STATE OF NEW YORK

8309--A

IN SENATE

January 17, 2024

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

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to permanently extending the itemized deduction limit on individuals with income over ten million dollars (Part A); to amend part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to extending the effectiveness thereof (Part B); to amend the tax law, in relation to making technical corrections to the metropolitan commuter transportation mobility tax (Part C); to amend the tax law, in relation to the restriction upon issuing notices for a tax year that is the subject of a pending petition filed with the division of tax appeals (Part D); to amend the executive law and the tax law, in relation to creating the commercial security tax credit program (Part E); to amend part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness of certain provisions relating to mandatory electronic filing of tax documents (Part F); to amend part U of chapter 61 of the laws of 2011 amending the real property tax law and other laws relating to establishing standards for electronic real property tax administration, allowing the department of taxation and finance to use electronic communication means to furnish tax notices and other documents, mandatory electronic filing of tax documents, debit cards issued for tax refunds, improving sales tax compliance, in relation to the effectiveness thereof (Part G); to amend the tax law, in relation to the filing of amended returns under article 28 thereof (Part H); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property and services sold to a related person; and to amend the executive law, in relation to tax expenditure reporting by the division of the budget (Part I); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part J); to amend the multiple residence law, the multiple dwelling law, and the

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

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tax law, in relation to short-term residential rental of private dwellings in certain municipalities (Part K); to amend the tax law, in relation to the imposition of taxes on the sale of cannabis (Part L); intentionally omitted (Part M); 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, delinquent tax interest rates and establishing a homeowner bill of rights; and to amend the social services law, in relation to establishing senior, disabled, and veteran homeowner real property tax assistance programs (Part N); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Catskill and the Capital off-track betting corporations' capital acquisition funds (Part O); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 59 of the laws of 2023 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 59 of the laws of 2023 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 P); to amend the racing, pari-mutuel wagering and breeding law, in relation to allowing season-long proposition bets and future award winners as authorized bets (Part Q); to amend the racing, pari-mutuel wagering and breeding law, in relation to authorizing one percent of mobile sports tax revenue be used for problem gambling (Part R); to amend the tax law and the administrative code of the city of New York, in relation to treatment of gains from qualified opportunity zones in calculating taxable income (Part S); to repeal subdivision (jj) of section 1115 of the tax law relating to sales and compensating use taxes imposed with respect to vessels; and to repeal subdivision 13 of section 1118 of the tax law relating to sales and compensating use taxes imposed with respect to vessels (Part T); to amend the tax law, in relation to the imposition of sales and compensating use taxes with respect to certain aircraft; and to repeal paragraph 21-a of subdivision (a) of section 1115 of the tax law, relating thereto (Part U); to amend the tax law, in relation to the taxation of vapor products (Part V); to repeal section 490 of the tax law relating to the excise tax on medical cannabis; and to repeal section 89-h of the state finance law relating to the medical cannabis trust fund (Part W); to amend the tax law, in relation to residential solar tax credits (Part X); to amend the tax law, in relation to geothermal energy systems tax credits (Part Y); to amend the tax law, in relation to establishing a sales tax exemption for residential energy storage (Part Z); to amend the tax law, in relation to the eligibility criteria for the digital gaming tax credit (Part AA); to amend the tax law, in relation to exempting certain car-sharing organizations from the special supplemental tax on passenger car rentals outside of the metropolitan commuter transportation district (Part BB); to amend the tax law, in relation to tax credits for volunteer firefighters and volunteer ambulance workers (Part CC); to amend the tax law, in relation to adjusting certain income tax rates (Part DD); to amend the tax law, in relation to providing a payroll tax credit for compensation of journalists; and to provide for the repeal of such provisions upon expira-

tion thereof (Part EE); to amend the tax law, in relation to creating a work opportunity tax credit; and providing for the repeal of such provisions upon expiration thereof (Part FF); to amend the tax law, in relation to tax on sales of motor fuel and petroleum products and to make conforming changes; to amend the tax law, in relation to the definition of qualified rehabilitation expenditures for purposes of the tax credit for rehabilitation of historic properties; to repeal paragraph 3 of subdivision (f) and paragraph 4 of subdivision (g) of section 301-a of the tax law relating to manufacturing gallonage for purposes of the imposition of certain taxes; to repeal subdivisions (i), (j), and (l) of section 301-c of the tax law relating to reimbursement; to repeal section 301-d of the tax law relating to a utility credit or reimbursement; to repeal subdivision (f) of section 301-e of the tax law relating to an aviation fuel business which services four or more cities; to repeal subparagraph (xi) of paragraph 3 of subdivision (c) of section 1105 of the tax law relating to services rendered with respect to certain property; and to repeal paragraph 9 of subdivision (a) of section 1115 of the tax law relating to fuel sold to an airline for use in its airplanes (Part GG); to amend the tax law, in relation to a New York state working families tax credit (Part HH); to amend the tax law, in relation to increasing the franchise tax on businesses for certain years (Part II); and to amend the tax law, in relation to extending the authorization of the real property tax relief credit (Part JJ)

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

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

PART A

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

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

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

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

§ 3. This act shall take effect immediately.

PART B

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

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

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

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

§ 2. This act shall take effect immediately.

PART C

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

(A) For individuals, the tax is imposed at a rate of thirty-four hundredths (.34) percent of the net earnings from self-employment of individuals that are attributable to the MCTD**, in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester,** if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

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

PART D

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

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

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

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

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

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

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

PART E

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

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

(a) "Certificate of tax credit" means the document issued to a business entity by the division after the division has verified that the business entity has met all applicable eligibility criteria in subdivision two of this section. The certificate shall specify the exact amount

of the tax credit under this section that a business entity may claim, pursuant to subdivision five of this section, and other information as required by the department of taxation and finance.

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

(c) "Qualified retail theft prevention measure expenses" means any combination of retail theft prevention measure costs paid or incurred by a qualified business during the taxable year that cumulatively exceed twelve thousand dollars for each New York retail location.

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

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

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

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

(b) have qualified retail theft prevention measure expenses that exceed twelve thousand dollars for each New York retail location during the taxable year;

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

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

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

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

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

(ii) agree to allow the department of taxation and finance to share the business entity's tax information with the division. However, any information shared as a result of this program shall not be available for disclosure or inspection under the state freedom of information law pursuant to article six of the public officers law;

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

(iv) agree to provide any additional information required by the division relevant to this section.

4. Certificate of tax credit. After reviewing a business entity's completed final application and determining that a business entity meets the eligibility criteria as set forth in this section, the division may

issue to that business entity a certificate of tax credit. All applications will be processed by the division in the order they are received and certificates of tax credit may be issued in amounts that, in the aggregate, do not exceed the annual cap as set forth in subdivision seven of this section.

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

(b) A business entity may claim the tax credit in the taxable year that begins in the year for which it was allocated a credit by the division under this section.

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

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

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

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

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

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

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

(b) To be eligible for the commercial security tax credit, the taxpayer shall have been issued a certificate of tax credit by the division of criminal justice services pursuant to section eight hundred forty-five-e of the executive law, which certificate shall set forth the amount of the credit that may be claimed for the taxable year. The taxpayer shall be allowed to claim only the amount listed on the certificate of tax credit for the taxable year. A taxpayer that is a partner in a partnership, member of a limited liability company or shareholder in a subchapter S corporation that has received a certificate of tax credit shall be

allowed its pro rata share of the credit earned by the partnership, limited liability company or subchapter S corporation.

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

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

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

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

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

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

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

(1) article 9; section 187-r;

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

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

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

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

2. Application of credit. In no event shall the credit under this section be allowed in an amount that will reduce the tax payable to less than the applicable minimum tax fixed by section one hundred eighty-three of this article. If, however, the amount of credit allowable under this section for any taxable year reduces the tax to such amount, any amount of credit not deductible in such taxable year shall be treated as an overpayment of tax to be refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

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

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

(b) Application of credit. The credit allowed under this subdivision for the taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of

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

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

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

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

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

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

§ 7. This act shall take effect immediately.

PART F

Section 1. Intentionally omitted.

§ 2. Intentionally omitted.

§ 3. Intentionally omitted.

§ 4. Intentionally omitted.

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

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law and shall expire and be deemed repealed December 31, [~~2024~~] 2029, provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report in order that the

commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law;

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

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

§ 6. This act shall take effect immediately.

PART G

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

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

§ 2. This act shall take effect immediately.

PART H

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

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

(2) Where there is no such past-due tax liability, an amended return that would result in the reduction or elimination of tax due shall be deemed a claim for credit or refund and must be filed within the time required for filing a claim for credit or refund under section eleven hundred thirty-nine of this part and otherwise meet the requirements of such section.

(3) Where the commissioner has determined the amount of tax due pursuant to paragraph one of subdivision (a) of section eleven hundred thirty-eight of this part, an original return may be filed within one hundred eighty days after mailing of notice of such determination. Provided, however, that nothing in this paragraph shall affect any

penalty or interest that may have accrued for such tax period on account of failure to timely file the original return.

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

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

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

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

§ 4. This act shall take effect immediately, provided, however, the amendments made by section one of this act shall apply to returns filed or amended for quarterly periods, as described in subdivision (b) of section 1136 of the tax law, commencing on and after December 1, 2024.

PART I

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

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

§ 1-a. Section 181 of the executive law is amended by adding a new subdivision 4 to read as follows:

4. No later than February first, two thousand twenty-five, the division of the budget shall submit a special report on the cost of the tax expenditure authorized under subdivision (jj) of section eleven hundred fifteen of the tax law to the governor, the temporary president of the senate, the speaker of the assembly, and the chairs of the legislative fiscal committees. The division shall work with the commissioner of taxation and finance to find a method to quantify the loss of revenue from this tax expenditure, including, but not limited to, by surveying businesses impacted by this tax expenditure. The division shall also publish this special report on its website.

§ 2. This act shall take effect immediately.

PART J

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

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

§ 2. This act shall take effect immediately.

PART K

Section 1. The multiple residence law is amended by adding a new article 2-A to read as follows:

ARTICLE 2-A

SHORT-TERM RESIDENTIAL RENTAL UNITS

Section 20. Definitions.
21. Short-term residential rental units; regulation.
22. Registration.
23. Exceptions.
24. Penalties.
24-a. Enforcement.
24-b. Data sharing.

§ 20. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Short-term residential rental unit" means an entire dwelling unit, or a room, group of rooms, other living or sleeping space, or any other space within a dwelling, made available for rent by guests for less than thirty consecutive days, where the unit is offered for tourist or transient use by the short-term rental host of the residential unit.

2. "Short-term rental host" means a person or entity in valid legal possession of a short-term rental unit who rents such unit to guests.

3. "Booking service" means a person or entity who, directly or indirectly:

(a) provides one or more online, computer or application-based platforms that individually or collectively can be used to:

(i) list or advertise offers for short-term rentals, and

(ii) either accept such offers, or reserve or pay for such rentals; and

(b) charges, collects or receives a fee for the use of such a platform or for provision of any service in connection with a short-term rental. A booking service shall not be construed to include a platform that solely lists or advertises offers for short-term rentals.

§ 21. Short-term residential rental units; regulation. 1. A short-term rental host may operate a dwelling unit as a short-term residential rental unit provided such dwelling unit:

(a) is registered in accordance with section twenty-two of this article;

(b) is not used to provide single-room occupancy as defined by subdivision forty-four of section four of this chapter;

(c) includes a conspicuously posted evacuation diagram identifying all means of egress from the unit and the building in which it is located;

(d) includes a conspicuously posted list of emergency phone numbers for police, fire, and poison control;

(e) has a working fire-extinguisher; and

(f) is insured by an insurer licensed to write insurance in this state or procured by a duly licensed excess line broker pursuant to section two thousand one hundred eighteen of the insurance law for at least the value of the dwelling, plus a minimum of three hundred thousand dollars coverage for third party claims of property damage or bodily injury that arise out of the operation of a short-term rental unit. Notwithstanding any other provision of law, no insurer shall be required to provide such coverage.

