tax under this article that is  
41 also a distributor, as defined in section two hundred eighty-two of this  
42 chapter, must charge the tax imposed by this article to the purchaser on  
43 each gallon sold, unless otherwise exempt. If the taxes imposed by this  
44 article have not already been assumed or paid by such petroleum business  
45 on any quantity of such fuel for any reason, including, but not limited  
46 to, the expansion of such fuel as a result of temperature fluctuation,  
47 such petroleum business must remit such taxes to the commissioner on the  
48 return for the period in which such sale was made.

49 § 4. Section 1102 of the tax law is amended by adding a new subdivi-  
50 sion (g) to read as follows:

51 (g) The tax imposed by this section must be charged on the sale, other  
52 than a retail sale or a sale that is otherwise exempt under this arti-

1 cle, of each gallon of motor fuel or Diesel motor fuel. If the taxes  
2 imposed by this section have not already been assumed or paid by the  
3 distributor on any quantity of such fuel for any reason, including, but  
4 not limited to, the expansion of such fuel as a result of temperature  
5 fluctuation, the distributor must remit such taxes to the commissioner  
6 on the return for the period in which such sale was made.

7 § 5. This act shall take effect on September 1, 2023 and shall apply  
8 to sales of motor fuel and Diesel motor fuel on or after such date.

9

## PART R

10 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of  
11 section 1115 of the tax law, as amended by section 1 of part GG of chap-  
12 ter 59 of the laws of 2022, is amended to read as follows:

13 (B) Until May [~~thirty-first~~ thirty-first, two thousand [~~twenty-three~~  
14 twenty-four, the food and drink excluded from the exemption provided by  
15 clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and  
16 bottled water, shall be exempt under this subparagraph: (i) when sold  
17 for one dollar and fifty cents or less through any vending machine oper-  
18 ated by a participant in the "business enterprise program", as such term  
19 is defined in paragraph two of subdivision a of section eleven-a of  
20 chapter four hundred fifteen of the laws of nineteen hundred thirteen  
21 that accepts coin or currency only; or (ii) when sold for two dollars or  
22 less through any vending machine operated by such a participant that  
23 accepts any form of payment other than coin or currency, whether or not  
24 it also accepts coin or currency.

25 § 2. This act shall take effect June 1, 2023.

26

## PART S

27 Section 1. Subdivision 1 of section 471 of the tax law, as amended by  
28 section 1 of part D of chapter 134 of the laws of 2010, is amended to  
29 read as follows:

30 1. There is hereby imposed and shall be paid a tax on all cigarettes  
31 possessed in the state by any person for sale, except that no tax shall  
32 be imposed on cigarettes sold under such circumstances that this state  
33 is without power to impose such tax, including sales to qualified Indi-  
34 ans for their own use and consumption on their nations' or tribes' qual-  
35 ified reservation, or sold to the United States or sold to or by a  
36 voluntary unincorporated organization of the armed forces of the United  
37 States operating a place for the sale of goods pursuant to regulations  
38 promulgated by the appropriate executive agency of the United States, to  
39 the extent provided in such regulations and policy statements of such an  
40 agency applicable to such sales. The tax imposed by this section is  
41 imposed on all cigarettes sold on an Indian reservation to non-members  
42 of the Indian nation or tribe and to non-Indians and evidence of such  
43 tax shall be by means of an affixed cigarette tax stamp. Indian nations  
44 or tribes may elect to participate in the Indian tax exemption coupon  
45 system established in section four hundred seventy-one-e of this article  
46 which provides a mechanism for the collection of the tax imposed by this  
47 section on cigarette sales on qualified reservations to such non-members  
48 and non-Indians and for the delivery of quantities of tax-exempt ciga-  
49 rettes to Indian nations or tribes for the personal use and consumption  
50 of qualified members of the Indian nation or tribe. If an Indian nation  
51 or tribe does not elect to participate in the Indian tax exemption  
52 coupon system, the prior approval system shall be the mechanism for the

1 delivery of quantities of tax-exempt cigarettes to Indian nations or  
2 tribes for the personal use and consumption of qualified members of the  
3 Indian nation or tribe as provided for in paragraph (b) of subdivision  
4 five of this section. Such tax on cigarettes shall be at the rate of  
5 [~~four~~ five dollars and thirty-five cents for each twenty cigarettes or  
6 fraction thereof, provided, however, that if a package of cigarettes  
7 contains more than twenty cigarettes, the rate of tax on the cigarettes  
8 in such package in excess of twenty shall be one dollar and [~~eight~~  
9 thirty-three and three-quarters cents for each five cigarettes or frac-  
10 tion thereof. Such tax is intended to be imposed upon only one sale of  
11 the same package of cigarettes. It shall be presumed that all cigarettes  
12 within the state are subject to tax until the contrary is established,  
13 and the burden of proof that any cigarettes are not taxable hereunder  
14 shall be upon the person in possession thereof.

15 § 2. Section 471-a of the tax law, as amended by section 5 of part D  
16 of chapter 134 of the laws of 2010, is amended to read as follows:

17 § 471-a. Use tax on cigarettes. There is hereby imposed and shall be  
18 paid a tax on all cigarettes used in the state by any person, except  
19 that no tax shall be imposed (1) if the tax provided in section four  
20 hundred seventy-one of this article is paid, (2) on the use of ciga-  
21 rettes which are exempt from the tax imposed by said section, or (3) on  
22 the use of four hundred or less cigarettes, brought into the state on,  
23 or in the possession of, any person. Such tax on cigarettes shall be at  
24 the rate of [~~four~~ five dollars and thirty-five cents for each twenty  
25 cigarettes or fraction thereof, provided, however, that if a package of  
26 cigarettes contains more than twenty cigarettes, the rate of tax on the  
27 cigarettes in such package in excess of twenty shall be one dollar and  
28 [~~eight~~ thirty-three and three-quarters cents for each five cigarettes  
29 or fraction thereof. Within twenty-four hours after liability for the  
30 tax accrues, each such person shall file with the commissioner a return  
31 in such form as the commissioner may prescribe together with a remit-  
32 tance of the tax shown to be due thereon. For purposes of this article,  
33 the word "use" means the exercise of any right or power actual or  
34 constructive and shall include but is not limited to the receipt, stor-  
35 age or any keeping or retention for any length of time, but shall not  
36 include possession for sale. All other provisions of this article if not  
37 inconsistent shall apply to the administration and enforcement of the  
38 tax imposed by this section in the same manner as if the language of  
39 said provisions had been incorporated in full into this section.

40 § 3. Notwithstanding any other provision of law to the contrary, the  
41 tax due on cigarettes possessed in New York state as of the close of  
42 business on August 31, 2023, by any person for sale solely attributable  
43 to the increase imposed by the amendments to section 471 of the tax law,  
44 as amended by section one of this act, shall be paid by November 20,  
45 2023, subject to such terms and conditions as the commissioner of taxa-  
46 tion and finance shall prescribe.

47 § 4. This act shall take effect on September 1, 2023, and shall apply  
48 to all cigarettes possessed in this state by any person for sale and all  
49 cigarettes used in this state by any person on or after such date.

50

## PART T

51 Section 1. Subdivision 4 of section 474 of the tax law, as amended by  
52 chapter 61 of the laws of 1989, is amended to read as follows:

53 4. (a) At the time of delivering cigarettes to any person each agent  
54 or wholesale dealer, and at the time of delivering tobacco products to

1 any person each distributor or wholesale dealer of tobacco products,  
2 shall make a true duplicate invoice showing the date of delivery, the  
3 number of packages and number of cigarettes contained therein, in each  
4 shipment of cigarettes delivered, and the items and quantity and whole-  
5 sale price of each item in each shipment of tobacco products delivered,  
6 and the name of the purchaser to whom delivery is made, and shall retain  
7 the same for a period of three years subject to the use and inspection  
8 of the commissioner [~~of taxation and finance~~]. Each dealer shall procure  
9 and retain invoices showing the number of packages and number of ciga-  
10 rettes contained therein, in each shipment of cigarettes received by him  
11 or her, and the items and quantity and wholesale price of each item in  
12 each shipment of tobacco products received by him or her, the date ther-  
13 eof, and the name of the shipper, and shall retain the same for a period  
14 of three years subject to the use and inspection of the commissioner [~~of~~  
15 ~~taxation and finance~~]. The commissioner [~~of taxation and finance~~] by  
16 regulation may provide that whenever cigarettes or tobacco products are  
17 shipped into the state, the railroad company, express company, trucking  
18 company or other public carrier transporting any shipment thereof shall  
19 file with the commissioner [~~of taxation and finance~~] a copy of the  
20 freight bill within ten days after the delivery in the state of each  
21 shipment. All dealers shall maintain and keep for a period of three  
22 years such other records of cigarettes or tobacco products received,  
23 sold or delivered within the state as may be required by the commission-  
24 er [~~of taxation and finance~~]. The commissioner [~~of taxation and finance~~]  
25 is hereby authorized to examine the books, papers, invoices and other  
26 records of any person in possession, control or occupancy of any prem-  
27 ises where cigarettes or tobacco products are placed, stored, sold or  
28 offered for sale, and the equipment of any such person pertaining to the  
29 stamping of cigarettes or the sale and delivery of cigarettes or tobacco  
30 products taxable under this article, as well as the stock of cigarettes  
31 or tobacco products in any such premises or vehicle. To verify the accu-  
32 racy of the tax imposed and assessed by this article, each such person  
33 is hereby directed and required to give to the commissioner [~~of taxation~~  
34 ~~and finance~~] or his or her duly authorized representatives, the means,  
35 facilities and opportunity for such examinations as are herein provided  
36 for and required.

37 (b) If a retail dealer, or its employees or agents, refuses to give  
38 the commissioner or his or her duly authorized representatives, the  
39 means, facilities and opportunity for such examinations as are required  
40 and provided for by this section: (i) its registration to sell ciga-  
41 rettes and tobacco products shall be revoked for a period of one year;  
42 (ii) for a second such failure within a period of three years, its  
43 registration shall be permanently revoked. If such retail dealer does  
44 not possess a valid registration, either because it failed to obtain a  
45 registration or its registration is suspended or revoked at the time of  
46 such refusal, the retail dealer shall be subject to a penalty of up to  
47 five thousand dollars for a first refusal and up to ten thousand dollars  
48 for a second refusal within three years.