2. Occupancies of a short-term rental unit shall be subject to taxes and fees pursuant to articles twenty-eight and twenty-nine of the tax law and applicable local laws.

3. Short-term rental hosts shall maintain records related to guest stays for two years following the end of the calendar year in which an individual rental stay occurred, including the date of each stay and number of guests, the cost for each stay, including relevant tax, and records related to their registration as short-term rental hosts with the department of state. As a requirement for registration under section twenty-two of this article, hosts shall provide these records to the department of state on an annual basis. The department shall share this report with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies upon request. Where the booking platform is the short-term rental host, the short-term rental host may be exempt from providing such report provided that the booking platform includes all necessary information required of a short-term rental host in the report required pursuant to subdivision four of this section.

4. Notwithstanding the provisions of any other law or administrative action to the contrary, booking services shall develop and maintain a report related to short-term rental unit guest stays that the booking service has facilitated in the state for two years following the end of the calendar year in which an individual rental stay occurred. The report shall include the dates of each stay and the number of guests, the cost for each stay, including relevant tax, the physical address, including any unit designation, of each short-term rental unit booked, the full legal name of each short-term rental unit's host, and each short-term rental unit's registration number. In the event a booking service does not adhere to subdivision two of section twenty-two of this article, or more information is deemed necessary by the department of

state, the department may access this report and/or all relevant records from a booking service in response to valid legal process. The department shall share this report and/or records with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies when lawfully requested. Reports and any records provided to generate such reports shall not be made publicly available without the redaction of the full legal name of each short-term rental unit's host, the street name and number of the physical address of any identified short-term rental unit and the unit's registration number.

5. It shall be unlawful for a booking service to collect a fee for facilitating booking transactions for short-term residential rental units located in this state if the short-term rental unit and its owner or tenant have not been issued a current, valid registration by the department of state or an applicable municipality.

6. The provisions of this article shall apply to all short-term residential rental units in the state; provided, however, that a municipality that has its own short-term residential rental unit registry may continue such registry and all short-term residential rental units in such municipality shall be required to be registered with such municipal registry and shall not be required to register with the department of state. Municipalities with short-term residential rental registries shall establish and effectuate standards for the health and safety of guests, including, but not limited to, the standards established in paragraphs (c), (d) and (e) of subdivision one of this section. Municipalities with short-term residential rental unit registries shall maintain the authority to manage such registries and to collect fines for violations related to the registration of short-term residential rental units. Municipalities with short-term residential rental unit registries shall provide information on short-term residential rental units registered within such municipality to the department of state, on a quarterly basis of each calendar year, in order for the department to maintain a current database of all short-term residential units registered within the state. Municipalities with short-term residential rental unit registries shall not be subject to the regulation requirements of this section and may establish registration requirements and regulations in such municipality which may differ from the requirements of this section.

§ 22. Registration. 1. Short-term rental hosts shall be required to register a short-term residential rental unit with the department of state or with the municipality where such short-term residential unit is located if such municipality has a registration system; provided, however, that the department of state shall not accept an application to register a short-term residential rental unit for a unit that is located in a municipality which has its own registration system and that has notified the department of state of such registration system. Where a short-term rental is located in a jurisdiction that has multiple municipal registration systems, the host shall select only one such municipal registration system to register under. No municipality shall require a host to register under their registration system where a host is lawfully registered with another municipal registration system.

(a) Registration with the department of state shall be valid for two years, after which time the short-term rental host may renew his or her registration in a manner prescribed by the department of state. The department of state may revoke the registration of a short-term rental host upon a determination that the short-term rental host has violated

any provision of this article at least three times in two calendar years, and may determine that the short-term rental host shall be ineligible for registration for a period of up to twelve months from the date of such determination or at the request of a municipality when such municipality requests such revocation due to illegal occupancy. Listing or using a dwelling unit, or portion thereof, as a short-term residential rental unit without current, valid registration shall be unlawful and shall make persons who list or use such unit ineligible for registration for a period of twelve months from the date a determination is made that a violation has occurred.

(b) A short-term rental host shall include their current, valid registration number on all offerings, listings or advertisements for short-term rental guest stays.

(c) A tenant, or other person that does not own a unit that is used as a short-term rental unit but is in valid legal possession of a short-term residential rental unit, shall not qualify for registration if they are not the permanent occupant of the dwelling unit in question and have not been granted permission in writing by the owner for its short-term rental, to be verified by the department of state or any municipality with its own registration system.

(d) The department of state shall make available to platforms the data necessary to allow booking platforms to verify the registration status of a short-term residential rental unit and that the unit is associated with the short-term rental host who registered the unit.

(e) The short-term rental host shall pay application and renewal fees in an amount to be established by the department of state.

(f) There shall be a fee for the use of the electronic verification system in an amount to be established by the department of state. Such fee shall not exceed the cost to build, operate, and maintain such system.

2. Notwithstanding the provisions of any other law or administrative action to the contrary, it shall be unlawful for a booking service to collect a fee for facilitating booking transactions for short-term residential rental units located in this state without first registering with the department of state. Accordingly, booking services shall adhere to the following, in addition to other regulations established by the department, as conditions of such registration:

(a) Booking services shall provide to the department on a quarterly basis, in a form and manner to be determined by the department, the report developed and maintained by the booking service in accordance with subdivision four of section twenty-one of this article. The department shall share this report with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies when lawfully requested.

(b) A booking service shall provide agreement in writing to the department that it will:

(i) Obtain written consent from all short-term rental hosts intending to utilize their platform, for short-term residential rental units located in this state, for the disclosure of the information pursuant to subdivision four of section twenty-one of this article, in accordance with paragraph (a) of this subdivision; and

(ii) Furnish the information identified pursuant to subdivision four of section twenty-one of this article, in accordance with paragraph (a) of this subdivision.

3. The department of state shall set a fee for short-term residential rental unit and booking service registration with the department.

§ 23. Exceptions. Notwithstanding the provisions of any other law to the contrary, this article shall not apply to:

1. Incidental and occasional occupancy of such dwelling unit for fewer than thirty consecutive days by other persons when the permanent occupants are temporarily absent for personal reasons, such as vacation or medical treatment, provided that there is no monetary compensation paid to the permanent occupants for such occupancy; or

2. A municipality which does not allow short-term residential rentals; provided, however, that such municipality shall request an exception from this article; or

3. Temporary housing or lodging permitted by the department of health.

§ 24. Penalties. Notwithstanding the provisions of any other law to the contrary:

1. Any booking service which collects a fee related to booking a unit as a short-term rental, where such unit is not registered in accordance with this article, shall be fined in accordance with subdivisions four and five of this section. The secretary of state or their designee may also seek an injunction from a court of competent jurisdiction prohibiting the collection of any fees relating to the offering or renting of the unit as a short-term residential rental.

2. Any person who offers a short-term residential rental unit without registering with the department of state or municipal registration system, or any person who offers an eligible short-term residential rental unit as a short-term rental while the unit's registration on the short-term residential rental unit registry is suspended, shall be fined in accordance with subdivisions four and five of this section.

3. Any person who fails to comply with any notice of violation or other order issued pursuant to this article by the department of state for a violation of any provision of this article shall be fined in accordance with subdivisions four and five of this section.

4. In a municipality that does not have its own registration system, a short-term rental host that violates the requirements of this article shall receive a warning notice issued, without penalty, by the department of state upon the first and second violation. The warning notice shall detail actions to be taken to cure the violation. A two hundred dollar fine shall be imposed upon the third violation. A one thousand dollar fine per day shall be imposed upon all subsequent violations. Upon the occurrence of a violation, a seven-day period to cure the violation shall be granted. During such period, no further fines shall be accumulated against the short-term rental host, except where the new violation is related to a different short-term rental unit.

5. In a municipality that does not have its own registration system, a booking service that violates the requirements of this article shall be issued a five hundred dollar fine per day, per violation, until such violation is cured.

6. In a municipality that has its own registration system, the municipality may establish and effectuate its own penalty system.

§ 24-a. Enforcement. 1. The provisions of this article may be enforced in accordance with article eight of this chapter.

2. The department of state may enter into agreements with a booking service for assistance in enforcing the provisions of this section, including but not limited to an agreement whereby the booking service agrees to remove a listing from its platform that is deemed ineligible for use as a short-term residential rental unit under the provisions of this article, and whereby the booking service agrees to prohibit a

short-term rental host from listing any listing without a valid registration number.

3. The attorney general shall be authorized to bring an action for a violation of this article for any such violations occurring in the state, regardless of the registration system in place within the applicable jurisdiction.

4. A municipality shall be entitled to bring an action for a violation of this article for any such violations of this article occurring in the municipality, and may notify the attorney general.

§ 24-b. Data sharing. Booking services shall provide to the department of state and municipalities, on a monthly basis, an electronic report, in a format determined by the department of state of the listings maintained, authorized, facilitated or advertised by the booking service within the state for the applicable reporting period. The report shall include the registration number, and a breakdown of where the listings are located, whether the listing is for a partial unit or a whole unit, and shall include the number of nights each unit was reported as occupied during the applicable reporting period.

§ 2. The multiple dwelling law is amended by adding a new article 2-A to read as follows:

ARTICLE 2-A
SHORT-TERM RESIDENTIAL RENTAL UNITS

Section 20. Definitions.
21. Short-term residential rental units; regulation.
22. Registration.
23. Exceptions.
24. Penalties.
24-a. Enforcement.
24-b. Data sharing.

§ 20. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Short-term residential rental unit" means an entire dwelling unit, or a room, group of rooms, other living or sleeping space, or any other space within a dwelling, made available for rent by guests for less than thirty consecutive days, where the unit is offered for tourist or transient use by the short-term rental host of the residential unit.

2. "Short-term rental host" means a person or entity in valid legal possession of a short-term rental unit who rents such unit to guests.

3. "Booking service" means a person or entity who, directly or indirectly:

(a) provides one or more online, computer or application-based platforms that individually or collectively can be used to:

(i) list or advertise offers for short-term rentals, and

(ii) either accept such offers, or reserve or pay for such rentals; and

(b) charges, collects or receives a fee for the use of such a platform or for provision of any service in connection with a short-term rental. A booking service shall not be construed to include a platform that solely lists or advertises offers for short-term rentals.

§ 21. Short-term residential rental units; regulation. 1. A short-term rental host may operate a dwelling unit as a short-term residential rental unit provided such dwelling unit:

(a) is registered in accordance with section twenty-two of this article;

(b) is not used to provide single room occupancy as defined by subdivision sixteen of section four of this chapter;

(c) includes a conspicuously posted evacuation diagram identifying all means of egress from the unit and the building in which it is located;

(d) includes a conspicuously posted list of emergency phone numbers for police, fire, and poison control;

(e) has a working fire-extinguisher; and

(f) is insured by an insurer licensed to write insurance in this state or procured by a duly licensed excess line broker pursuant to section two thousand one hundred eighteen of the insurance law for at least the value of the dwelling, plus a minimum of three hundred thousand dollars coverage for third party claims of property damage or bodily injury that arise out of the operation of a short-term rental unit. Notwithstanding any other provision of law, no insurer shall be required to provide such coverage.

2. Occupancies of a short-term rental unit shall be subject to taxes and fees pursuant to articles twenty-eight and twenty-nine of the tax law and applicable local laws.

3. Short-term rental hosts shall maintain records related to guest stays for two years following the end of the calendar year in which an individual rental stay occurred, including the date of each stay and number of guests, the cost for each stay, including relevant tax, and records related to their registration as short-term rental hosts with the department of state. As a requirement for registration under section twenty-two of this article, hosts shall provide these records to the department of state on an annual basis. The department shall share this report with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies upon request. Where the booking platform is the short-term rental host, the short-term rental host may be exempt from providing such report provided that the booking platform includes all necessary information required of a short-term rental host in the report required pursuant to subdivision four of this section.

4. Notwithstanding the provisions of any other law or administrative action to the contrary, booking services shall develop and maintain a report related to short-term rental unit guest stays that the booking service has facilitated in the state for two years following the end of the calendar year in which an individual rental stay occurred. The report shall include the dates of each stay and the number of guests, the cost for each stay, including relevant tax, the physical address, including any unit designation, of each short-term rental unit booked, the full legal name of each short-term rental unit's host, and each short-term rental unit's registration number. In the event a booking service does not adhere to subdivision two of section twenty-two of this article, or more information is deemed necessary by the department of state, the department may access this report and/or all relevant records from a booking service in response to valid legal process. The department shall share this report and/or records with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies when lawfully requested. Reports and any records provided to generate such reports shall not be made publicly available without the redaction of the full legal name of each short-term rental unit's host, the street name and number of the physical address of any identified short-term rental unit and the unit's registration number.

5. It shall be unlawful for a booking service to collect a fee for facilitating booking transactions for short-term residential rental units located in this state if the short-term rental unit and its owner or tenant have not been issued a current, valid registration by the department of state or an applicable municipality.

6. The provisions of this article shall apply to all short-term residential rental units in the state; provided, however, that a municipality that has its own short-term residential rental unit registry may continue such registry and all short-term residential rental units in such municipality shall be required to be registered with such municipal registry and shall not be required to register with the department of state. Municipalities with short-term residential rental registries shall establish and effectuate standards for the health and safety of guests, including, but not limited to, the standards established in paragraphs (c), (d) and (e) of subdivision one of this section. Municipalities with short-term residential rental unit registries shall maintain the authority to manage such registries and to collect fines for violations related to the registration of short-term residential rental units. Municipalities with short-term residential rental unit registries shall provide information on short-term residential rental units registered within such municipality to the department of state, on a quarterly basis of each calendar year in order for the department to maintain a current database of all short-term residential units registered within the state. Municipalities with short-term residential rental unit registries shall not be subject to the regulation requirements of this section and may establish registration requirements and regulations in such municipality which may differ from the requirements of this section.

§ 22. Registration. 1. Short-term rental hosts shall be required to register a short-term residential rental unit with the department of state or with the municipality where such short-term residential unit is located if such municipality has a registration system; provided, however, that the department of state shall not accept an application to register a short-term residential rental unit for a unit that is located in a municipality which has its own registration system and that has notified the department of state of such registration system. Where a short-term rental is located in a jurisdiction that has multiple municipal registration systems, the host shall select only one such municipal registration system to register under. No municipality shall require a host to register under their registration system where a host is lawfully registered with another municipal registration system.

(a) Registration with the department of state shall be valid for two years, after which time the short-term rental host may renew his or her registration in a manner prescribed by the department of state. The department of state may revoke the registration of a short-term rental host upon a determination that the short-term rental host has violated any provision of this article at least three times in two calendar years, and may determine that the short-term rental host shall be ineligible for registration for a period of up to twelve months from the date of such determination or at the request of a municipality when such municipality requests such revocation due to illegal occupancy. Listing or using a dwelling unit, or portion thereof, as a short-term residential rental unit without current, valid registration shall be unlawful and shall make persons who list or use such unit ineligible for registration for a period of twelve months from the date a determination is made that a violation has occurred.

(b) A short-term rental host shall include their current, valid registration number on all offerings, listings or advertisements for short-term rental guest stays.

(c) A tenant, or other person that does not own a unit that is used as a short-term rental unit but is in valid legal possession of a short-term residential rental unit, shall not qualify for registration if they are not the permanent occupant of the dwelling unit in question and have not been granted permission in writing by the owner for its short-term rental, to be verified by the department of state or any municipality with its own registration system.

(d) The department of state shall make available to platforms the data necessary to allow booking platforms to verify the registration status of a short-term residential rental unit and that the unit is associated with the short-term rental host who registered the unit.

(e) The short-term rental host shall pay application and renewal fees in an amount to be established by the department of state.

(f) There shall be a fee for the use of the electronic verification system in an amount to be established by the department of state. Such fee shall not exceed the cost to build, operate, and maintain such system.

2. Notwithstanding the provisions of any other law or administrative action to the contrary, it shall be unlawful for a booking service to collect a fee for facilitating booking transactions for short-term residential rental units located in this state without first registering with the department of state. Accordingly, booking services shall adhere to the following, in addition to other regulations established by the department, as conditions of such registration:

(a) Booking services shall provide to the department on a quarterly basis, in a form and manner to be determined by the department, the report developed and maintained by the booking service in accordance with subdivision four of section twenty-one of this article. The department shall share this report with county, city, town, or village governments and shall make such reports available to local municipal enforcement agencies when lawfully requested.

(b) A booking service shall provide agreement in writing to the department that it will:

(i) Obtain written consent from all short-term rental hosts intending to utilize their platform, for short-term residential rental units located in this state, for the disclosure of the information pursuant to subdivision four of section twenty-one of this article, in accordance with paragraph (a) of this subdivision; and

(ii) Furnish the information identified pursuant to subdivision four of section twenty-one of this article, in accordance with paragraph (a) of this subdivision.

3. The department of state shall set a fee for short-term residential rental unit and booking service registration with the department.

§ 23. Exceptions. Notwithstanding the provisions of any other law to the contrary, this article shall not apply to:

1. Incidental and occasional occupancy of such dwelling unit for fewer than thirty consecutive days by other persons when the permanent occupants are temporarily absent for personal reasons, such as vacation or medical treatment, provided that there is no monetary compensation paid to the permanent occupants for such occupancy; or

2. A municipality which does not allow short-term residential rentals; provided, however, that such municipality shall request an exception from this article; or

3. Temporary housing or lodging permitted by the department of health.

§ 24. Penalties. Notwithstanding the provisions of any other law to the contrary:

1. Any booking service which collects a fee related to booking a unit as a short-term rental, where such unit is not registered in accordance with this article, shall be fined in accordance with subdivisions four and five of this section. The secretary of state or their designee may also seek an injunction from a court of competent jurisdiction prohibiting the collection of any fees relating to the offering or renting of the unit as a short-term residential rental.

2. Any person who offers a short-term residential rental unit without registering with the department of state or municipal registration system, or any person who offers an eligible short-term residential rental unit as a short-term rental while the unit's registration on the short-term residential rental unit registry is suspended, shall be fined in accordance with subdivisions four and five of this section.

3. Any person who fails to comply with any notice of violation or other order issued pursuant to this article by the department of state for a violation of any provision of this article shall be fined in accordance with subdivisions four and five of this section.

4. In a municipality that does not have its own registration system, a short-term rental host that violates the requirements of this article shall receive a warning notice issued, without penalty, by the department of state upon the first and second violation. The warning notice shall detail actions to be taken to cure the violation. A two hundred dollar fine shall be imposed upon the third violation. A one thousand dollar fine per day shall be imposed upon all subsequent violations. Upon the occurrence of a violation, a seven-day period to cure the violation shall be granted. During such period, no further fines shall be accumulated against the short-term rental host, except where the new violation is related to a different short-term rental unit.

5. In a municipality that does not have its own registration system, a booking service that violates the requirements of this article shall be issued a five hundred dollar fine per day, per violation, until the violation is cured.

6. In a municipality that has its own registration system, the municipality may establish and effectuate its own penalty system.

§ 24-a. Enforcement. 1. The provisions of this article may be enforced in accordance with article eight of this chapter.

2. The department of state may enter into agreements with a booking service for assistance in enforcing the provisions of this section, including but not limited to an agreement whereby the booking service agrees to remove a listing from its platform that is deemed ineligible for use as a short-term residential rental unit under the provisions of this article, and whereby the booking service agrees to prohibit a short-term rental host from listing any listing without a valid registration number.

3. The attorney general shall be authorized to bring an action for a violation of this article for any such violations occurring in the state, regardless of the registration system in place within the applicable jurisdiction.

4. A municipality shall be entitled to bring an action for a violation of this article for any such violations of this article occurring in the municipality, and may notify the attorney general.

§ 24-b. Data sharing. Booking services shall provide to the department of state and municipalities, on a monthly basis, an electronic report,

in a format determined by the department of state of the listings maintained, authorized, facilitated or advertised by the booking service within the state for the applicable reporting period. The report shall include the registration number, and a breakdown of where the listings are located, whether the listing is for a partial unit or a whole unit, and shall include the number of nights each unit was reported as occupied during the applicable reporting period.

§ 3. Subdivision (c) of section 1101 of the tax law, as added by chapter 93 of the laws of 1965, paragraphs 2, 3, 4 and 6 as amended by section 2 and paragraph 8 as added by section 3 of part AA of chapter 57 of the laws of 2010, and paragraph 5 as amended by chapter 575 of the laws of 1965, is amended to read as follows:

(c) When used in this article for the purposes of the tax imposed under subdivision (e) of section eleven hundred five of this article, and subdivision (a) of section eleven hundred four of this article, the following terms shall mean:

(1) Hotel. A building or portion of it which is regularly used and kept open as such for the lodging of guests. The term "hotel" includes an apartment hotel, a motel, boarding house or club, whether or not meals are served, and short-term rental units.

(2) Occupancy. The use or possession, or the right to the use or possession, of any room in a hotel. "Right to the use or possession" includes the rights of a room remarketer as described in paragraph eight of this subdivision.

(3) Occupant. A person who, for a consideration, uses, possesses, or has the right to use or possess, any room in a hotel under any lease, concession, permit, right of access, license to use or other agreement, or otherwise. "Right to use or possess" includes the rights of a room remarketer as described in paragraph eight of this subdivision.

(4) Operator. Any person operating a hotel. Such term shall include a room remarketer and such room remarketer shall be deemed to operate a hotel, or portion thereof, with respect to which such person has the rights of a room remarketer.

(5) Permanent resident. Any occupant of any room or rooms in a hotel for at least ninety consecutive days shall be considered a permanent resident with regard to the period of such occupancy.

(6) Rent. The consideration received for occupancy, including any service or other charge or amount required to be paid as a condition for occupancy, valued in money, whether received in money or otherwise and whether received by the operator [~~or~~], a booking service, a room remarketer or another person on behalf of [~~either~~] any of them.

(7) Room. Any room or rooms of any kind in any part or portion of a hotel, which is available for or let out for any purpose other than a place of assembly.

(8) Room remarketer. A person who reserves, arranges for, conveys, or furnishes occupancy, whether directly or indirectly, to an occupant for rent in an amount determined by the room remarketer, directly or indirectly, whether pursuant to a written or other agreement. Such person's ability or authority to reserve, arrange for, convey, or furnish occupancy, directly or indirectly, and to determine rent therefor, shall be the "rights of a room remarketer". A room remarketer is not a permanent resident with respect to a room for which such person has the rights of a room remarketer. This term does not include a booking service unless such service otherwise meets this definition.

(9) Short-term rental unit. A short-term residential unit as defined in section twenty of the multiple residence law or in section twenty of

the multiple dwelling law which is registered with the department of state or a municipal registration system, which includes but is not limited to title twenty-six of the administrative code of the city of New York.

(10) Booking service. (i) A person or entity who, directly or indirectly:

(A) provides one or more online, computer or application-based platforms that individually or collectively can be used to:

(I) list or advertise offers for rental of a short-term rental unit, or space in a short-term rental unit, a type of a hotel as defined in paragraph one of this subdivision, and

(II) either accept such offers, or reserve or pay for such rentals; and

(B) charges, collects or receives a fee from a customer or host for the use of such a platform or for provision of any service in connection with the rental of a short-term rental unit, or space in a short-term rental unit, a type of a hotel as defined in paragraph one of this subdivision. For the purposes of this section, "customer" means an individual or organization that purchases a stay at a short-term rental.

(ii) A booking service shall not include a person or entity who facilitates bookings of hotel rooms solely on behalf of affiliated persons or entities, including franchisees, operating under a shared hotel brand.