49 § 2. This act shall take effect immediately.

50

#### PART U

51 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of  
52 subdivision (b) of section 1402 of the tax law, as amended by section 1  
53 of item UUU of subpart B of part XXX of chapter 58 of the laws of 2020,  
54 is amended to read as follows:

1 For purposes of this subdivision, the phrase "real estate investment  
2 trust transfer" shall mean any conveyance of real property or an inter-  
3 est therein to a REIT, or to a partnership or corporation in which a  
4 REIT owns a controlling interest immediately following the conveyance,  
5 which conveyance (I) occurs in connection with the initial formation of  
6 the REIT, provided that the conditions set forth in clauses (i) and (ii)  
7 of this subparagraph are satisfied, or (II) in the case of any real  
8 estate investment trust transfer occurring on or after July thirteenth,  
9 nineteen hundred ninety-six and before September first, two thousand  
10 [~~twenty-three~~] twenty-six, is described in the last sentence of this  
11 subparagraph.

12 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
13 1201 of the tax law, as amended by section 2 of item UUU of subpart B of  
14 part XXX of chapter 58 of the laws of 2020, is amended to read as  
15 follows:

16 (2) any issuance or transfer of an interest in a REIT, or in a part-  
17 nership or corporation in which a REIT owns a controlling interest imme-  
18 diately following the issuance or transfer, in connection with a trans-  
19 action described in subparagraph one of this paragraph. Notwithstanding  
20 the foregoing, a transaction described in the preceding sentence shall  
21 not constitute a real estate investment trust transfer unless (A) it  
22 occurs in connection with the initial formation of the REIT and the  
23 conditions described in subparagraphs three and four of this paragraph  
24 are satisfied, or (B) in the case of any real estate investment trust  
25 transfer occurring on or after July thirteenth, nineteen hundred nine-  
26 ty-six and before September first, two thousand [~~twenty-three~~] twenty-  
27 six, the transaction is described in subparagraph five of this paragraph  
28 in which case the provisions of such subparagraph shall apply.

29 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
30 11-2102 of the administrative code of the city of New York, as amended  
31 by section 3 of item UUU of subpart B of part XXX of chapter 58 of the  
32 laws of 2020, is amended to read as follows:

33 (B) any issuance or transfer of an interest in a REIT, or in a part-  
34 nership or corporation in which a REIT owns a controlling interest imme-  
35 diately following the issuance or transfer in connection with a trans-  
36 action described in subparagraph (A) of this paragraph. Notwithstanding  
37 the foregoing, a transaction described in the preceding sentence shall  
38 not constitute a real estate investment trust transfer unless (i) it  
39 occurs in connection with the initial formation of the REIT and the  
40 conditions described in subparagraphs (C) and (D) of this paragraph are  
41 satisfied, or (ii) in the case of any real estate investment trust  
42 transfer occurring on or after July thirteenth, nineteen hundred nine-  
43 ty-six and before September first, two thousand [~~twenty-three~~] twenty-  
44 six, the transaction is described in subparagraph (E) of this paragraph  
45 in which case the provision of such subparagraph shall apply.

46 § 4. This act shall take effect immediately.

47

#### PART V

48 Section 1. Section 2016 of the tax law, as amended by chapter 401 of  
49 the laws of 1987, is amended to read as follows:

50 § 2016. Judicial review. A decision of the tax appeals tribunal, which  
51 is not subject to any further administrative review, shall finally and  
52 irrevocably decide all the issues which were raised in proceedings  
53 before the division of tax appeals upon which such decision is based  
54 unless, within four months after notice of such decision is served by

1 the tax appeals tribunal upon every party to the proceeding before such  
2 tribunal by certified mail or personal service, the petitioner who  
3 commenced the proceeding [~~petitions~~] or the commissioner, or both, peti-  
4 tion for judicial review in the manner provided by article seventy-eight  
5 of the civil practice law and rules, except as otherwise provided in  
6 this [~~section~~] chapter. Such service by certified mail shall be  
7 complete upon deposit of such notice, enclosed in a post-paid properly  
8 addressed wrapper, in a post office or official depository under the  
9 exclusive care and custody of the United States postal service. [~~The~~]  
10 Where the petitioner who commenced the proceeding before the division of  
11 tax appeals files a petition for judicial review, the petition shall  
12 designate the tax appeals tribunal and the commissioner [~~of taxation and~~  
13 ~~finance~~] as respondents in the proceeding for judicial review. Where  
14 the commissioner files a petition for judicial review, the petition  
15 shall designate the tax appeals tribunal and the petitioner who  
16 commenced the proceeding before the division of tax appeals as respond-  
17 ents in the proceeding for judicial review. The tax appeals tribunal  
18 shall not participate in proceedings for judicial review of its deci-  
19 sions and such proceedings for judicial review shall be commenced in the  
20 appellate division of the supreme court, third department. In all other  
21 respects the provisions and standards of article seventy-eight of the  
22 civil practice law and rules shall apply. The record to be reviewed in  
23 such proceedings for judicial review shall include the determination of  
24 the administrative law judge, the decision of the tax appeals tribunal,  
25 the stenographic transcript of the hearing before the administrative law  
26 judge, the transcript of any oral proceedings before the tax appeals  
27 tribunal and any exhibit or document submitted into evidence at any  
28 proceeding in the division of tax appeals upon which such decision is  
29 based.  
30 § 2. This act shall take effect immediately and shall apply to deci-  
31 sions and orders issued by the tax appeals tribunal on or after such  
32 date.

## 33 PART W

34 Section 1. Subdivision 1 of section 105 of the state finance law, as  
35 amended by chapter 204 of the laws of 2002, is amended to read as  
36 follows:

37 1. All moneys received by the commissioner of taxation and finance on  
38 account of the state, excepting such moneys as are required by law to be  
39 deposited to the credit of the comptroller, but including such moneys as  
40 are thereafter paid into the state treasury by the comptroller, shall be  
41 deposited by the commissioner of taxation and finance within three busi-  
42 ness days after the receipt thereof, either as a demand deposit or an  
43 interest-bearing time deposit (other than a time certificate of depos-  
44 it), as [~~he~~] the commissioner and the comptroller may determine, in such  
45 banks, trust companies and industrial banks as in [~~his~~] the opinion of  
46 the commissioner and the opinion of the comptroller are secure. The  
47 moneys so deposited shall be placed to the account of the commissioner  
48 of taxation and finance. [~~He~~] The commissioner shall keep a bankbook in  
49 which shall be entered [~~his~~] their account of deposit in and moneys  
50 drawn from the banks and trust companies and industrial banks in which  
51 deposits are made by [~~him~~] the commissioner, which [~~he~~] they shall  
52 exhibit to the comptroller for [~~his~~] inspection on the first Tuesday of  
53 every month and oftener if required. [~~He~~] The commissioner shall not  
54 draw any moneys from such banks, trust companies or industrial banks



1 unless by checks signed and countersigned in the manner prescribed by  
2 section one hundred one, unless otherwise provided by law. No moneys  
3 shall be paid by any such bank, trust company or industrial bank out of  
4 any such deposit except upon such checks. Moneys may be paid through  
5 electronic transfer in accordance with procedures developed by the  
6 commissioner of taxation and finance and the comptroller and consistent  
7 with the requirements of this section for recording payments. Such  
8 payments through electronic transfer shall be considered, for purposes  
9 of this chapter, to be moneys drawn by check. Every such bank, trust  
10 company or industrial bank shall transmit to the comptroller monthly  
11 statements of all moneys received and paid by it on account of the  
12 commissioner of taxation and finance.

13 § 2. This act shall take effect immediately.

14

#### PART X

15 Section 1. Legislative findings. The legislature finds that it is in  
16 the interests of the state to assist The New York Racing Association,  
17 Inc., which is the franchised corporation pursuant to section two  
18 hundred six of the racing, pari-mutuel wagering and breeding law, to  
19 renovate Belmont Park racetrack and repurpose the Aqueduct property.  
20 The legislature further finds and determines that the anticipated cost  
21 of renovating Belmont Park racetrack is four hundred fifty-five million  
22 dollars and that the renovation of Belmont Park racetrack shall initial-  
23 ly be financed by the state subject to the provisions of the repayment  
24 agreement of the franchised corporation required by section two of this  
25 act. The franchised corporation will be responsible for repayment of the  
26 state funds in accordance with the terms of such repayment agreement.

27 § 2. Prior to, and as a condition to the state initially providing  
28 funds for the renovation of Belmont Park racetrack, the franchised  
29 corporation shall enter into a repayment agreement with the state  
30 authorizing and directing that a portion of the funds of the franchised  
31 corporation dedicated for capital expenditures of the franchised corpo-  
32 ration pursuant to paragraph 3 of subdivision f and paragraph 3 of  
33 subdivision f-1 of section 1612 of the tax law shall be used to repay  
34 the state for the funds provided by the state for the renovation of  
35 Belmont Park racetrack, in accordance with the repayment agreement  
36 between the state and the franchised corporation. Such agreement shall  
37 further provide that in the event the franchised corporation receives  
38 future statutory payments enacted for the specific purpose of holding  
39 the franchised corporation harmless for any loss of payments pursuant to  
40 paragraph 3 of subdivision f and paragraph 3 of subdivision f-1 of  
41 section 1612 of the tax law, such statutory payments shall also be used  
42 to repay the state for the funds provided by the state for the reno-  
43 vation of Belmont Park racetrack. Such agreement may also be amended  
44 from time to time as agreed to by the state and the franchised corpo-  
45 ration. At any time prior to the repayment of the state funds for the  
46 renovation of Belmont Park racetrack, the state may issue state personal  
47 income tax revenue bonds or state sales tax revenue bonds. In the event  
48 of the issuance of such bonds, the repayment agreement shall be revised  
49 to reflect the obligation of the franchised corporation to fully repay  
50 the debt service costs associated with such bonds.

51 § 3. Prior to, and as a condition of, the state initially providing  
52 funds for the renovation of Belmont Park racetrack, the franchised  
53 corporation shall also enter into an agreement with the state relin-  
54 quishing to the state its leasehold interest in real property located in

1 South Ozone Park, commonly known as Aqueduct Racetrack, upon substantial  
2 completion of the renovation of Belmont Park racetrack.