(iii) A booking service shall not include a person or entity who facilitates bookings of hotel rooms and does not collect and retain the rent paid for such occupancy, as defined by paragraph six of this subdivision.

§ 4. Subdivision (e) of section 1105 of the tax law is amended by adding a new paragraph 3 to read as follows:

(3) The rent for every occupancy of a room or rooms in a short-term rental unit, or space in a short-term rental unit, a type of a hotel offered for rent through a booking service, as defined in paragraph ten of subdivision (c) of section eleven hundred one of this article, regardless of whether it is furnished, limited to a single family occupancy, or provides housekeeping, food, or other common hotel services, including, but not limited to, entertainment or planned activities.

§ 5. Subdivision 1 of section 1131 of the tax law, as amended by section 2 of part G of chapter 59 of the laws of 2019, is amended to read as follows:

(1) "Persons required to collect tax" or "person required to collect any tax imposed by this article" shall include: every vendor of tangible personal property or services; every recipient of amusement charges; every operator of a hotel; [~~and~~] every marketplace provider with respect to sales of tangible personal property it facilitates as described in paragraph one of subdivision (e) of section eleven hundred one of this article; and booking services unless relieved of such obligation pursuant to paragraph three of subdivision (m) of section eleven hundred thirty-two of this part. Said terms shall also include any officer, director or employee of a corporation or of a dissolved corporation, any employee of a partnership, any employee or manager of a limited liability company, or any employee of an individual proprietorship who as such officer, director, employee or manager is under a duty to act for such corporation, partnership, limited liability company or individual proprietorship in complying with any requirement of this article, or has so acted; and any member of a partnership or limited liability company. Provided, however, that any person who is a vendor solely by reason of clause (D) or (E) of subparagraph (i) of paragraph (8) of subdivision

(b) of section eleven hundred one of this article shall not be a "person required to collect any tax imposed by this article" until twenty days after the date by which such person is required to file a certificate of registration pursuant to section eleven hundred thirty-four of this part.

§ 6. Section 1132 of the tax law is amended by adding a new subdivision (m) to read as follows:

(m) (1) A booking service shall be required to (i) collect from the occupants the applicable taxes arising from such occupancies; (ii) comply with all the provisions of this article and article twenty-nine of this chapter and any regulations adopted pursuant thereto; (iii) register to collect tax under section eleven hundred thirty-four of this part; and (iv) retain records and information as required by the commissioner and cooperate with the commissioner to ensure the proper collection and remittance of tax imposed, collected, or required to be collected under this article and article twenty-nine of this chapter.

(2) In carrying out the obligations imposed under this section, a booking service shall have all the duties, benefits, and entitlements of a person required to collect tax under this article and article twenty-nine of this chapter with respect to the occupancies giving rise to the tax obligation, including the right to accept a certificate or other documentation from an occupant substantiating an exemption or exclusion from tax, as if such booking service were the operator of the hotel with respect to such occupancy, including the right to receive the refund authorized by subdivision (e) of this section and the credit allowed by subdivision (f) of section eleven hundred thirty-seven of this part.

(3) An operator of a hotel is not a person required to collect tax for purposes of this part with respect to taxes imposed upon occupancies of hotels if:

(i) the operator of the hotel can show that the occupancy was facilitated by a booking service who is registered to collect tax pursuant to section eleven hundred thirty-four of this part; and

(ii) the operator of the hotel accepted from the booking service a properly completed certificate of collection in a form prescribed by the commissioner certifying that the booking service has agreed to assume the tax collection and filing responsibilities of the operator of the hotel; and

(iii) any failure of the booking service to collect the proper amount of tax with respect to such occupancy was not the result of the operator of the hotel providing incorrect information to the booking service, whether intentional or unintentional.

This provision shall be administered in a manner consistent with subparagraph (i) of paragraph one of subdivision (c) of this section as if a certificate of collection were a resale or exemption certificate for purposes of such subparagraph, including with regard to the completeness of such certificate of collection and the timing of its acceptance by the operator of the hotel; provided however, that with regard to any occupancies sold by an operator of the hotel that are facilitated by a booking service who is affiliated with such operator, the operator shall be deemed liable as a person under a duty to act for such booking service for purposes of subdivision one of section eleven hundred thirty-one of this part.

(4) The commissioner may, in his or her discretion develop standard language, or approve language developed by a booking service, in which the booking service obligates itself to collect the tax on behalf of all the operators of hotels.

(5) In the event an operator of a hotel is a room remarketer, and all other provisions of this subdivision are met such that a booking service is obligated to collect tax, and does in fact collect tax as evidenced by the books and records of such booking service, then the provisions of subdivision (e) of section eleven hundred nineteen of this article shall be applicable.

§ 7. Paragraph 4 of subdivision (a) of section 1136 of the tax law, as amended by section 5 of part G of chapter 59 of the laws of 2019, is amended to read as follows:

(4) The return of a vendor of tangible personal property or services shall show such vendor's receipts from sales and the number of gallons of any motor fuel or diesel motor fuel sold and also the aggregate value of tangible personal property and services and number of gallons of such fuels sold by the vendor, the use of which is subject to tax under this article, and the amount of tax payable thereon pursuant to the provisions of section eleven hundred thirty-seven of this part. The return of a recipient of amusement charges shall show all such charges and the amount of tax thereon, and the return of an operator required to collect tax on rents shall show all rents received or charged and the amount of tax thereon. The return of a marketplace seller shall exclude the receipts from a sale of tangible personal property facilitated by a marketplace provider if, in regard to such sale: (A) the marketplace seller has timely received in good faith a properly completed certificate of collection from the marketplace provider or the marketplace provider has included a provision approved by the commissioner in the publicly-available agreement between the marketplace provider and the marketplace seller as described in subdivision one of section eleven hundred thirty-two of this part, and (B) the information provided by the marketplace seller to the marketplace provider about such tangible personal property is accurate. The return of a short-term rental host shall exclude the rent from occupancy of a short-term rental unit facilitated by a booking service if, in regard to such sale: (A) the short-term rental host has timely received in good faith a properly completed certificate of collection from the booking service or the booking service has included a provision approved by the commissioner in the publicly-available agreement between the booking service and the short-term rental host as described in subdivision (m) of section eleven hundred thirty-two of this part, and (B) the information provided by the short-term rental host to the booking service about such rent and such occupancy is accurate.

§ 8. Section 1142 of the tax law is amended by adding a new subdivision 16 to read as follows:

16. To publish a list on the department's website of booking services whose certificates of authority have been revoked and, if necessary to protect sales tax revenue, provide by regulation or otherwise that a short-term rental unit operator will be relieved of the requirement to register and the duty to collect tax on the rent for occupancy of a short-term rental facilitated by a booking service provider only if, in addition to the conditions prescribed by paragraph two of subdivision (m) of section eleven hundred thirty-two and paragraph six of subdivision (a) of section eleven hundred thirty-four of this part being met, such booking service is not on such list at the commencement of the quarterly period covered thereby.

§ 9. Subpart A of part 1 of article 29 of the tax law is amended by adding a new section 1200 to read as follows:

§ 1200. Definition. For the purposes of this article "hotel" shall mean a building or portion of such building which is regularly used and kept open as such for the lodging of guests, including: (a) an apartment hotel, (b) a motel, (c) a boarding house or club, whether or not meals are served, and (d) short-term residential rental units as defined in subdivision one of section twenty of the multiple residence law or in subdivision one of section twenty of the multiple dwelling law.

§ 10. Notwithstanding any other provisions of law to the contrary, a county, city, town, or village government may enact a local law prohibiting or further limiting the listing or use of dwelling units, or portions thereof, as short-term residential rental units.

§ 11. Severability. If any provision of this act, or any application of any provision of this act, is held to be invalid, that shall not affect the validity or effectiveness of any other provision of this act, or of any other application of any provision of this act, which can be given effect without that provision or application; and to that end, the provisions and applications of this act are severable.

§ 12. This act shall take effect on the one hundred twentieth day after it shall have become a law.

PART L

Section 1. Section 493 of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

§ 493. Imposition of tax. (a) There is hereby imposed a tax on adult-use cannabis products sold by a distributor to a person who sells adult-use cannabis products at retail at the [~~following rates:~~

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

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

~~(3) cannabis edible product at the rate of three cents per milligram of the amount of total THC, as reflected on the product label. This tax shall accrue at the time of such sale or transfer. Where~~] rate of: (1) five percent of the amount charged for the sale or transfer of such adult-use cannabis products to such retailer for tax years ending before January first, two thousand twenty-eight; (2) seven percent of the amount charged for the sale or transfer of such adult-use cannabis products to such retailer for tax years beginning on or after January first, two thousand twenty-eight and ending before January first two thousand thirty-one; and (3) nine percent of the amount charged for the sale or transfer of such adult-use cannabis products to such retailer for tax years beginning on or after January first, two thousand thirty-one; provided that where a person who distributes adult-use cannabis is licensed under the cannabis law as a microbusiness or registered organization and such person sells adult-use cannabis products at retail, such person shall be liable for the tax, and such tax shall accrue at the time of the retail sale, and the amount subject to the tax imposed by this subdivision shall be seventy-five percent of the amount charged by such person for the sale or transfer of such products to a retail customer.

(b) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of nine percent of the amount charged for the sale or transfer of adult-use cannabis products to a retail customer by a person who sells adult-use cannabis products at retail. This tax is

imposed on the person who sells adult-use cannabis at retail and shall accrue at the time of such sale or transfer.

(c) In addition to the taxes imposed by subdivisions (a) and (b) of this section, there is hereby imposed a tax on the sale or transfer of adult-use cannabis products to a retail customer by a person who sells adult-use cannabis products at retail at the rate of four percent of the amount charged by such person for such adult-use cannabis product, which tax shall accrue at the time of such sale or transfer. The tax imposed by this subdivision is imposed on a person who sells adult-use cannabis products at retail, and shall be paid to the commissioner in trust for and on account of a city having a population of a million or more, and counties (other than counties wholly within such a city), towns, villages, and cities with a population of less than a million in which a retail dispensary is located.

(d) The taxes imposed by this section shall not apply to sales of adult-use cannabis to a person holding a cannabis research license under section thirty-nine of the cannabis law.

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

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

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

PART M

Intentionally Omitted

PART N

Section 1. Subdivision 1 of section 1102 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

1. "Charges" or "legal charges" means:

(a) the cost of the mailing or service of notices required or authorized by this article;

(b) the cost of publication of notices required or authorized by this title;

(c) the amount of any interest and penalties imposed by law;

(d) the cost of recording or filing legal documents required or authorized by this article; [~~**and**~~]

(e) **the cost of appraising a property's value for the purpose of determining the existence and amount of any surplus pursuant to section eleven hundred ninety-six of this article;**

(f) the reasonable and necessary cost of any search of the public record required or authorized to satisfy the notice requirements of this

article, and [~~the~~] other reasonable and necessary expenses [~~for legal services of~~] incurred by a tax district in connection with a proceeding to foreclose a tax lien, including, and without limitation, administrative, auction and reasonable attorney fees and/or costs associated with the foreclosure process; provided, that: (i) a charge of up to [~~one~~] either two hundred fifty dollars per parcel, or two percent of the sum of the taxes, interest and penalties due on the parcel, whichever is greater, shall be deemed reasonable and necessary to cover the combined costs of such searches and [~~legal expenses~~] the other reasonable and necessary costs and expenses delineated in this paragraph, and such an amount may be charged without substantiation, even if salaried employees of the tax district performed [~~the search or legal~~] some or all of such services; and (ii) a tax district may charge a greater amount with respect to one or more parcels upon demonstration to the satisfaction of the court having jurisdiction that such greater amount was reasonable and necessary; and

[~~(f)~~] (g) the amount owed to the tax district by virtue of a judgment lien, a mortgage lien, or any other lien held by the tax district that is not a delinquent tax lien.

Charges shall be deemed a part of the delinquent tax for purposes of redemption.