3 § 4. The New York State Gaming Commission shall ensure that to the  
4 extent that the law allows for a franchise agreement for the operation  
5 of Belmont Park racetrack with a franchisee other than the franchised  
6 corporation, the term of any such franchise agreement awarded after  
7 funding provided by the state for the renovation of Belmont Park race-  
8 track described by section one of this act shall include a provision  
9 obligating such franchisee to assume the payments of the franchised  
10 corporation required by section two of this act.

11 § 5. The opening paragraph of paragraph 3 of subdivision f of section  
12 1612 of the tax law is designated subparagraph (i) and a new subpara-  
13 graph (ii) is added to read as follows:

14 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event  
15 the state provides funds to the franchised corporation for the reno-  
16 vation of Belmont Park racetrack, out of the amount payable to the fran-  
17 chised corporation for capital expenditures pursuant to subparagraph (i)  
18 of this paragraph during any state fiscal year, an amount pursuant to  
19 the repayment agreement between the state and the franchised corporation  
20 shall instead be deposited into the miscellaneous capital projects fund,  
21 New York racing capital improvement fund as required to repay the state  
22 for funds provided for the renovation of Belmont Park racetrack. Any  
23 amount payable to the franchised corporation in any state fiscal year  
24 for capital expenditures pursuant to subparagraph (i) of this paragraph  
25 in excess of the amount pursuant to the repayment agreement between  
26 the state and the franchised corporation shall be deposited pursuant to  
27 subparagraph (i) of this paragraph. Once the state has been fully reim-  
28 bursed for the costs related to the renovation of Belmont Park race-  
29 track, this subparagraph shall no longer apply and subparagraph (i) of  
30 this paragraph shall apply.

31 § 6. The opening paragraph of paragraph 3 of subdivision f-1 of  
32 section 1612 of the tax law is designated subparagraph (i) and a new  
33 subparagraph (ii) is added to read as follows:

34 (ii) Notwithstanding subparagraph (i) of this paragraph, in the event  
35 the state provides funds to the franchised corporation for the reno-  
36 vation of Belmont Park racetrack, and in the event the amount deposited  
37 pursuant to subparagraph (ii) of paragraph three of subdivision f of  
38 this section is insufficient to make the required repayment pursuant to  
39 such subparagraph during any state fiscal year, an amount payable to the  
40 franchised corporation for capital expenditures pursuant to subparagraph  
41 (i) of this paragraph shall instead be deposited into the miscellaneous  
42 capital projects fund, New York racing capital improvement fund to the  
43 extent necessary, when combined with the amount set forth in subpara-  
44 graph (ii) of paragraph three of subdivision f of this section, to make  
45 any required repayment of funds provided by the state related to the  
46 renovation of Belmont Park racetrack during such fiscal year. Any amount  
47 payable to the franchised corporation in any state fiscal year for capi-  
48 tal expenditures pursuant to subparagraph (i) of this paragraph in  
49 excess of the amount pursuant to the repayment agreement between the  
50 state and the franchised corporation shall be deposited pursuant to  
51 subparagraph (i) of this paragraph. Once the state has been fully reim-  
52 bursed for such costs related to the renovation of Belmont Park race-  
53 track, this subparagraph shall no longer apply and subparagraph (i) of  
54 this paragraph shall apply.

55 § 7. The state comptroller is hereby authorized and directed to loan  
56 money in accordance with the provisions set forth in subdivision 5 of

1 section 4 of the state finance law to the miscellaneous capital projects  
2 fund, New York racing capital improvement fund.

3 § 8. 1. Notwithstanding any other provisions of law to the contrary,  
4 the dormitory authority, the urban development corporation, and the New  
5 York state thruway authority are hereby authorized to issue personal  
6 income tax revenue bonds or notes or state sales tax revenue bonds or  
7 notes in one or more series in an aggregate principal amount not to  
8 exceed four hundred fifty-five million dollars (\$455,000,000) excluding  
9 bonds or notes issued to pay costs of issuance of such bonds or notes  
10 and bonds or notes issued to refund or otherwise repay such bonds or  
11 notes previously issued, for the purpose of financing the renovation of  
12 Belmont Park racetrack.

13 2. Notwithstanding any other provision of law to the contrary, in  
14 order to assist the dormitory authority, urban development corporation,  
15 and the New York state thruway authority in undertaking the financing  
16 for the renovation of Belmont Park racetrack, the director of the budget  
17 is hereby authorized to enter into one or more financing agreements with  
18 the dormitory authority, the urban development corporation, and the New  
19 York state thruway authority, upon such terms and conditions as the  
20 director of the budget and the dormitory authority, the urban develop-  
21 ment corporation and the New York state thruway authority agree, so as  
22 to annually provide to the dormitory authority, the urban development  
23 corporation, and the New York state thruway authority, in the aggregate,  
24 a sum not to exceed the principal, interest, and related expenses  
25 required for such bonds and notes. Any financing agreement entered into  
26 pursuant to this section shall provide that the obligation of the state  
27 to pay the amount therein provided shall not constitute a debt of the  
28 state within the meaning of any constitutional or statutory provision  
29 and shall be deemed executory only to the extent of monies available and  
30 that no liability shall be incurred by the state beyond the monies  
31 available for such purpose, subject to annual appropriation by the  
32 legislature. Any such contract or any payments made or to be made there-  
33 under may be assigned and pledged by the dormitory authority, the urban  
34 development corporation, and the New York state thruway authority as  
35 security for such bonds and notes, as authorized by this section.

36 § 9. Notwithstanding any law to the contrary, and in accordance with  
37 section 4 of the state finance law, the comptroller is hereby authorized  
38 and directed in each state fiscal year to transfer, upon request of the  
39 director of the budget, up to the unencumbered balance or an amount up  
40 to twenty-five million eight hundred thousand dollars (\$25,800,000) from  
41 the miscellaneous capital projects fund, New York racing capital  
42 improvement fund to the general fund.

43 § 10. This act shall take effect immediately.

44 PART Y

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

48 (1) sixty percent of the total amount for which tickets have been sold  
49 for [~~a lawful lottery~~] the Quick Draw game [~~introduced on or after the~~  
50 ~~effective date of this paragraph,~~] subject to [~~the following provisions:~~  
51 ~~(A) such game shall be available only on premises occupied by licensed~~  
52 ~~lottery sales agents, subject to the following provisions:~~  
53 ~~(i) if the licensee does not hold a license issued pursuant to the~~  
54 ~~alcoholic beverage control law to sell alcoholic beverages for consump-~~

~~tion 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]; or~~

§ 2. This act shall take effect immediately.

## PART Z

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 502-a to read as follows:

§ 502-a. Closure of Catskill regional off-track betting corporation.

1. Catskill regional off-track betting corporation established under section five hundred two of this article is terminated, subject to the satisfaction of outstanding debts and obligations and distribution of any remaining assets, as set forth in this section.

2. Catskill regional off-track betting corporation shall continue in its existence solely for the purpose of satisfying all outstanding debts and obligations and distribution of any remaining assets, taking into account the priority requirements of subdivision two of section five hundred six and subdivision two of section five hundred sixteen of this article. Such corporation shall submit a list of all outstanding debts and obligations to the commission and a plan proposing the order in which such debts and obligations shall be satisfied. The commission shall approve or modify such plan. Once all debts and obligations are satisfied or all available funds have been exhausted, and any remaining assets are distributed, such corporation shall be terminated for all purposes. Such corporation may use the following to satisfy its existing debts and obligations:

(a) in accordance with subdivision four of section five hundred nine of this article, any remaining money in such corporation's capital reserve fund, after use of such funds for payment of the principal of bonds, interest on such bonds and the payment of any redemption premium required, as set forth in such section; and

(b) in accordance with subdivision four of section five hundred nine-a of this article, funds from its capital acquisition fund.

§ 2. Paragraph c of subdivision 1 of section 509 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended and a new subdivision 4 is added, to read as follows:

c. Any other moneys that may be made available to the corporation for the purpose of such capital reserve fund from any other source or sources. All moneys held in the capital reserve fund, except as [hereinafter]

1 provided in this paragraph and in subdivision four of this section,  
2 shall be used solely for the payment of the principal of bonds of the  
3 corporation, the payment of interest on such bonds, or the payment of  
4 any redemption premium required to be paid when such bonds are redeemed  
5 prior to maturity; provided, however, that moneys in such capital  
6 reserve fund shall not be withdrawn therefrom at any time in such amount  
7 as would reduce the amount of such fund to less than the maximum amount  
8 of principal and interest maturing and becoming due in any succeeding  
9 fiscal year of the corporation on all bonds of the corporation then  
10 outstanding, except for the purpose of paying principal of and interest  
11 on such bonds of the corporation maturing and becoming due and for the  
12 payment of which other moneys of the corporation are not available. Any  
13 income or interest earned by, or increment to, the capital reserve fund  
14 due to the investment thereof may be transferred to other funds or  
15 accounts to the extent it does not reduce the amount of the capital  
16 reserve fund below the maximum amount of principal and interest maturing  
17 and becoming due in any such succeeding fiscal year on all bonds of the  
18 corporation then outstanding.

19 4. Upon the termination of Catskill regional off-track betting corpo-  
20 ration pursuant to section five hundred two-a of this article, the  
21 remainder of the corporation's capital reserve fund, after such funds  
22 are used for the purposes set forth in paragraph c of subdivision one of  
23 this section, shall be used to pay other obligations, debts and liabil-  
24 ities of the corporation pursuant to the commission-approved plan  
25 described in subdivision two of section five hundred two-a of this arti-  
26 cle.

27 § 3. Section 509-a of the racing, pari-mutuel wagering and breeding  
28 law is amended by adding a new subdivision 4 to read as follows:

29 4. As of April first, two thousand twenty-three, Catskill regional  
30 off-track betting corporation may use any remaining money in its capital  
31 acquisition fund to pay off any outstanding debts and obligations in  
32 accordance with the commission-approved plan described in subdivision  
33 two of section five hundred two-a of this article. The use of such money  
34 shall be subject to the approval of the commission and shall not be used  
35 to pay the wages and benefits of employees of such corporation until all  
36 other debts and obligations have been satisfied. Any money remaining in  
37 the fund after such debts and obligations have been paid upon termi-  
38 nation of such corporation shall be distributed to the counties in  
39 accordance with law.

40 § 4. Section 521 of the racing, pari-mutuel wagering and breeding law  
41 is amended by adding a new subdivision 9 to read as follows:

42 9. Notwithstanding any other provision of this article to the contra-  
43 ry, a county for whose benefit Catskill regional off-track betting  
44 corporation had been established may enter into an agreement with an  
45 existing off-track betting corporation from a different region to  
46 provide the services authorized under this article within such county.

47 § 5. This act shall take effect immediately.

48

## PART AA

49 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
50 wagering and breeding law, as amended by section 1 of part DD of chapter  
51 59 of the laws of 2022, is amended to read as follows:

52 2. a. Notwithstanding any other provision of law or regulation to the  
53 contrary, from April nineteenth, two thousand twenty-one to March thir-  
54 ty-first, two thousand twenty-two, twenty-three percent of the funds,

1 not to exceed two and one-half million dollars, in the Catskill off-  
2 track betting corporation's capital acquisition fund and twenty-three  
3 percent of the funds, not to exceed four hundred forty thousand dollars,  
4 in the Capital off-track betting corporation's capital acquisition fund  
5 established pursuant to this section shall also be available to such  
6 off-track betting corporation for the purposes of statutory obligations,  
7 payroll, and expenditures necessary to accept authorized wagers.

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

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

27 d. Prior to a corporation being able to utilize the funds authorized  
28 by [~~paragraph~~] paragraphs b and c of this subdivision, the corporation  
29 must submit an expenditure plan to the gaming commission for review.  
30 Such plan shall include the corporation's outstanding liabilities,  
31 projected revenue for the upcoming year, a detailed explanation of how  
32 the funds will be used, and any other information determined necessary  
33 by the commission. Upon review, the commission will make a determination  
34 as to whether access to the funds is needed and warranted.

35 § 2. This act shall take effect immediately.

36 PART BB

37 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
38 racing, pari-mutuel wagering and breeding law, as amended by section 1  
39 of part EE of chapter 59 of the laws of 2022, is amended to read as  
40 follows:

41 (a) Any racing association or corporation or regional off-track  
42 betting corporation, authorized to conduct pari-mutuel wagering under  
43 this chapter, desiring to display the simulcast of horse races on which  
44 pari-mutuel betting shall be permitted in the manner and subject to the  
45 conditions provided for in this article may apply to the commission for  
46 a license so to do. Applications for licenses shall be in such form as  
47 may be prescribed by the commission and shall contain such information  
48 or other material or evidence as the commission may require. No license  
49 shall be issued by the commission authorizing the simulcast transmission  
50 of thoroughbred races from a track located in Suffolk county. The fee  
51 for such licenses shall be five hundred dollars per simulcast facility  
52 and for account wagering licensees that do not operate either a simul-  
53 cast facility that is open to the public within the state of New York or  
54 a licensed racetrack within the state, twenty thousand dollars per year

1 payable by the licensee to the commission for deposit into the general  
2 fund. Except as provided in this section, the commission shall not  
3 approve any application to conduct simulcasting into individual or group  
4 residences, homes or other areas for the purposes of or in connection  
5 with pari-mutuel wagering. The commission may approve simulcasting into  
6 residences, homes or other areas to be conducted jointly by one or more  
7 regional off-track betting corporations and one or more of the follow-  
8 ing: a franchised corporation, thoroughbred racing corporation or a  
9 harness racing corporation or association; provided (i) the simulcasting  
10 consists only of those races on which pari-mutuel betting is authorized  
11 by this chapter at one or more simulcast facilities for each of the  
12 contracting off-track betting corporations which shall include wagers  
13 made in accordance with section one thousand fifteen, one thousand  
14 sixteen and one thousand seventeen of this article; provided further  
15 that the contract provisions or other simulcast arrangements for such  
16 simulcast facility shall be no less favorable than those in effect on  
17 January first, two thousand five; (ii) that each off-track betting  
18 corporation having within its geographic boundaries such residences,  
19 homes or other areas technically capable of receiving the simulcast  
20 signal shall be a contracting party; (iii) the distribution of revenues  
21 shall be subject to contractual agreement of the parties except that  
22 statutory payments to non-contracting parties, if any, may not be  
23 reduced; provided, however, that nothing herein to the contrary shall  
24 prevent a track from televising its races on an irregular basis primari-  
25 ly for promotional or marketing purposes as found by the commission. For  
26 purposes of this paragraph, the provisions of section one thousand thir-  
27 teen of this article shall not apply. Any agreement authorizing an  
28 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
29 teen hundred ninety-five, may, and all its terms, be extended until June  
30 thirtieth, two thousand [~~twenty-three~~] ~~twenty-four~~; provided, however,  
31 that any party to such agreement may elect to terminate such agreement  
32 upon conveying written notice to all other parties of such agreement at  
33 least forty-five days prior to the effective date of the termination,  
34 via registered mail. Any party to an agreement receiving such notice of  
35 an intent to terminate, may request the commission to mediate between  
36 the parties new terms and conditions in a replacement agreement between  
37 the parties as will permit continuation of an in-home experiment until  
38 June thirtieth, two thousand [~~twenty-three~~] ~~twenty-four~~; and (iv) no  
39 in-home simulcasting in the thoroughbred special betting district shall  
40 occur without the approval of the regional thoroughbred track.

41 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
42 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
43 section 2 of part EE of chapter 59 of the laws of 2022, is amended to  
44 read as follows:

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

1 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
2 racing, pari-mutuel wagering and breeding law, as amended by section 3  
3 of part EE of chapter 59 of the laws of 2022, is amended to read as  
4 follows:

5 The provisions of this section shall govern the simulcasting of races  
6 conducted at thoroughbred tracks located in another state or country on  
7 any day during which a franchised corporation is conducting a race meet-  
8 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
9 thirtieth, two thousand [~~twenty-three~~] twenty-four and on any day  
10 regardless of whether or not a franchised corporation is conducting a  
11 race meeting in Saratoga county at Saratoga thoroughbred racetrack after  
12 June thirtieth, two thousand [~~twenty-three~~] twenty-four. On any day on  
13 which a franchised corporation has not scheduled a racing program but a  
14 thoroughbred racing corporation located within the state is conducting  
15 racing, each off-track betting corporation branch office and each simul-  
16 casting facility licensed in accordance with section one thousand seven  
17 (that has entered into a written agreement with such facility's repre-  
18 sentative horsemen's organization, as approved by the commission), one  
19 thousand eight, or one thousand nine of this article shall be authorized  
20 to accept wagers and display the live simulcast signal from thoroughbred  
21 tracks located in another state or foreign country subject to the  
22 following provisions:

23 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
24 and breeding law, as amended by section 4 of part EE of chapter 59 of  
25 the laws of 2022, is amended to read as follows:

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

31 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
32 racing, pari-mutuel wagering and breeding law, as amended by section 5  
33 of part EE of chapter 59 of the laws of 2022, is amended to read as  
34 follows:

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

52 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
53 wagering and breeding law, as amended by section 6 of part EE of chapter  
54 59 of the laws of 2022, is amended to read as follows:

55 Notwithstanding any other provision of this chapter, for the period  
56 July twenty-fifth, two thousand one through September eighth, two thou-



1 sand [~~twenty-two~~] ~~twenty-three~~, when a franchised corporation is  
2 conducting a race meeting within the state at Saratoga Race Course,  
3 every off-track betting corporation branch office and every simulcasting  
4 facility licensed in accordance with section one thousand seven (that  
5 has entered into a written agreement with such facility's representative  
6 horsemen's organization as approved by the commission), one thousand  
7 eight or one thousand nine of this article shall be authorized to accept  
8 wagers and display the live simulcast signal from thoroughbred tracks  
9 located in another state, provided that such facility shall accept  
10 wagers on races run at all in-state thoroughbred tracks which are  
11 conducting racing programs subject to the following provisions;  
12 provided, however, no such written agreement shall be required of a  
13 franchised corporation licensed in accordance with section one thousand  
14 seven of this article.

15 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
16 racing, pari-mutuel wagering and breeding law and other laws relating to  
17 simulcasting, as amended by section 7 of part EE of chapter 59 of the  
18 laws of 2022, is amended to read as follows:

19 § 32. This act shall take effect immediately and the pari-mutuel tax  
20 reductions in section six of this act shall expire and be deemed  
21 repealed on July 1, [~~2023~~] ~~2024~~; provided, however, that nothing  
22 contained herein shall be deemed to affect the application, qualifica-  
23 tion, expiration, or repeal of any provision of law amended by any  
24 section of this act, and such provisions shall be applied or qualified  
25 or shall expire or be deemed repealed in the same manner, to the same  
26 extent and on the same date as the case may be as otherwise provided by  
27 law; provided further, however, that sections twenty-three and twenty-  
28 five of this act shall remain in full force and effect only until May 1,  
29 1997 and at such time shall be deemed to be repealed.

30 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
31 racing, pari-mutuel wagering and breeding law and other laws relating to  
32 simulcasting and the imposition of certain taxes, as amended by section  
33 8 of part EE of chapter 59 of the laws of 2022, is amended to read as  
34 follows:

35 § 54. This act shall take effect immediately; provided, however,  
36 sections three through twelve of this act shall take effect on January  
37 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
38 ing law, as added by section thirty-eight of this act, shall expire and  
39 be deemed repealed on July 1, [~~2023~~] ~~2024~~; and section eighteen of this  
40 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
41 two of this act shall take effect as of the same date as chapter 772 of  
42 the laws of 1989 took effect.

43 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
44 pari-mutuel wagering and breeding law, as amended by section 9 of part  
45 EE of chapter 59 of the laws of 2022, is amended to read as follows:

46 (a) The franchised corporation authorized under this chapter to  
47 conduct pari-mutuel betting at a race meeting or races run thereat shall  
48 distribute all sums deposited in any pari-mutuel pool to the holders of  
49 winning tickets therein, provided such tickets are presented for payment  
50 before April first of the year following the year of their purchase,  
51 less an amount that shall be established and retained by such franchised  
52 corporation of between twelve to seventeen percent of the total deposits  
53 in pools resulting from on-track regular bets, and fourteen to twenty-  
54 one percent of the total deposits in pools resulting from on-track  
55 multiple bets and fifteen to twenty-five percent of the total deposits  
56 in pools resulting from on-track exotic bets and fifteen to thirty-six

1 percent of the total deposits in pools resulting from on-track super  
2 exotic bets, plus the breaks. The retention rate to be established is  
3 subject to the prior approval of the commission.