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

2. The provisions of this article shall not be applicable to [~~a county, city or town~~] any taxing jurisdiction which: (i) on January first, nineteen hundred ninety-three, was authorized to enforce the collection of delinquent taxes pursuant to a county charter, city charter, administrative code or special law; (ii) adopted a local law, no later than July first, nineteen hundred ninety-four, providing that the collection of taxes in such [~~county, city or town~~] taxing jurisdiction shall continue to be enforced pursuant to such charter, code or special law, as such charter, code or special law may from time to time be amended; and (iii) filed a copy of such local law with the commissioner no later than August first, nineteen hundred ninety-four. Provided, however, that notwithstanding any provisions of any general, special or local law to the contrary, if such charter, code or special law does not include provisions allowing for any "surplus" as defined by section eleven hundred ninety-five of this article to be claimed by the former owner or other parties whose interests were extinguished by the foreclosure of a delinquent tax lien, then until such charter, code or special law is amended to comply with the provisions of title six of this article, any claims for surplus within such tax district shall be administered in a manner substantially similar to that prescribed by title six of this article; and provided further, that on or after the effective date of the chapter of the laws of two thousand twenty-four that amended this subdivision, all local taxing jurisdictions must provide protections to homeowners at least as protective as those prescribed in title six of this article.

§ 3. Paragraph (d) of subdivision 2 of section 1136 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

(d) In directing any conveyance pursuant to this subdivision, the judgment shall direct the enforcing officer of the tax district to prepare and execute a deed conveying title to the parcel or parcels of

real property concerned. Such title shall be full and complete in the absence of an agreement between tax districts as herein provided that it shall be subject to the tax liens of one or more tax districts. Upon the execution of such deed, the grantee shall be seized of an estate in fee simple absolute in such parcel unless the conveyance is expressly made subject to tax liens of a tax district as herein provided, and all persons, including the state, infants, incompetents, absentees and non-residents, who may have had any right, title, interest, claim, lien or equity of redemption in or upon such parcel, shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. **Nothing contained herein shall be construed to preclude any such person from filing a claim pursuant to title six of this article for a share of any surplus that may be attributable to the sale of such parcel.**

§ 4. Subdivision 3 of section 1136 of the real property tax law, as amended by chapter 532 of the laws of 1994, is amended to read as follows:

3. When no answer has been interposed. **(a)** The court shall make a final judgment awarding to such tax district the possession of any parcel of real property described in the petition of foreclosure not redeemed as provided in this title and as to which no answer is interposed as provided herein. In addition thereto such judgment shall contain a direction to the enforcing officer of the tax district to prepare, execute and cause to be recorded a deed conveying to such tax district full and complete title to such parcel.

(b) Alternatively, at the request of the enforcing officer, the court may make a final judgment authorizing the enforcing officer to prepare, execute and cause to be recorded a deed conveying full and complete title to such parcel directly to a party other than the tax district, without the tax district taking title thereto.

(c) Upon the execution of such deed, the tax district**, or the grantee as the case may be,** shall be seized of an estate in fee simple absolute in such parcel and all persons, including the state, infants, incompetents, absentees and non-residents who may have had any right, title, interest, claim, lien or equity of redemption in or upon such parcel shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption. **Nothing contained herein shall be construed to preclude any such person from filing a claim pursuant to title six of this article for a share of any surplus that may be attributable to the sale of such parcel.**

§ 5. Section 1136 of the real property tax law is amended by adding a new subdivision 4 to read as follows:

4. (a) Notwithstanding any other provision of law to the contrary, when a parcel is subject to a judgment of foreclosure issued pursuant to this section but has not yet been conveyed to a third party, the tax district may, at its discretion, convey title to the parcel back to the former owner or owners, or to the successor or successors in interest if any, upon payment of the taxes, penalties, interest and other lawful charges owed to the tax district, subject to the provisions of paragraph (b) of this subdivision.

(b) If immediately prior to the issuance of the judgment of foreclosure, any other person had any right, title, interest, claim, lien or equity of redemption in or upon such parcel, the deed conveying the parcel back to the former owner or owners, or to their successor or successors in interest, shall state that the conveyance shall become subject to the right, title, interest, claim, lien or equity of redemp-

tion of any other person that had been extinguished by the judgment of foreclosure, once such right, title, interest, claim, lien or equity of redemption has been reinstated nunc pro tunc pursuant to the provisions of this paragraph. Upon the execution of such deed, the tax district shall cause a copy thereof to be filed with the court, which shall direct the reinstatement of any such right, title, interest, claim, lien or equity of redemption in such parcel nunc pro tunc.

§ 6. Section 1166 of the real property tax law, as amended by chapter 532 of the laws of 1994, subdivision 1 as amended by chapter 500 of the laws of 2015, is amended to read as follows:

§ 1166. Real property acquired by tax district; right of sale. 1. Whenever any tax district shall become vested with the title to real property, and whenever an enforcing officer shall have been authorized to sell and convey real property directly to another party, by virtue of a foreclosure proceeding brought pursuant to the provisions of this article, such tax district or enforcing officer is hereby authorized to sell and convey [~~the~~] such real property [~~so acquired~~], which shall include any and all gas, oil or mineral rights associated with such real property, either with or without advertising for bids, notwithstanding the provisions of any general, special or local law.

2. No such sale shall be effective unless and until such sale shall have been approved and confirmed by a majority vote of the governing body of the tax district, except that no such approval shall be required when the property is sold at public auction to the highest bidder.

3. The provisions of title six of this article shall govern the distribution of any surplus attributable to such sales.

§ 6-a. The real property tax law is amended by adding a new section 1135 to read as follows:

§ 1135. Application for surplus. Any person claiming surplus arising from a tax district's enforcement of delinquent property taxes may, in lieu of filing an answer to the foreclosure proceeding, file with the clerk in whose office the report of sale is filed at any time before the confirmation of the report of sale, a written notice of such claim, stating the nature and extent of their claim and the address of the claimant or their attorney.

§ 7. Article 11 of the real property tax law is amended by adding a new title 6 to read as follows:

TITLE 6

DISTRIBUTION OF SURPLUS

Section 1195. Definitions.
1196. Determination of existence and amount of surplus.
1197. Claims for surplus.
1198. Notice of exemptions.
1199. Repayment plan.
1199-a. Pre-foreclosure settlement conferences.

§ 1195. Definitions. In addition to the definitions set forth in section eleven hundred two of this article, for purposes of this title:

1. "Public sale" means a sale resulting from a public auction conducted in accordance with the provisions of section two hundred thirty-one of the real property actions and proceedings law.

2. "Surplus" means the net gain, if any, realized by the tax district upon the sale of tax-foreclosed property, as determined in the manner set forth in section eleven hundred ninety-six of this article. Where no such gain was realized, no surplus shall be attributable to that sale.

3. "Tax-foreclosed property" means a parcel as to which a judgment of foreclosure has been issued pursuant to section eleven hundred thirty-six of this article.

§ 1196. Determination of existence and amount of surplus. 1. Within forty-five days after the sale of tax-foreclosed property, the enforcing officer shall determine whether a surplus is attributable to such sale and if so, the amount thereof. Such determination shall be made by ascertaining the sum of the total amount of taxes due plus interest, penalties and other charges as defined by section eleven hundred two of this article, and subtracting such sum from whichever of the following is applicable:

(a) where the sale was a public sale, the amount paid for the property;

(b) where the sale was not a public sale, or where the tax district retains title to the property for a public use, an appraisal of the property conducted by a New York state licensed real estate appraiser to establish fair market value of the property at the time of the transfer of title; or

(c) by such other valuation method as the enforcing officer reasonably determines will result in just compensation to the former owner or other parties whose interests were extinguished by the foreclosure of a delinquent tax lien as measured by the value of the property at the time of the transfer of title.

2. (a) If the enforcing officer determines that no surplus is attributable to the sale, such enforcing officer shall submit a report to the court describing the circumstances of the sale, stating that no surplus was attributable to the sale and demonstrating how the enforcing officer reached that conclusion.

(b) If the enforcing officer determines that a surplus is attributable to the sale, such enforcing officer shall submit a report to the court describing the circumstances of the sale, stating that a surplus was attributable to the sale, and demonstrating how the amount of the surplus was determined. Such surplus shall be paid to the court therewith. Within ten days of submitting such report, the enforcing officer shall notify the former property owner that a surplus was attributable to the sale of such property, that such surplus has been paid into court, and that the court will notify the interested parties of the procedure to be followed in order to make a claim for a share of the surplus.

(c) Where the enforcing officer's determination of surplus is based upon such enforcing officer's estimate of the property's value, the enforcing officer's report to the court shall set forth an explanation of how this estimate was made, including the evidence upon which it was based.

3. Upon approval by the court of the enforcing officer's report, the tax district shall have no further responsibilities in relation to the parcel or any surplus attributable thereto, subject to the extent the court directs otherwise pursuant to section eleven hundred ninety-seven of this title.

§ 1197. Claims for surplus. 1. Any person who had any right, title, interest, claim, lien or equity of redemption in or upon a parcel immediately prior to the issuance of the judgment of foreclosure may file a claim with the court having jurisdiction for a share of any surplus resulting from the sale of such property. Such claims shall be administered and adjudicated, and such surplus shall be distributed, in the same manner as in an action to foreclose a mortgage pursuant to article

thirteen of the real property actions and proceedings law, subject to the provisions of this section.

2. (a) Where the property was sold by a public sale, the amount paid for the property shall be accepted as the full value of the property. No party may maintain a claim for surplus or any other claim or action against the tax district on the basis that the amount paid for the property did not fairly represent the property's value.

(b) Where the property was sold by other than a public sale, a claimant may make a motion, upon notice to the enforcing officer, for the surplus to be recalculated on the basis that the property's full value on the date of the sale was substantially higher than the value used to measure the surplus pursuant to subparagraph (ii) of paragraph (a) of subdivision one of section eleven hundred ninety-six of this title. If the court or its referee finds that a preponderance of the evidence supports the claimant's position, the court may direct the enforcing officer to recalculate the surplus based upon the property's value as determined by the court or referee. The court may further direct the enforcing officer to pay the difference into court to be distributed as required by this section.

3. Where the court has appointed a referee to preside over the proceedings pursuant to subdivision two of section thirteen hundred sixty-one of the real property actions and proceedings law, it shall not be necessary for such referee to make a report of such proceedings; nor shall it be necessary for the court to confirm by order or otherwise such proceedings.

4. At the conclusion of such proceedings, any surplus funds that have not been claimed shall be deemed abandoned but shall be paid to the tax district, not to the state comptroller, and shall be used by the tax district to reduce its tax levy.

5. To the extent the provisions of article thirteen of the real property actions and proceedings law are inconsistent with the provisions of this article, the provisions of this article shall govern.

§ 1198. Notice of exemptions. Tax districts shall include a statement on every property tax collection notice notifying homeowners of available exemptions. The provision of this subdivision shall be met by providing a notice or legend sent on or with each tax bill to homeowners reading "IF YOU ARE A SENIOR CITIZEN, PHYSICALLY DISABLED, AND/OR A VETERAN, YOU MAY BE ENTITLED TO A PARTIAL EXEMPTION FROM PROPERTY TAXES", followed by the name and telephone number of a person or department selected by the tax district to respond to inquiries regarding tax exemptions, eligibility, and instructions on how to apply for such exemptions.

§ 1199. Repayment plan. 1. In the case of primary residences with a tax delinquency exceeding five hundred dollars but less than thirty thousand dollars, owners shall be entitled to enter into a repayment plan to cure a tax delinquency at any time until the date of redemption; provided however, that each taxing jurisdiction shall have the power to increase the maximum threshold of thirty thousand dollars for tax arrears by passage of a local law, ordinance, or resolution.

2. The term of the repayment plan shall be twelve, eighteen, twenty-four, or thirty-six months, at the option of the owner. The amount due under the agreement shall be paid, as nearly as possible, in equal amounts on each payment due date. The amount of each such payment shall be determined by dividing the amount due by the number of required installment payments.