4 Such rate may not be changed more than once per calendar quarter to be  
5 effective on the first day of the calendar quarter. "Exotic bets" and  
6 "multiple bets" shall have the meanings set forth in section five  
7 hundred nineteen of this chapter. "Super exotic bets" shall have the  
8 meaning set forth in section three hundred one of this chapter. For  
9 purposes of this section, a "pick six bet" shall mean a single bet or  
10 wager on the outcomes of six races. The breaks are hereby defined as the  
11 odd cents over any multiple of five for payoffs greater than one dollar  
12 five cents but less than five dollars, over any multiple of ten for  
13 payoffs greater than five dollars but less than twenty-five dollars,  
14 over any multiple of twenty-five for payoffs greater than twenty-five  
15 dollars but less than two hundred fifty dollars, or over any multiple of  
16 fifty for payoffs over two hundred fifty dollars. Out of the amount so  
17 retained there shall be paid by such franchised corporation to the  
18 commissioner of taxation and finance, as a reasonable tax by the state  
19 for the privilege of conducting pari-mutuel betting on the races run at  
20 the race meetings held by such franchised corporation, the following  
21 percentages of the total pool for regular and multiple bets five percent  
22 of regular bets and four percent of multiple bets plus twenty percent of  
23 the breaks; for exotic wagers seven and one-half percent plus twenty  
24 percent of the breaks, and for super exotic bets seven and one-half  
25 percent plus fifty percent of the breaks.

26 For the period April first, two thousand one through December thirty-  
27 first, two thousand [~~twenty-three~~ twenty-four, such tax on all wagers  
28 shall be one and six-tenths percent, plus, in each such period, twenty  
29 percent of the breaks. Payment to the New York state thoroughbred breed-  
30 ing and development fund by such franchised corporation shall be one-  
31 half of one percent of total daily on-track pari-mutuel pools resulting  
32 from regular, multiple and exotic bets and three percent of super exotic  
33 bets and for the period April first, two thousand one through December  
34 thirty-first, two thousand [~~twenty-three~~ twenty-four, such payment  
35 shall be seven-tenths of one percent of regular, multiple and exotic  
36 pools.

37 § 10. This act shall take effect immediately.

38 PART CC

39 Section 1. Subdivision 1-A of section 208 of the tax law, as amended  
40 by section 4 of part A of chapter 59 of the laws of 2014, is amended to  
41 read as follows:

42 1-A. The term "New York S corporation" means, with respect to any  
43 taxable year, a federal S corporation [~~subject to tax under this article~~  
44 ~~for which an election is in effect pursuant to~~ required to file as a  
45 New York S corporation pursuant to subsection (a) of section six hundred  
46 sixty of this chapter for such year, and any such year shall be denomi-  
47 nated a "New York S year", [~~and such election shall be denominated a~~  
48 ~~"New York S election"~~ unless the corporation is treated as a New York C  
49 corporation for such year under subsection (b) of section six hundred  
50 sixty of this chapter. The term "New York C corporation" means, with  
51 respect to any taxable year, a corporation subject to tax under this  
52 article which is not a New York S corporation, and any such year shall  
53 be denominated a "New York C year". The term "termination year" means  
54 any taxable year of a corporation during which the corporation's status

1 ~~as a~~ New York S [~~election~~] ~~corporation~~ terminates on a day other than  
2 the first day of such year. The portion of the taxable year ending  
3 before the first day for which such termination is effective shall be  
4 denominated the "S short year", and the portion of such year beginning  
5 on such first day shall be denominated the "C short year". [~~The term~~  
6 ~~"New York S termination year" means any termination year which is not~~  
7 ~~also an S termination year for federal purposes.~~]

8 § 2. Subdivision 1-B of section 208 of the tax law, as amended by  
9 section 4 of part A of chapter 59 of the laws of 2014, is amended to  
10 read as follows:

11 1-B. The term "QSSS" means a corporation which is a qualified subchap-  
12 ter S subsidiary as defined in subparagraph (B) of paragraph three of  
13 subsection (b) of section thirteen hundred sixty-one of the internal  
14 revenue code. [~~The term "exempt QSSS" means a QSSS exempt from tax under~~  
15 ~~this article as provided in paragraph (k) of subdivision nine of this~~  
16 ~~section, or a QSSS described in subclause (i) of clause (B) of subpara-~~  
17 ~~graph two of paragraph (k) of subdivision nine of this section, wherein~~  
18 ~~the parent corporation of the QSSS is subject to tax under this article,~~  
19 ~~and the assets, liabilities, income and deductions of the QSSS are~~  
20 ~~treated as the assets, liabilities, income and deductions of the parent~~  
21 ~~corporation. Where a QSSS is an exempt QSSS, then for all purposes under~~  
22 ~~this article]~~ When the parent corporation of the QSSS is a New York S  
23 corporation:

24 (a) the assets, liabilities, income, deductions, property, payroll,  
25 receipts, capital, credits, and all other tax attributes and elements of  
26 economic activity of the QSSS shall be deemed to be those of the parent  
27 corporation,

28 (b) the stocks, bonds and other securities issued by, and any indebt-  
29 edness from, the QSSS shall not be investment or business capital of the  
30 parent corporation,

31 (c) transactions between the parent corporation and the QSSS, includ-  
32 ing the payment of interest and dividends, shall not be taken into  
33 account, [~~and~~]

34 (d) general executive officers of the QSSS shall be deemed to be  
35 general executive officers of the parent corporation, and

36 (e) the QSSS shall not be subject to tax under this article.

37 § 3. Paragraph (k) of subdivision 9 of section 208 of the tax law, as  
38 amended by section 4 of part A of chapter 59 of the laws of 2014, is  
39 amended to read as follows:

40 (k) QSSS. (1) [~~New York S corporation. In the case of a New York S~~  
41 ~~corporation which is the parent of a qualified subchapter S subsidiary~~  
42 ~~(QSSS) with respect to a taxable year:~~

43 ~~(A) where the QSSS is not an excluded corporation,~~

44 ~~(i) in determining the entire net income of such parent corporation,~~  
45 ~~all assets, liabilities, income and deductions of the QSSS shall be~~  
46 ~~treated as assets, liabilities, income and deductions of the parent~~  
47 ~~corporation, and~~

48 ~~(ii) the QSSS shall be exempt from all taxes imposed by this article,~~  
49 ~~and~~

50 ~~(B) where the QSSS is an excluded corporation, the entire net income~~  
51 ~~of the parent corporation shall be determined as if the federal QSSS~~  
52 ~~election had not been made.~~

53 ~~(2)]~~ New York C corporation. In the case of a federal S corporation  
54 that is a New York C corporation [~~which is~~] under subsection (b) of  
55 section six hundred sixty of this chapter and is the parent of a QSSS  
56 with respect to a taxable year:

1 (A) where the QSSS is a taxpayer,

2 (i) in determining the entire net income of such parent corporation,  
3 all assets, liabilities, income and deductions of the QSSS shall be  
4 treated as assets, liabilities, income and deductions of the parent  
5 corporation, and

6 (ii) the QSSS shall be exempt from all taxes imposed by this article,  
7 and

8 (B) where the QSSS is not a taxpayer,

9 (i) if the QSSS is not an excluded corporation, the parent corporation  
10 may make a QSSS inclusion election to include all assets, liabilities,  
11 income and deductions of the QSSS as assets, liabilities, income and  
12 deductions of the parent corporation, and

13 (ii) in the absence of such election, or where the QSSS is an excluded  
14 corporation, the entire net income of the parent corporation shall be  
15 determined as if the federal QSSS election had not been made.

16 ~~[(3) Non New York S corporation not excluded. In the case of an S~~  
17 ~~corporation which is not a taxpayer and not an excluded corporation, and~~  
18 ~~which is the parent of a QSSS which is a taxpayer, the shareholders of~~  
19 ~~the parent corporation shall be entitled to make the New York S election~~  
20 ~~under subsection (a) of section six hundred sixty of this chapter.~~

21 ~~(A) For any taxable year for which such election is in effect, the~~  
22 ~~parent corporation shall be subject to tax under this article as a New~~  
23 ~~York S corporation, and the provisions of clause (A) of subparagraph one~~  
24 ~~of this paragraph shall apply.~~

25 ~~(B) For any taxable year for which such election is not in effect, the~~  
26 ~~QSSS shall be a New York C corporation, and the entire net income of the~~  
27 ~~QSSS shall be determined as if the federal QSSS election had not been~~  
28 ~~made. For purposes of such determination, the taxable year of the parent~~  
29 ~~corporation shall constitute the taxable year of the QSSS, excluding,~~  
30 ~~however, any portion of such year during which the QSSS is not a taxpay-~~  
31 ~~er.~~

32 ~~(4) S corporation excluded. In the case of an S corporation which is~~  
33 ~~an excluded corporation and which is the parent of a QSSS which is a~~  
34 ~~taxpayer, the QSSS shall be a New York C corporation and the provisions~~  
35 ~~of clause (B) of subparagraph three of this paragraph shall apply.~~

36 ~~(5)]~~ (2) Excluded corporation. The term "excluded corporation" means a  
37 corporation subject to tax under sections one hundred eighty-three  
38 through one hundred eighty-six, inclusive, or article thirty-three of  
39 this chapter, or a foreign corporation not taxable by this state which,  
40 if it were taxable, would be subject to tax under any of such sections  
41 or article.

42 ~~[(6)]~~ (3) Taxpayer. For purposes of this paragraph, the term "taxpay-  
43 er" means a parent corporation or QSSS subject to tax under this arti-  
44 cle, determined without regard to the provisions of this paragraph.

45 ~~[(7)]~~ (4) QSSS inclusion election. The election under subclause (i) of  
46 clause (B) of subparagraph ~~[two]~~ one of this paragraph shall be effec-  
47 tive for the taxable year for which made and for all succeeding taxable  
48 years of the corporation until such election is terminated. An election  
49 or termination shall be made on such form and in such manner as the  
50 commissioner may prescribe by regulation or instruction.