3. The owner shall be deemed to be in default of a payment plan agreement pursuant to this section upon the occurrence of any of the following events:

(a) Any installment payment is not made within forty-five days from the payment due date.

(b) Any current county tax, assessment, fee, or charge is not paid when due.

(c) The subject property is sold.

(d) The total principal amount in arrears exceeds thirty thousand dollars.

4. In the event of a default in payments, and after service of a twenty-day notice of default, the tax district shall have the right to require the entire unpaid balance, with interest, to be paid in full.

§ 1199-a. Pre-foreclosure settlement conferences. 1. Notwithstanding any inconsistent general, special, or local law, local tax act, code, rule, regulation, or charter provision to the contrary, no taxing jurisdiction shall commence a foreclosure action against any primary resident homeowner without first providing such homeowner with the notice required pursuant to section eleven hundred eighty-five-a of this article, and providing such homeowner an opportunity to engage in a pre-foreclosure settlement conference.

2. The purpose of such settlement conference shall be, at a minimum, to offer such homeowner information about their rights as enumerated in section eleven hundred eighty-five of this article, and to offer such homeowner to opt into a repayment plan as enumerated in section eleven hundred ninety-nine of this title. Such homeowner shall be informed at such settlement conferences that they shall have a minimum of fourteen days to decide upon a repayment plan of twelve, eighteen, twenty-four, or thirty-six months, as enumerated in section eleven hundred ninety-nine of this title, if they so opt to avail themselves of such repayment plan. No taxing jurisdiction shall initiate a foreclosure proceeding until and unless at least fourteen days have passed since the settlement conference has taken place and the primary resident homeowner has either not opted into a repayment plan, or has defaulted upon such repayment plan.

3. Housing counselors from New York-based homeowner protection program agencies may attend such settlement conferences, and may provide information to such homeowner at such settlement conferences.

4. Local taxing jurisdictions may conduct such pre-foreclosure settlement conferences in group settings or batches, and an in-person attendance option must be offered; provided however, that a homeowner's inability to attend such pre-foreclosure settlement conference shall not be a defense against a foreclosure action, so long as such homeowner was properly notified of such settlement conference, and a virtual attendance option was provided.

§ 8. The real property tax law is amended by adding a new section 989 to read as follows:

§ 989. Procedure for accounting for and distributing surplus resulting from enforcing delinquent real property taxes via the sale of tax liens to third parties. Real property tax liens owned by third parties, including those tax liens sold pursuant to article fourteen of this chapter or pursuant to a local law or charter may only be enforced in the manner described in this section:

1. Upon written application and the surrender of the tax lien certificate of sale, a treasurer's deed may be issued vesting in the tax lien certificate holder an absolute estate in fee, subject to all claims the

taxing jurisdiction or state may have thereon for taxes, liens or encumbrances, if (a) a New York state licensed real estate appraiser conducts an appraisal of the property prior to the issuance of the deed to establish the property's fair market value and (b) the property's appraised value does not exceed the outstanding amount due the tax lien holder. The taxing jurisdiction must levy the cost of conducting the appraisal as a lien upon the property to be collected along with any other pending taxes, liens, or encumbrances; or

2. Notwithstanding any other law to the contrary, after the applicable redemption period has elapsed, an action to foreclose a tax sale certificate issued pursuant to article fourteen of this chapter or pursuant to a local law or charter may be commenced and maintained pursuant to the provisions of this title.

§ 9. The real property tax law is amended by adding a new section 1185 to read as follows:

§ 1185. Homeowner bill of rights. Any owner of a residential property, as defined in section eleven hundred eleven of this article, who occupies such property as their primary residence, or whose heirs or distributees occupy the property as their primary residence where the homeowner is deceased, or any purchaser of a contract for a residential property, or successor in interest to such purchaser, subject to a tax lien on any parcel of real property, including those liens otherwise exempt under this article, shall have the following rights:

1. notwithstanding any other general, special, or local law, local tax act, code, rule, regulation, or charter provision to the contrary, to not have exemptions removed or waived for nonpayment of property taxes;

2. to be informed of the amount of tax due, the number of tax years for which the parcel has been in arrears, the date on which the redemption period ends, the accepted forms of payment, the location where payments shall be made, and the contact information for the responsible taxing authority;

3. to receive pre-foreclosure notices pursuant to section eleven hundred eighty-five-a of this title;

4. in the event that a residence is foreclosed upon, to receive any surplus following the sale of the property after the tax lien is satisfied ahead of unsecured creditors pursuant to section fifty-two hundred six of the civil practice law and rules;

5. for real property tax lien-related foreclosures to be judicial proceedings;

6. to be charged an amount no higher than the statutory interest rate for delinquencies, along with various collection and administrative fees in the event of foreclosure;

7. to enter into installment plans for purposes of paying taxes and paying delinquent taxes;

8. local governments are authorized to give a five business day grace period for senior citizens who are eligible for enhanced STAR to pay their taxes with no penalties;

9. homeowner payments toward delinquent taxes will apply in reverse chronological order of when the liens become due; and

10. in the event that a primary residence is foreclosed upon, to have all debts related to delinquent taxes owed on such primary residence extinguished.

§ 10. The real property tax law is amended by adding a new section 1185-a to read as follows:

§ 1185-a. Pre-foreclosure notices. 1. The pre-foreclosure notice required in subdivision three of section eleven hundred eighty-five of this title shall appear as follows:

"YOU MAY BE AT RISK OF FORECLOSURE ON A PROPERTY TAX LIEN. PLEASE READ THE FOLLOWING NOTICE CAREFULLY.

As of (date), your property taxes have not been paid for the following years and amounts each year:

The total needed to pay off all tax arrears as of the date of this notice is:

Under New York State law, we are required to send you this notice to inform you that you are at risk of losing your home.

Attached to this notice is a list of government approved housing counseling agencies in your area which provide free counseling. You can also call the NYS Office of the Attorney General's Homeowner Protection Program (HOPP) toll-free consumer hotline to be connected to free housing counseling or legal services in your area at 1-855-HOME-456 (1-855-466-3456), or visit their website at http://www.aghomehelp.com. A statewide listing by county is also available at https://www.dfs.ny.gov/consumers/help for homeowners/new york state non-profit housing counseling agencies. Qualified free help is available; watch out for companies or people who charge a fee for these services.

Housing counselors from New York-based agencies listed on the website above are trained to help homeowners who are having problems making their tax payments and can help you find the best option for your situation.

If you wish, you may also contact our office directly to discuss possible payment plans and other options.

PLEASE NOTE THAT IF YOU ARE A SENIOR CITIZEN, PHYSICALLY DISABLED, AND/OR A VETERAN, YOU MAY BE ENTITLED TO A PARTIAL EXEMPTION FROM PROPERTY TAXES.

The following exemptions that local rules may allow that could prevent foreclosure in your case are:

Senior Citizen

Veteran

Physical Disability

We encourage you to contact us at the telephone number above if you have any questions about whether you qualify for any of these exemptions.

While we cannot assure that a mutually agreeable resolution is possible, we encourage you to take immediate steps to try to achieve a resolution.

The longer you wait, the fewer options you may have.

If you have not taken any actions to resolve this matter within 90 days from the date this notice was mailed (or sooner if you cease to live in the dwelling as your primary residence), we may commence legal action or other remedies against you to foreclose the tax lien, which may eventually result in eviction from your home.

Under New York State law, you may be barred from entering into a payment plan or from being permitted to make any payment to save your home after the "Redemption Date".

In your case, the "Redemption Date" is (date).

IMPORTANT: You have the right to remain in your home until you receive a court order telling you to leave the property; however, you may lose the right to continue ownership of your home after the Redemption Date. If a foreclosure action is filed against you in court, you still have the right to remain in the home until a court orders you to leave.

This notice is not an eviction notice, and a foreclosure action has not yet been commenced against you."

2. The notice required in subdivision three of section eleven hundred eighty-five of this title shall be sent by such taxing authority or purchaser of delinquent tax liens to the homeowner (or heirs or distributees if the homeowner is deceased), by registered or certified mail and also by first-class mail to the last known address of the homeowner, and to the residence subject to the tax lien. The notices required by subdivision three of section eleven hundred eighty-five of this title shall be sent by the taxing authority or purchaser of delinquent tax liens in a separate envelope from any other mailing or notice. Notice is considered given as of the date it is mailed. The notice required by subdivision three of section eleven hundred eighty-five of this title shall contain a current list of at least five housing counseling agencies, or if there are less than five such agencies in such county, a listing of every such housing counseling agency serving the county where the property is located from the most recent listing available from the department of financial services. The list shall include the counseling agencies' last known addresses and telephone numbers. The department of financial services shall make available on its website a listing, by county, of such agencies. The taxing authority or purchaser of delinquent tax liens shall use such lists to meet the requirements of this section.

3. For any homeowner known to have limited English proficiency, the notice required by subdivision three of section eleven hundred eighty-five of this title shall be in the homeowner's native language, or a language in which the homeowner is proficient, provided that the language is one of the six most common non-English languages spoken by individuals with limited English proficiency in the state of New York, based on United States census data. The department of financial services shall post the notices required by subdivision three of section eleven hundred eighty-five of this title on its website in the six most common non-English languages spoken by individuals with limited English proficiency in the state of New York, based on the United States census data.

§ 11. Section 1104 of the real property tax law is amended by adding two new subdivisions 3 and 4 to read as follows:

3. Notwithstanding the provisions of subdivision two of this section, every taxing jurisdiction shall comply with the requirements of sections eleven hundred eighty-five and eleven hundred eighty-five-a of this article.

4. Notwithstanding the provisions of subdivision two of this section, every taxing jurisdiction shall comply with procedures at least as protective of homeowners as the requirements of title six of this article.

§ 12. The real property tax law is amended by adding a new section 1157 to read as follows:

§ 1157. Assistance to vulnerable populations. In every notice of unpaid taxes, notice of arrears included in tax statements, personal notice of commencement of foreclosure proceeding or tax lien sale, the tax district and foreclosing government unit must include information about a housing counseling agency or agencies funded by the New York state office of the attorney general's homeowner protection program in the region in which the property is located. At the same time a tax district or foreclosing government unit issues a notice of unpaid taxes, notice of arrears included in tax statements, and personal notice of commencement of foreclosure proceeding or tax lien sale, the tax

district and foreclosing government unit must send a copy of the property owner's name, address and telephone number, if available, to a housing counseling agency or agencies funded by the New York state office of the attorney general's homeowner protection program in the region where the property is located for the purpose of that agency making the homeowner aware of free foreclosure prevention services and options available to the parties.

§ 13. The social services law is amended by adding a new section 97-a to read as follows:

§ 97-a. Senior, disabled, and veteran homeowner real property tax assistance program. 1. Each social services district must assist eligible households found in such districts to obtain real property tax assistance. However, only those persons who qualify for senior, disabled, or veterans' assistance in accordance with state requirements, and standards promulgated by the department, shall be certified as eligible for and entitled to receive said homeowner real property tax assistance. No person shall be certified as eligible for and entitled to receive said real property tax assistance if no funds are available for such purpose.

2. Notwithstanding any inconsistent provision of law, rule, or regulation to the contrary, the amount of any real property tax payments or allowances provided to an eligible household under this program shall not be considered income or resources of such households, or of any member thereof, for any purpose under any federal or state law, including any law relating to taxation, food stamps, public assistance or other benefits available pursuant to this chapter.

§ 14. Subdivision 1 of section 924-a of the real property tax law, as amended by chapter 26 of the laws of 2003, is amended to read as follows:

1. The amount of interest to be added on all taxes received after the interest free period and all delinquent taxes shall be [~~one-twelfth the rate of interest as determined pursuant to subdivision two or two-a of this section rounded to the nearest one-hundredth of a percentage point~~] equal to the effective prime rate as reported by the federal reserve in its "selected interest rates" publication, except as otherwise provided by a general or special law, or a local law, ordinance, or resolution adopted by a [~~city~~] taxing jurisdiction pursuant to the municipal home rule law or any special law. Such interest shall be added for each month or fraction thereof until such taxes are paid; provided however, that notwithstanding any inconsistent general, special, or local law, local tax act, code, rule, regulation, ordinance or charter provision to the contrary, beginning in all local fiscal years commencing in calendar year two thousand twenty-five and thereafter, in no case shall the interest rate of delinquent tax payments due on residential real property exceed the effective prime rate as reported by the federal reserve in its "selected interest rates" publication and as determined by the commissioner of taxation and finance; and provided further, that in no instance shall the interest rate exceed two per centum per annum or exceed sixteen per centum per annum; and provided further, that this limitation shall apply to units held in condominium form; and provided further, that such limitation shall apply to all buildings held in cooperative form regardless of owner occupancy status; and provided further, that this limitation shall not apply to real property that is vacant and abandoned, as defined in subdivision two of section thirteen hundred nine of the real property actions and proceedings law, which was listed on the statewide vacant and abandoned property electronic registry, as

defined in section thirteen hundred ten of the real property actions and proceedings law, and remains on such registry. This subdivision shall supersede any general, special or local law, local tax act, code, rule, regulation, ordinance or charter provision setting an interest rate above sixteen per centum per annum or below two per centum per annum of delinquent tax payments due on residential real property. The initial determination of the effective prime rate shall be based on the two thousand twenty-five rate as reported by the federal reserve in its "selected interest rates" publication, and shall be established by the commissioner of taxation and finance. Subsequent determinations shall take place every three years thereafter, and shall be adjusted by the commissioner only when such rate increases or decreases by more than two percent since the last adjustment.

§ 15. Section 972 of the real property tax law is amended by adding a new subdivision 6 to read as follows:

6. Installment plans. Notwithstanding any inconsistent general, special, or local law, local tax act, code, rule, regulation, or charter provision to the contrary, beginning in all local fiscal years commencing in calendar year two thousand twenty-five and thereafter, all local taxing jurisdictions shall offer an option for taxpayers to enter into installment plans which shall permit collection of taxes on at least a quarterly basis.

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

§ 17. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after May 25, 2023, provided that:

1. In a tax district that is subject to the provisions of title 6 of article 11 of the real property tax law, as added by section seven of this act, where a tax-foreclosed property has been sold on or after May 25, 2023 and prior to the effective date of this act, the enforcing officer of the tax district shall have six months from the effective date of this act to submit to the court the report required by section 1196 of the real property tax law as added by section seven of this act regarding the existence and amount of surplus and to pay such surplus to the court.

2. Whether or not a tax district is subject to the provisions of title 6 of article 11 of the real property tax law, as added by section seven of this act, where a tax-foreclosed property was sold prior to May 25, 2023, a claim for surplus attributable to such sale may be maintained if and only if a proceeding to compel such tax district to distribute such surplus to the petitioner or petitioners had been initiated pursuant to subdivision 1 of section 7803 of the civil practice law and rules, such proceeding was commenced in a timely manner as provided by section 217 of such chapter, and such proceeding was still active on the effective date of this act.

PART O

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

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

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

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

d. **Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-four to March thirty-first, two thousand twenty-five, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the**

Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

e. Prior to a corporation being able to utilize the funds authorized by paragraph c **or d** of this subdivision, the corporation must attest that the surcharge monies from section five hundred thirty-two of this chapter are being held separate and apart from any amounts otherwise authorized to be retained from pari-mutuel pools and all surcharge monies have been and will continue to be paid to the localities as prescribed in law. Once this condition is satisfied, the corporation must submit an expenditure plan to the gaming commission for review. Such plan shall include the corporation's outstanding liabilities, projected revenue for the upcoming year, a detailed explanation of how the funds will be used, and any other information necessary to detail such plan as determined by the commission. Upon review, the commission shall make a determination as to whether the requirements of this paragraph have been satisfied and notify the corporation of expenditure plan approval. In the event the commission determines the requirements of this paragraph have not been satisfied, the commission shall notify the corporation of all deficiencies necessary for approval. As a condition of such expenditure plan approval, the corporation shall provide a report to the commission no later than [~~October first, two thousand twenty-three~~] **the last day of the calendar year for which the funds are requested**, which shall include an accounting of the use of such funds. At such time, the commission may cause an independent audit to be conducted of the corporation's books to ensure that all moneys were spent as indicated in such approved plan. The audit shall be paid for from money in the fund established by this section. If the audit determines that a corporation used the money authorized under this section for a purpose other than one listed in their expenditure plan, then the corporation shall reimburse the capital acquisition fund for the unauthorized amount.

§ 2. This act shall take effect immediately.

PART P

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

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group

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

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

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

§ 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3

of part BB of chapter 59 of the laws of 2023, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~twenty-four~~] twenty-five and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [~~twenty-four~~] twenty-five. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, each off-track betting corporation branch office and each simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

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

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

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

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

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

Notwithstanding any other provision of this chapter, for the period July twenty-fifth, two thousand one through September eighth, two thousand [~~twenty-three~~] twenty-four, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course,

every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races run at all in-state thoroughbred tracks which are conducting racing programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article.

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

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, [~~2024~~] **2025**; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

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

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

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

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

exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the commission.

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

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

§ 10. This act shall take effect immediately.

PART Q

Section 1. Paragraph (x) of subdivision 1 of section 1367 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

(x) "Sports wagering" means wagering on sporting events or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, or combination of sporting events, by any system or method of wagering, including, but not limited to, in-person communication and electronic communication through internet websites accessed via a mobile device or computer, and mobile device applications; provided however that sports wagers shall include, but are not limited to, single-game bets, teaser bets, parlays, over-under bets, money line, pools, in-game wagering, in-play bets, **in-game and season-long** proposition bets, and straight bets; **and season award winners; provided however, that such in-game and season-long proposition bets and season award winners wagers shall be limited to those wagers that are performance-based unless such wagers were otherwise authorized by the commission as of the effective date of the chapter of the laws of two**

thousand twenty-four that amended this paragraph; and provided further, that coin toss bets that affect the gameplay of an event shall be permitted at all sporting events unless prohibited by the commission;

§ 2. This act shall take effect immediately.

PART R

Section 1. Subdivision 8 of section 1367 of the racing, pari-mutuel wagering and breeding law, as added by section 3 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

8. Notwithstanding section thirteen hundred fifty-one of this article, mobile sports wagering gross gaming revenue and tax revenue shall be excluded from sports wagering gross gaming revenue and tax revenue. Mobile sports wagering tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid except as otherwise provided in this subdivision. Any interest and penalties imposed by the commission relating to those taxes, all penalties levied and collected by the commission, and the appropriate funds, cash or prizes forfeited from sports wagering shall be deposited into the state lottery fund for education. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay into the commercial gaming fund one percent of the state tax imposed on mobile sports wagering by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law; provided however, that such amount shall be equal to one percent of mobile sports tax revenue and no less than six million dollars for each fiscal year thereafter. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay one percent of the state tax imposed on mobile sports wagering by this section to the general fund, a program to be administered by the office of children and family services for a statewide youth sports activities and education grant program for the purpose of providing annual awards to sports programs for underserved youth under the age of eighteen years; provided however, that such amount shall be equal to five million dollars for each fiscal year thereafter. The commission shall require at least monthly deposits by a platform provider of any payments pursuant to subdivision seven of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

§ 2. This act shall take effect on the first of April next succeeding the date on which it shall have become a law.

PART S

Section 1. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 28 to read as follows:

(28) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 2. Subdivision 9 of section 208 of the tax law is amended by adding a new paragraph (u) to read as follows:

(u) For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 3. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

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

(y) Qualified opportunity zones. For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 5. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (AA) to read as follows:

(AA) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 6. Section 1503 of the tax law is amended by adding a new subdivision (d) to read as follows:

(d) For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 7. Paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 18 to read as follows:

(18) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 8. Section 11-602 of the administrative code of the city of New York is amended by adding a new subdivision 11 to read as follows:

11. For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 9. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new subparagraph 19 to read as follows:

(19) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 10. Subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new paragraph (u) to read as follows:

(u) For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

§ 11. Subdivision (b) of section 11-1712 of the administrative code of the city of New York is amended by adding a new paragraph 40 to read as follows:

(40) the amount of gain excluded from federal gross income for the taxable year by subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code.

§ 12. Section 11-1712 of the administrative code of the city of New York is amended by adding a new subdivision (w) to read as follows:

(w) For tax years beginning on or after January first, two thousand twenty-four, upon the sale or exchange of property with respect to which the taxpayer has made the election under subparagraph (c) of paragraph (1) of subsection (a) of section 1400Z-2 of the internal revenue code, the basis of such property under this article shall be determined as if the taxpayer had not made such election.

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

PART T

Section 1. Subdivision (jj) of section 1115 of the tax law, as added by section 1 of part SS of chapter 59 of the laws of 2015, is REPEALED.

§ 2. Subdivision 13 of section 1118 of the tax law, as added by section 2 of part SS of chapter 59 of the laws of 2015, is REPEALED.

§ 3. This act shall take effect June 1, 2024.

PART U

Section 1. Paragraph (A) of subdivision (i) of section 1111 of the tax law, as amended by section 1 of part TT of chapter 59 of the laws of 2015, is amended to read as follows:

(A) Notwithstanding any contrary provisions of this article or other law, with respect to any lease for a term of one year or more of (1) a motor vehicle, as defined in section one hundred twenty-five of the vehicle and traffic law, with a gross vehicle weight of ten thousand pounds or less, [~~or~~] (2) a vessel, as defined in section twenty-two hundred fifty of such law (including any inboard or outboard motor and any trailer, as defined in section one hundred fifty-six of such law, leased in conjunction with such a vessel) **or (3) noncommercial aircraft having a seating capacity of less than twenty passengers and a maximum capacity of less than six thousand pounds**, or an option to renew such a lease or a similar contractual provision, all receipts due or consideration given or contracted to be given for such property under and for the entire period of such lease, option to renew or similar provision, or combination of them, shall be deemed to have been paid or given and shall be subject to tax, and any such tax due shall be collected, as of the date of first payment under such lease, option to renew or similar provision, or combination of them, or as of the date of registration of

such property with the commissioner of motor vehicles, whichever is earlier. Notwithstanding any inconsistent provisions of subdivision (b) of this section or of section eleven hundred seventeen of this article or of other law, for purposes of such a lease, option to renew or similar provision originally entered into outside this state, by a lessee (1) who was a resident of this state, and leased such property for use outside the state and who subsequently brings such property into this state for use here or (2) who was a nonresident and subsequently becomes a resident and brings the property into this state for use here, any remaining receipts due or consideration to be given after such lessee brings such property into this state shall be subject to tax as if the lessee had entered into or exercised such lease, option to renew or similar provision, or combination thereof, for the first time in this state and the relevant provisions of sections eleven hundred ten concerning imposition and computation of tax, eleven hundred eighteen concerning exemption from use tax for tax paid to another jurisdiction, eleven hundred thirty-two concerning presumption of taxability and conditions for registration and eleven hundred thirty-nine concerning refunds, of this article, shall be applicable to any sales or compensating use tax paid by the lessee before the lessee brought the property into this state, except to the extent that any such provision is inconsistent with a provision of this subdivision. For purposes of this subdivision, (1) a lease for a term of one year or more shall include any lease for a shorter term which includes an option to renew or other like provision (or more than one of such option or other provision) where the cumulative period that the lease, with or without such option or provision, may be in effect upon exercise of such option or provision is one year or more and (2) receipts due and consideration given or contracted to be given under any such lease or other provision for excess mileage charges shall be subject to tax as and when paid or due.