51 § 4. Subparagraph (A) of paragraph 5 of subdivision (a) of section 292  
52 of the tax law, as added by section 48 of part A of chapter 389 of the  
53 laws of 1997, is amended to read as follows:

54 (A) In the case of a shareholder of an S corporation, (i) ~~[where the~~  
55 ~~election provided for in]~~ except for when such S corporation is treated  
56 as a New York C corporation under subsection ~~[(a)]~~ (b) of section six

1 hundred sixty of this chapter [~~is in effect with respect to such corpo-~~  
2 ~~ration~~], there shall be added to federal unrelated business taxable  
3 income an amount equal to the shareholder's pro rata share of the corpo-  
4 ration's reductions for taxes described in paragraphs two and three of  
5 subsection (f) of section thirteen hundred sixty-six of the internal  
6 revenue code, and (ii) where such [~~election has not been made with~~  
7 ~~respect to such corporation~~] S corporation is treated as a New York C  
8 corporation under subsection (b) of section six hundred sixty of this  
9 chapter, there shall be subtracted from federal unrelated business taxa-  
10 ble income any items of income of the corporation included therein, and  
11 there shall be added to federal unrelated business taxable income any  
12 items of loss or deduction included therein, and (iii) in the case of [~~a~~  
13 ~~New York~~] an S termination year, the amount of any such items of S  
14 corporation income, loss, deduction and reductions for taxes shall be  
15 adjusted in the manner provided in paragraph two or three of subsection  
16 (s) of section six hundred twelve of this chapter.

17 § 5. Paragraph 18 of subsection (b) of section 612 of the tax law, as  
18 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended  
19 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by  
20 chapter 190 of the laws of 1990, is amended to read as follows:

21 (18) In the case of a shareholder of an S corporation as described in  
22 subsection (a) of section six hundred sixty of this article:

23 (A) [~~where the election provided for in subsection (a) of section six~~  
24 ~~hundred sixty is in effect with respect to such corporation,~~] an amount  
25 equal to [~~his~~] such shareholder's pro rata share of the corporation's  
26 reductions for taxes described in paragraphs two and three of subsection  
27 (f) of section thirteen hundred sixty-six of the internal revenue code,  
28 and

29 (B) in the case of [~~a New York~~] an S termination year, subparagraph  
30 (A) of this paragraph shall apply to the amount of reductions for taxes  
31 determined under subsection (s) of this section.

32 § 6. Paragraph 19 of subsection (b) of section 612 of the tax law, as  
33 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended  
34 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by  
35 chapter 190 of the laws of 1990, is amended to read as follows:

36 (19) In the case of a shareholder of an S corporation (A) where [~~the~~  
37 ~~election provided for in~~] such S corporation is treated as a New York C  
38 corporation under subsection [~~(a)~~] (b) of section six hundred sixty [~~has~~  
39 ~~not been made with respect to such corporation~~] of this article, any  
40 item of loss or deduction of the corporation included in federal gross  
41 income pursuant to section thirteen hundred sixty-six of the internal  
42 revenue code, and (B) in the case of [~~a New York~~] an S termination year,  
43 subparagraph (A) of this paragraph shall apply to the amounts of loss or  
44 deduction determined under subsection (s) of this section.

45 § 7. Paragraph 20 of subsection (b) of section 612 of the tax law, as  
46 amended by chapter 606 of the laws of 1984, is amended to read as  
47 follows:

48 (20) S corporation distributions to the extent not included in federal  
49 gross income for the taxable year because of the application of section  
50 thirteen hundred sixty-eight, subsection (e) of section thirteen hundred  
51 seventy-one or subsection (c) of section thirteen hundred seventy-nine  
52 of the internal revenue code which represent income not previously  
53 subject to tax under this article (a) for tax years beginning before  
54 January first, two thousand twenty-four, because the election provided  
55 for in subsection (a) of section six hundred sixty of this article had  
56 not been made, or (b) for tax years beginning on or after January first,

1 two thousand twenty-four, because the S corporation filed a return under  
2 article nine-A of this chapter pursuant to subsection (b) of section six  
3 hundred sixty of this article. Any such distribution treated in the  
4 manner described in paragraph two of subsection (b) of section thirteen  
5 hundred sixty-eight of the internal revenue code for federal income tax  
6 purposes shall be treated as ordinary income for purposes of this arti-  
7 cle.

8 § 8. Paragraph 22 of subsection (c) of section 612 of the tax law, as  
9 amended by chapter 606 of the laws of 1984, subparagraph (A) as amended  
10 by chapter 28 of the laws of 1987 and subparagraph (B) as amended by  
11 chapter 190 of the laws of 1990, is amended to read as follows:

12 (22) In the case of a shareholder of an S corporation (A) where [~~the~~  
13 ~~election provided for in~~] such S corporation is treated as a New York C  
14 corporation under subsection [~~(a)~~] (b) of section six hundred sixty [~~has~~  
15 ~~not been made with respect to such corporation~~] of this article, any  
16 item of income of the corporation included in federal gross income  
17 pursuant to section thirteen hundred sixty-six of the internal revenue  
18 code, and

19 (B) in the case of [~~a New York~~] an S termination year, subparagraph  
20 (A) of this paragraph shall apply to the amounts of income determined  
21 under subsection (s) of this section.

22 § 9. The section heading and paragraph 1 of subsection (s) of section  
23 612 of the tax law, as amended by chapter 760 of the laws of 1992, is  
24 amended to read as follows:

25 (s) [~~New York~~] S termination year. (1) General. In the case of [~~a New~~  
26 ~~York~~] an S termination year, the amount of any item of S corporation  
27 income, loss and deduction included in the shareholder's federal  
28 adjusted gross income and any reductions for taxes (as described in  
29 paragraphs two and three of subsection (f) of section thirteen hundred  
30 sixty-six of the internal revenue code) shall be adjusted in accordance  
31 with the treatment provided in paragraph two or three of this  
32 subsection.

33 § 10. Paragraph 6 of subsection (c) of section 615 of the tax law, as  
34 added by chapter 606 of the laws of 1984, subparagraph (B) as amended by  
35 chapter 190 of the laws of 1990, is amended to read as follows:

36 (6) in the case of a shareholder of an S corporation

37 (A) where [~~the election provided for in~~] such S corporation is treated  
38 as a New York C corporation under subsection [~~(a)~~] (b) of section six  
39 hundred sixty [~~has not been made~~] of this article, S corporation items  
40 of deduction included in federal itemized deductions, and

41 (B) in the case of [~~a New York~~] an S termination year, [~~the portion of~~  
42 ~~such items assigned to the period beginning on the day the election~~  
43 ~~ceases to be effective, as~~] the modification under subparagraph (A) of  
44 this paragraph shall be determined under subsection (s) of section six  
45 hundred twelve of this part.

46 § 11. Subparagraph (C) of paragraph 1 of subsection (b) of section 631  
47 of the tax law, as amended by chapter 586 of the laws of 1999, is  
48 amended to read as follows:

49 (C) in the case of a shareholder of an S corporation [~~where the~~  
50 ~~election provided for in~~] subject to subsection (a) of section six  
51 hundred sixty of this article [~~is in effect~~], the ownership of shares  
52 issued by such corporation, to the extent determined under section six  
53 hundred thirty-two of this [~~article~~] part; or

54 § 12. Subparagraph (E-1) of paragraph 1 of subsection (b) of section  
55 631 of the tax law, as added by section 3 of part C of chapter 57 of the  
56 laws of 2010, is amended to read as follows:

1 (E-1) in the case of an S corporation [~~for which an election is in~~  
2 ~~effect pursuant~~ subject to subsection (a) of section six hundred sixty  
3 of this article that terminates its taxable status in New York, any  
4 income or gain recognized on the receipt of payments from an installment  
5 sale contract entered into when the S corporation was subject to tax in  
6 New York, allocated in a manner consistent with the applicable methods  
7 and rules for [~~allocation~~] apportionment under article nine-A or former  
8 article thirty-two of this chapter, in the year that the S corporation  
9 sold its assets.

10 § 13. The section heading and paragraph 2 of subsection (a) of section  
11 632 of the tax law, the section heading as amended by chapter 606 of the  
12 laws of 1984, and paragraph 2 of subsection (a) as amended by section 71  
13 of part A of chapter 59 of the laws of 2014, are amended to read as  
14 follows:

15 Nonresident partners and [~~electing~~] shareholders of S corporations.

16 (2) In determining New York source income of a nonresident shareholder  
17 of [~~an~~] a New York S corporation [~~where the election provided for in~~  
18 ~~subsection (a) of section six hundred sixty~~] as defined in subdivision  
19 one-A of section two hundred eight of [~~this article is in effect~~] this  
20 chapter, there shall be included only the portion derived from or  
21 connected with New York sources of such shareholder's pro rata share of  
22 items of S corporation income, loss and deduction entering into [~~his~~]  
23 such shareholder's federal adjusted gross income, increased by  
24 reductions for taxes described in paragraphs two and three of subsection  
25 (f) of section thirteen hundred sixty-six of the internal revenue code,  
26 as such portion shall be determined under regulations of the commission-  
27 er consistent with the applicable methods and rules for [~~allocation~~]  
28 apportionment under article nine-A of this chapter[~~, regardless of~~  
29 ~~whether or not such item or reduction is included in entire net income~~  
30 ~~under article nine-A for the tax year~~]. If a nonresident is a sharehold-  
31 er in [~~an~~] a New York S corporation [~~where the election provided for in~~  
32 ~~subsection (a) of section six hundred sixty~~] as defined in subdivision  
33 one-A of section two hundred eight of [~~this article is in effect~~] this  
34 chapter, and the S corporation has distributed an installment obligation  
35 under section 453(h)(1)(A) of the Internal Revenue Code, then any gain  
36 recognized on the receipt of payments from the installment obligation  
37 for federal income tax purposes will be treated as New York source  
38 income allocated in a manner consistent with the applicable methods and  
39 rules for [~~allocation~~] apportionment under article nine-A of this chap-  
40 ter in the year that the assets were sold. In addition, if the share-  
41 holders of the S corporation have made an election under section  
42 338(h)(10) of the Internal Revenue Code, then any gain recognized on the  
43 deemed asset sale for federal income tax purposes will be treated as New  
44 York source income allocated in a manner consistent with the applicable  
45 methods and rules for [~~allocation~~] apportionment under article nine-A of  
46 this chapter in the year that the shareholder made the section  
47 338(h)(10) election. For purposes of a section 338(h)(10) election, when  
48 a nonresident shareholder exchanges his or her S corporation stock as  
49 part of the deemed liquidation, any gain or loss recognized shall be  
50 treated as the disposition of an intangible asset and will not increase  
51 or offset any gain recognized on the deemed assets sale as a result of  
52 the section 338(h)(10) election.

53 § 14. Paragraph 2 and subparagraph (A) of paragraph 4 of subsection  
54 (c) of section 658 of the tax law, paragraph 2 as amended by chapter 190  
55 of the laws of 1990, and subparagraph (A) of paragraph 4 as amended by

1 section 72 of part A of chapter 59 of the laws of 2014, are amended to  
2 read as follows:

3 (2) S corporations. Every S corporation [~~for which the election~~  
4 ~~provided for in subsection (a) of section six hundred sixty is in~~  
5 ~~effect~~] treated as a New York S corporation as defined in subdivision  
6 one-A of section two hundred eight of this chapter shall make a return  
7 for the taxable year setting forth all items of income, loss and  
8 deduction and such other pertinent information as the commissioner of  
9 taxation and finance may by regulations and instructions prescribe. Such  
10 return shall be filed on or before the fifteenth day of the third month  
11 following the close of each taxable year.

12 (A) General. Every entity which is a partnership, other than a public-  
13 ly traded partnership as defined in section 7704 of the federal Internal  
14 Revenue Code, subchapter K limited liability company or [~~an~~] a New York  
15 S corporation [~~for which the election provided for in subsection (a) of~~  
16 ~~section six hundred sixty of this part is in effect~~] as defined in  
17 subdivision one-A of section two hundred eight of this chapter, which  
18 has partners, members or shareholders who are nonresident individuals,  
19 as defined under subsection (b) of section six hundred five of this  
20 article, or C corporations, and which has any income derived from New  
21 York sources, determined in accordance with the applicable rules of  
22 section six hundred thirty-one of this article as in the case of a  
23 nonresident individual, shall pay estimated tax on such income on behalf  
24 of such partners, members or shareholders in the manner and at the times  
25 prescribed by subsection (c) of section six hundred eighty-five of this  
26 article. For purposes of this paragraph, the term "estimated tax" shall  
27 mean a partner's, member's or shareholder's distributive share or pro  
28 rata share of the entity income derived from New York sources, multi-  
29 plied by the highest rate of tax prescribed by section six hundred one  
30 of this article for the taxable year of any partner, member or share-  
31 holder who is an individual taxpayer, or paragraph (a) of subdivision  
32 one of section two hundred ten of this chapter for the taxable year of  
33 any partner, member or shareholder which is a C corporation, whether or  
34 not such C corporation is subject to tax under article nine, nine-A or  
35 thirty-three of this chapter, and reduced by the distributive share or  
36 pro rata share of any credits determined under section one hundred  
37 eighty-seven, one hundred eighty-seven-a, six hundred six or fifteen  
38 hundred eleven of this chapter, whichever is applicable, derived from  
39 the entity.

40 § 15. Section 660 of the tax law, as amended by chapter 606 of the  
41 laws of 1984, subsections (a) and (h) as amended by section 73 of part A  
42 of chapter 59 of the laws of 2014, paragraph 3 of subsection (b) as  
43 amended by section 51, paragraphs 4 and 5 of subsection (b) as added and  
44 paragraph 6 of subsection (b) as renumbered by section 52 and  
45 subsections (e) and (f) as added and subsection (g) as relettered by  
46 section 53 of part A of chapter 389 of the laws of 1997, subsection (d)  
47 as added by chapter 760 of the laws of 1992, subsection (i) as added by  
48 section 1 of part L of chapter 60 of the laws of 2007 and paragraph 1 of  
49 subsection (i) as amended by section 39 of part T of chapter 59 of the  
50 laws of 2015, is amended to read as follows:

51 § 660. [~~Election by shareholders of S corporations~~] Tax treatment of  
52 federal S corporations. (a) [~~Election.~~] If a corporation is an eligible  
53 S corporation, except for eligible S corporations treated as New York C  
54 corporations under subsection (b) of this section, the shareholders of  
55 the corporation [~~may elect in the manner set forth in subsection (b) of~~  
56 ~~this section to~~] shall take into account, to the extent provided for in



1 this article (or in article thirteen of this chapter, in the case of a  
2 shareholder which is a taxpayer under such article), the S corporation  
3 items of income, loss, deduction and reductions for taxes described in  
4 paragraphs two and three of subsection (f) of section thirteen hundred  
5 sixty-six of the internal revenue code which are taken into account for  
6 federal income tax purposes for the taxable year. ~~[No election under  
7 this subsection shall be effective unless all shareholders of the corpo-  
8 ration have so elected.]~~ An eligible S corporation is (i) ~~[an S]~~ a  
9 corporation ~~[which]~~ that has elected to be an S corporation for federal  
10 income tax purposes pursuant to section thirteen hundred sixty-two of  
11 the internal revenue code that is subject to tax under article nine-A of  
12 this chapter, or (ii) ~~[an S]~~ a corporation ~~[which]~~ that has elected to  
13 be an S corporation for federal income tax purposes pursuant to section  
14 thirteen hundred sixty-two of the internal revenue code that is not  
15 subject to tax under article nine-A of this chapter, or an excluded  
16 corporation, and is the parent of a qualified subchapter S subsidiary as  
17 defined in subparagraph (B) of paragraph three of subsection (b) of  
18 section thirteen hundred sixty-one of the internal revenue code subject  
19 to tax under article nine-A, ~~[where the shareholders of such parent~~  
20 ~~corporation are entitled to make the election under this subsection by~~  
21 ~~reason of subparagraph three of paragraph (k) of subdivision nine of~~  
22 ~~section two hundred eight]~~ of this chapter. Except as provided in  
23 subsection (b) of this section, an eligible S corporation is a New York  
24 S corporation.

25 (b) ~~[Requirements of election]~~ Treatment of qualified New York  
26 manufacturers as New York C corporations. [An election] An eligible S  
27 corporation that meets the requirements of subparagraph (vi) of para-  
28 graph (a) of subdivision one of section two hundred ten of this chapter  
29 to be a qualified New York manufacturer may be treated as a New York C  
30 corporation subject to tax under article nine-A of this chapter. Treat-  
31 ment under this subsection ~~[(a) of this section]~~ as a New York C corpo-  
32 ration shall be made on such form and in such manner as the ~~[tax commis-~~  
33 ~~sioner]~~ commissioner may prescribe by regulation or instruction.

34 (1) ~~[When made]~~ Timing. [An election] To be treated under this  
35 subsection ~~[(a) of this section may be made at any time during the~~  
36 ~~preceding taxable year of the corporation or at any time during the~~  
37 ~~taxable year of the corporation and on or before the fifteenth day of~~  
38 ~~the third month of such taxable year.~~

39 ~~(2) Certain elections made during first two and one-half months. If an~~  
40 ~~election made under subsection (a) of this section is made for any taxa-~~  
41 ~~ble year of the corporation during such year and on or before the~~  
42 ~~fifteenth day of the third month of such year, such election shall be~~  
43 ~~treated as made for the following taxable year if~~

44 ~~(A) on one or more days in such taxable year before the day on which~~  
45 ~~the election was made the corporation did not meet the requirements of~~  
46 ~~subsection (b) of section thirteen hundred sixty one of the internal~~  
47 ~~revenue code or~~

48 ~~(B) one or more of the shareholders who held stock in the corporation~~  
49 ~~during such taxable year and before the election was made did not~~  
50 ~~consent to the election.~~

51 ~~(3) Elections made after first two and one-half months. If an election~~  
52 ~~under subsection (a) of this section is made for any taxable year of the~~  
53 ~~corporation and such election is made after the fifteenth day of the~~  
54 ~~third month of such taxable year and on or before the fifteenth day of~~  
55 ~~the third month of the following taxable year, such election shall be~~  
56 ~~treated as made for the following taxable year.~~

1 ~~(4) Taxable years of two and one half months or less. For purposes of~~  
2 ~~this subsection, an election for a taxable year made not later than two~~  
3 ~~months and fifteen days after the first day of the taxable year shall be~~  
4 ~~treated as timely made during such year.~~

5 ~~(5) Authority to treat late elections, etc., as timely. If (A) an~~  
6 ~~election under subsection (a) of this section is made for any taxable~~  
7 ~~year (determined without regard to paragraph three of this subsection)~~  
8 ~~after the date prescribed by this subsection for making such election~~  
9 ~~for such taxable year, or if no such election is made for any taxable~~  
10 ~~year, and~~

11 ~~(B) the commissioner determines that there was reasonable cause for~~  
12 ~~failure to timely make such election, then~~

13 ~~(C) the commissioner may treat such an election as timely made for~~  
14 ~~such taxable year (and paragraph three of this subsection shall not~~  
15 ~~apply).~~

16 ~~(6) Years for which effective. An election under subsection (a) of~~  
17 ~~this section shall be effective for the taxable year of the corporation~~  
18 ~~for which it is made and for all succeeding taxable years of the corpo-~~  
19 ~~ration until such election is terminated under subsection (c) of this~~  
20 ~~section.] as a New York C corporation for a taxable year, the corpo-~~  
21 ~~ration shall file a report as a New York C corporation under article~~  
22 ~~nine-A of this chapter for such year. Such treatment shall be effective~~  
23 ~~as of the first day of the taxable year covered by such report.~~

24 (c) Termination. [~~An election~~] (1) Treatment of a federal S corpo-  
25 ration as a New York S corporation under subsection (a) of this section,  
26 and treatment of a federal S corporation as a New York C corporation  
27 under subsection [(a)] (b) of this section shall cease to be effective  
28 [(1)] on the day an election to be an S corporation ceases to be  
29 effective for federal income tax purposes pursuant to subsection (d) of  
30 section thirteen hundred sixty-two of the internal revenue code[, or

31 ~~(2) if shareholders holding more than one half of the shares of stock~~  
32 ~~of the corporation on the day on which the revocation is made revoke~~  
33 ~~such election in the manner the tax commission may prescribe by regu-~~  
34 ~~lation,~~

35 ~~(A) on the first day of the taxable year of the corporation, if the~~  
36 ~~revocation is made during such taxable year and on or before the~~  
37 ~~fifteenth day of the third month thereof, or~~

38 ~~(B) on the first day of the following taxable year of the corporation,~~  
39 ~~if the revocation is made during the taxable year but after the~~  
40 ~~fifteenth day of the third month thereof, or~~

41 ~~(C) on and after the date so specified, if the revocation specifies a~~  
42 ~~date for revocation which is on or after the day on which the revocation~~  
43 ~~is made, or~~

44 ~~(3) if any person who was not a shareholder of the corporation on the~~  
45 ~~day on which the election is made becomes a shareholder in the corpo-~~  
46 ~~ration and affirmatively refuses to consent to such election in the~~  
47 ~~manner the tax commission may prescribe by regulation, on the day such~~  
48 ~~person becomes a shareholder] and, in such case, the corporation shall~~  
49 ~~be treated as a New York C corporation subject to tax under article~~  
50 ~~nine-A of this chapter.~~

51 (2) Treatment of a federal S corporation as a New York C corporation  
52 under subsection (b) of this section shall cease to be effective if the  
53 corporation no longer meets the requirements to be considered a quali-  
54 fied New York manufacturer under subparagraph (vi) of paragraph (a) of  
55 subdivision one of section two hundred ten of this chapter for the taxa-

1 ble year, and in such case the corporation shall be treated as a New  
2 York S corporation subject to subsection (a) of this section.

3 (d) [~~New York~~] S termination year. In the case of [~~a New York~~] an S  
4 termination year, the amount of any item of S corporation income, loss  
5 and deduction and reductions for taxes (as described in paragraphs two  
6 and three of subsection (f) of section thirteen hundred sixty-six of the  
7 internal revenue code) required to be taken account of under this arti-  
8 cle shall be adjusted in the same manner that the S corporation's items  
9 which are included in the shareholder's federal adjusted gross income  
10 are adjusted under subsection (s) of section six hundred twelve.

11 (e) [~~Inadvertent invalid elections. If (1) an election under~~  
12 ~~subsection (a) of this section was not effective for the taxable year~~  
13 ~~for which made (determined without regard to paragraph two of subsection~~  
14 ~~(b) of this section) by reason of a failure to obtain shareholder~~  
15 ~~consents,~~

16 ~~(2) the commissioner determines that the circumstances resulting in~~  
17 ~~such ineffectiveness were inadvertent,~~

18 ~~(3) no later than a reasonable period of time after discovery of the~~  
19 ~~circumstances resulting in such ineffectiveness, steps were taken to~~  
20 ~~acquire the required shareholder consents, and~~

21 ~~(4) the corporation, and each person who was a shareholder in the~~  
22 ~~corporation at any time during the period specified pursuant to this~~  
23 ~~subsection, agrees to make such adjustments (consistent with the treat-~~  
24 ~~ment of the corporation as a New York S corporation) as may be required~~  
25 ~~by the commissioner with respect to such period,~~

26 ~~(5) then, notwithstanding the circumstances resulting in such ineffe-~~  
27 ~~tiveness, such corporation shall be treated as a New York S corporation~~  
28 ~~during the period specified by the commissioner.] Qualified subchapter S~~

29 subsidiaries ("QSSS"). If a New York S corporation has elected to treat  
30 its wholly owned subsidiary as a qualified subchapter S subsidiary for  
31 federal income tax purposes under paragraph three of subsection (b) of  
32 section thirteen hundred sixty-one of the internal revenue code, such  
33 election shall be applicable for New York state tax purposes, and

34 (1) the assets, liabilities, income, deductions, property, payroll,  
35 receipts, capital, credits, and all other tax attributes and elements of  
36 economic activity of the subsidiary shall be deemed to be those of the  
37 parent corporation,

38 (2) transactions between the parent corporation and the subsidiary,  
39 including the payment of interest and dividends, shall not be taken into  
40 account, and

41 (3) general executive officers of the subsidiary shall be deemed to be  
42 general executive officers of the parent corporation.

43 (f) Validated federal elections. If [~~(1) an election under subsection~~  
44 ~~(a) of this section was made for a taxable year or years of a corpo-~~  
45 ~~ration, which years occur with or within the period for which]~~ the  
46 federal S election of [~~such~~] an eligible S corporation has been vali-  
47 dated pursuant to the provisions of subsection (f) of section thirteen  
48 hundred sixty-two of the internal revenue code, [~~and~~

49 ~~(2) the corporation, and each person who was a shareholder in the~~  
50 ~~corporation at any time during such taxable year or years agrees to make~~  
51 ~~such adjustments (consistent with the treatment of the corporation as a~~  
52 ~~New York S corporation) as may be required by the commissioner with~~  
53 ~~respect to such year or years,~~

54 ~~(3) then]~~ such corporation shall be treated as a New York S corpo-  
55 ration, subject to subsection (a) of this section, during [~~such~~] the  
56 year or years for which such election has been validated except if the

1 eligible S corporation is treated as a New York C corporation under  
2 subsection (b) of this section.

3 ~~(g) [Transitional rule. Any election made under this section (as in~~  
4 ~~effect for taxable years beginning before January first, nineteen~~  
5 ~~hundred eighty-three) shall be treated as an election made under~~  
6 ~~subsection (a) of this section.~~

7 ~~(h) Cross reference. For definitions relating to S corporations, see~~  
8 ~~subdivision one A of section two hundred eight of this chapter.~~

9 ~~(i) Mandated New York S corporation election. (1) Notwithstanding the~~  
10 ~~provisions in subsection (a) of this section, in the case of an eligible~~  
11 ~~S corporation for which the election under subsection (a) of this~~  
12 ~~section is not in effect for the current taxable year, the shareholders~~  
13 ~~of an eligible S corporation are deemed to have made that election~~  
14 ~~effective for the eligible S corporation's entire current taxable year,~~  
15 ~~if the eligible S corporation's investment income for the current taxa-~~  
16 ~~ble year is more than fifty percent of its federal gross income for such~~  
17 ~~year. In determining whether an eligible S corporation is deemed to have~~  
18 ~~made that election, the income of a qualified subchapter S subsidiary~~  
19 ~~owned directly or indirectly by the eligible S corporation shall be~~  
20 ~~included with the income of the eligible S corporation.~~

21 ~~(2) For the purposes of this subsection, the term "eligible S corpo-~~  
22 ~~ration" has the same definition as in subsection (a) of this section.~~

23 ~~(3) For the purposes of this subsection, the term "investment income"~~  
24 ~~means the sum of an eligible S corporation's gross income from interest,~~  
25 ~~dividends, royalties, annuities, rents and gains derived from dealings~~  
26 ~~in property, including the corporation's share of such items from a~~  
27 ~~partnership, estate or trust, to the extent such items would be includa-~~  
28 ~~ble in federal gross income for the taxable year.~~

29 (4) Rules related to change in status. (1) Net operating losses. Any  
30 net operating loss carryforward that otherwise would have been allowed  
31 under subparagraph (ix) of paragraph (a) of subdivision one of section  
32 two hundred ten of this chapter for a New York C corporation that  
33 becomes a New York S corporation shall be held in abeyance and be avail-  
34 able to such taxpayer if such taxpayer is treated as a New York C corpo-  
35 ration because its election to be a federal S corporation is terminated  
36 or by operation of subsection (b) of this section. However, the taxpay-  
37 er's years as a New York S corporation shall be counted for purposes of  
38 computing any time period applicable to the allowance of any net operat-  
39 ing loss.

40 (2) Credit carryforwards. Any carryforwards of credits allowed under  
41 section two hundred ten-B of this chapter for a New York C corporation  
42 that becomes a New York S corporation shall be held in abeyance and be  
43 available to such taxpayer if such taxpayer is treated as a New York C  
44 corporation because its election to be a federal S corporation is termi-  
45 nated or by operation of subsection (b) of this section. However, the  
46 taxpayer's years as a New York S corporation shall be counted for  
47 purposes of computing any time period applicable to the allowance of any  
48 credit carryforward.

49 (3) Estimated tax payments. When making estimated tax payments  
50 required to be made under this chapter in the current tax year, the  
51 eligible S corporation and its shareholders may rely on the eligible S  
52 corporation's filing status for the prior year. If the eligible S corpo-  
53 ration's filing status changes from the prior tax year the corporation  
54 or the shareholders, as the case may be, which made the payments shall  
55 be entitled to a refund of such estimated tax payments. No additions to  
56 tax with respect to any required declarations or payments of estimated

1 tax imposed under this chapter shall be imposed on the corporation or  
2 shareholders, whichever is the taxpayer for the current taxable year, if  
3 the corporation or the shareholders file such declarations and make such  
4 estimated tax payments by January fifteenth of the following calendar  
5 year, regardless of whether the taxpayer's tax year is a calendar or a  
6 fiscal year.

7 (h) Excluded corporation. For purposes of this section an excluded  
8 corporation shall be as defined in paragraph (k) of subdivision nine of  
9 section two hundred eight of this chapter.

10 § 16. Transition rules. Any prior net operating loss conversion  
11 subtraction that otherwise would have been allowed under subparagraph  
12 (viii) of paragraph (a) of subdivision one of section two hundred ten of  
13 the tax law for the taxable years beginning on or after January 1, 2024,  
14 to any taxpayer that was a New York C corporation for a taxable year  
15 beginning on or after January 1, 2023, and before January 1, 2024, and  
16 that becomes a New York S corporation for a taxable year beginning on or  
17 after January 1, 2024, as a result of the amendments made by this act,  
18 shall be held in abeyance and be available to such taxpayer if such  
19 taxpayer is treated as a New York C corporation because its election to  
20 be a federal S corporation is terminated or by operation of subsection  
21 (b) of section six hundred sixty of the tax law. However, the taxpay-  
22 er's years as a New York S corporation shall be counted for purposes of  
23 computing the twenty-year time period specified in subclause four of  
24 clause (B) of subparagraph (viii) of paragraph (a) of subdivision one of  
25 section two hundred ten of the tax law applicable to the allowance of  
26 the prior net operating loss conversion subtraction.

27 § 17. This act shall take effect immediately and shall apply to taxa-  
28 ble years beginning on or after January 1, 2024.

29 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
30 sion, section or part of this act shall be adjudged by any court of  
31 competent jurisdiction to be invalid, such judgment shall not affect,  
32 impair, or invalidate the remainder thereof, but shall be confined in  
33 its operation to the clause, sentence, paragraph, subdivision, section  
34 or part thereof directly involved in the controversy in which such judg-  
35 ment shall have been rendered. It is hereby declared to be the intent of  
36 the legislature that this act would have been enacted even if such  
37 invalid provisions had not been included herein.

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