§ 2. Subdivision (q) of section 1111 of the tax law, as amended by section 2 of part TT of chapter 59 of the laws of 2015, is amended to read as follows:

(q) (1) The exclusions from the definition of retail sale in subparagraph (iv) of paragraph four of subdivision (b) of section eleven hundred one of this article shall not apply to transfers, distributions, or contributions of **an aircraft or** a vessel, except where, in the case of the exclusion in subclause (I) of clause (A) of such subparagraph (iv), the two corporations to be merged or consolidated are not affiliated persons with respect to each other. For purposes of this subdivision, corporations are affiliated persons with respect to each other where (i) more than five percent of their combined shares are owned by members of the same family, as defined by paragraph four of subsection (c) of section two hundred sixty-seven of the internal revenue code of nineteen hundred eighty-six; (ii) one of the corporations has an ownership interest of more than five percent, whether direct or indirect, in the other; or (iii) another person or a group of other persons that are affiliated persons with respect to each other hold an ownership interest of more than five percent, whether direct or indirect, in each of the corporations.

(2) Notwithstanding any contrary provision of law, in relation to any transfer, distribution, or contribution of **an aircraft or** a vessel that qualifies as a retail sale as a result of paragraph one of this subdivision, the sales tax imposed by subdivision (a) of section eleven hundred five of this part shall be computed based on the price at which the seller purchased the tangible personal property, provided that where the

seller or purchaser affirmatively shows that the seller owned the property for six months prior to making the transfer, distribution or contribution covered by paragraph one of this subdivision, such **aircraft or** vessel shall be taxed on the basis of the current market value of the **aircraft or** vessel at the time of that transfer, distribution, or contribution. For the purposes of the prior sentence, "current market value" shall not exceed the cost of the **aircraft or** vessel. See subdivision (b) of this section for a similar rule on the computation of any compensating use tax due under section eleven hundred ten of this part on such transfers, distributions, or contributions.

(3) A purchaser of **an aircraft or** a vessel covered by paragraph one of this subdivision will be entitled to a refund or credit against the sales or compensating use tax due as a result of a transfer, distribution, or contribution of such **aircraft or** vessel in the amount of any sales or use tax paid to this state or any other state on the seller's purchase or use of the **aircraft or** vessel so transferred, distributed or contributed, but not to exceed the tax due on the transfer, distribution, or contribution of the **aircraft or** vessel or on the purchaser's use in the state of the **aircraft or** vessel so transferred, distributed or contributed. An application for a refund or credit under this subdivision must be filed and shall be in such form as the commissioner may prescribe. Where an application for credit has been filed, the applicant may immediately take such credit on the return which is due coincident with or immediately subsequent to the time the application for credit is filed. However, the taking of the credit on the return shall be deemed to be part of the application for credit. Provided that the commissioner may, in his or her discretion and notwithstanding any other law, waive the application requirement for any or all classes of persons where the amount of the credit or refund is equal to the amount of the tax due from the purchaser. The provisions of subdivisions (a), (b), and (c) of section eleven hundred thirty-nine of this article shall apply to applications for refund or credit under this subdivision. No interest shall be allowed or paid on any refund made or credit allowed under this subdivision. If a refund is granted or a credit allowed under this paragraph, the seller or purchaser shall not be eligible for a refund or credit pursuant to subdivision seven of section eleven hundred eighteen of this article with regard to the same purchase or use.

§ 3. Paragraph 21-a of subdivision (a) of section 1115 of the tax law is REPEALED.

§ 4. This act shall take effect June 1, 2024.

PART V

Section 1. Section 1180 of the tax law is amended by adding a new subdivision (c) to read as follows:

(c) "Vapor products distributor" means any person who imports or causes to be imported into this state any vapor products for sale, or who manufactures any vapor product in this state, and any person within or without the state who is authorized by the commissioner of taxation and finance to make returns and pay the tax on vapor products sold, shipped, or delivered by such person to any person in the state.

§ 2. Section 1181 of the tax law, as amended by chapter 92 of the laws of 2021, is amended to read as follows:

§ 1181. Imposition of tax. **(a)** In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of twenty percent on [~~**receipts from the retail sale of vapor products sold**~~] **vapor**

products sold by a vapor products distributor to a vapor products dealer in this state. The tax is imposed on the purchaser and collected by the vapor products dealer as defined in subdivision (b) of section eleven hundred eighty of this article, in trust for and on account of the state. The taxes imposed under this section shall not apply to adult-use cannabis products subject to tax under article twenty-C of this chapter.

(b) The vapor products distributor shall be liable for the payment of the tax on vapor products which such distributor imports or causes to be imported into the state, or which such distributor manufactures in the state, and every vapor products distributor authorized by the commissioner of taxation and finance to make returns and pay the tax on tobacco products sold, shipped or delivered by such distributor to any person in the state shall be liable for the payment of the tax on all vapor products so sold, shipped or delivered.

(c) Every vapor products dealer shall be liable for the tax on all vapor products in such dealer's possession at any time, upon which tax has not been paid or assumed by a vapor products distributor appointed by the commissioner of taxation and finance, and the failure of any vapor products dealer to produce and exhibit to the commissioner of taxation and finance or the commissioner's authorized representative upon demand, an invoice by a vapor products distributor for any vapor products in such distributor's possession shall be presumptive evidence that the tax thereon has not been paid, and that such dealer is liable for the tax thereon unless evidence of such invoice, payment or assumption shall later be produced.

§ 3. The tax law is amended by adding a new section 1183-a to read as follows:

§ 1183-a. Vapor products distributor license and renewal. (a) Every person who intends to be a vapor products distributor in this state must receive from the commissioner a license prior to engaging in business. In addition to the requirements of section eleven hundred eighty-three of this article, a vapor products dealer who purchases or receives vapor products from a manufacturer or out-of-state distributor shall be required to obtain a vapor products distributor license. The applicant for a vapor products distributor license must electronically submit a properly completed application for a license for each location at which the business shall be conducted in this state, on a form prescribed by the commissioner, and shall be accompanied by a non-refundable application fee of three hundred dollars.

(b) A vapor products distributor license shall be valid for the calendar year for which it is issued unless earlier suspended or revoked. Upon the expiration of the term stated on the license, such license shall be null and void. A license shall not be assignable or transferable and shall be destroyed immediately upon the vapor products distributor ceasing to do business as specified in such license or in the event that such business never commenced.

(c) Every vapor products distributor shall publicly display in such distributor's place of business a license from the department.

(d)(1) The commissioner shall refuse to issue a license to any applicant who does not possess a valid certificate of authority under section eleven hundred thirty-four of this chapter. In addition, the commissioner may refuse to issue a license, or suspend, cancel or revoke a license issued to any person who:

(A) has a past-due liability as that term is defined in section one hundred seventy-one-v of this chapter;

(B) has had a license under this article or any license or registration provided for in this chapter revoked within one year from the date on which such application was filed;

(C) has been convicted of a crime provided for in this chapter within one year from the date on which such application was filed;

(D) willfully fails to file a report or return required by this article;

(E) willfully files, causes to be filed, gives or causes to be given a report, return, certificate or affidavit required by this article which is false;

(F) willfully fails to collect or truthfully account for or pay over any tax imposed by this article; or

(G) whose place of business is at the same premises as that of a person whose vapor products distributor license has been revoked and where such revocation is still in effect, unless the applicant or vapor products distributor provides the commissioner with adequate documentation demonstrating that such applicant or vapor products distributor acquired the premises or business through an arm's length transaction as defined in paragraph (e) of subdivision one of section four hundred eighty-a of this chapter.

(2) In addition to the grounds provided in paragraph one of this subdivision, the commissioner shall refuse to issue a license and shall cancel or suspend a license as directed by an enforcement officer pursuant to article thirteen-F of the public health law. Notwithstanding any provision of law to the contrary, an applicant whose application for a license is refused or a vapor products distributor whose license is cancelled or suspended under this paragraph shall have no right to a hearing under this chapter and shall have no right to commence a court action or proceeding or to any other legal recourse against the commissioner with respect to such refusal, suspension or cancellation; provided, however, that nothing herein shall be construed to deny a vapor products distributor a hearing under article thirteen-F of the public health law or to prohibit vapor products distributors from commencing a court action or proceeding against an enforcement officer as defined in section thirteen hundred ninety-nine-aa of the public health law.

(e) If a vapor products distributor license is suspended, cancelled or revoked and such vapor products distributor distributes or sells vapor products through more than one place of business in this state, the vapor products distributor's license issued to that place of business where such violation occurred shall be suspended, revoked, or cancelled. Provided, however, upon a vapor products distributor's third suspension, cancellation, or revocation within a five-year period for any one or more businesses owned or operated by the vapor products distributor, such suspension, cancellation, or revocation of the vapor products distributor's license shall apply to all places of business where such distributor distributes or sells vapor products in this state.

(f) Every holder of a license must notify the commissioner of changes to any of the information stated on the license or changes to any information contained in the application for the license. Such notification must be made on or before the last day of the month in which a change occurs and must be made electronically on a form prescribed by the commissioner.

(g) Every vapor products distributor who holds a license under this article shall be required to reapply for a license for the following calendar year on or before the twentieth day of September and such reap-

plication shall be subject to the same requirements and conditions, including grounds for refusal, as an initial license under this article, including but not limited to the payment of the three hundred dollar application fee for each business location.

(h) In addition to any other penalty imposed by this chapter, any vapor products distributor who violates the provisions of this section, (1) for a first violation is liable for a civil fine not less than five thousand dollars but not to exceed twenty-five thousand dollars and such license may be suspended for a period of not more than six months; and (2) for a second or subsequent violation within three years following a prior violation of this section, is liable for a civil fine not less than ten thousand dollars but not to exceed thirty-five thousand dollars and such license may be suspended for a period of up to thirty-six months; or (3) for a third violation within a period of five years, the license issued to each place of business owned or operated by the vapor products distributor in this state shall be revoked for a period of up to five years.

§ 4. Section 1184 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1184. Administrative provisions. (a) [~~Except as otherwise provided for in this article, the taxes imposed by this article shall be administered and collected in a like manner as and jointly with the taxes imposed by sections eleven hundred five and eleven hundred ten of this chapter. In addition, except as otherwise provided in this article, all of the provisions of article twenty-eight of this chapter (except sections eleven hundred seven, eleven hundred eight, eleven hundred nine, and eleven hundred forty-eight) relating to or applicable to the administration, collection and review of the taxes imposed by such sections eleven hundred five and eleven hundred ten, including, but not limited to, the provisions relating to definitions, returns, exemptions, penalties, tax secrecy, personal liability for the tax, and collection of tax from the customer, shall apply to the taxes imposed by this article so far as such provisions can be made applicable to the taxes imposed by this article with such limitations as set forth in this article and such modifications as may be necessary in order to adapt such language to the taxes so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.~~

~~(b) Notwithstanding the provisions of subdivision (a) of this section, the exemptions provided in paragraph ten of subdivision (a) of section eleven hundred fifteen of this chapter, and the provisions of section eleven hundred sixteen, except those provided in paragraphs one, two, three and six of subdivision (a) of such section, shall not apply to the taxes imposed by this article.~~] Every vapor products distributor shall, on or before the twentieth day of each month, file with the commissioner of taxation and finance a return on forms to be prescribed and furnished by the commissioner, showing the quantity and wholesale price of all vapor products imported or caused to be imported into the state by such distributor or manufactured in the state by such distributor, during the preceding calendar month. Every vapor products distributor authorized by the commissioner to make returns and pay the tax on vapor products sold, shipped, or delivered by such distributor to any person in the state shall file a return showing the quantity and wholesale price of all vapor products so sold, shipped, or delivered during the preceding

calendar month. Provided, however, the commissioner may, if the commissioner deems it necessary in order to ensure the payment of the taxes imposed by this article, require returns to be made at such times and covering such periods as the commissioner may deem necessary, and, by regulation, may permit the filing of returns on a quarterly, semi-annual or annual basis, or may waive the filing of returns by a vapor products distributor for such time and upon such terms as the commissioner may deem proper if satisfied that no tax imposed by this article is or will be payable by such distributor during the time for which returns are waived. Such returns shall contain such further information as the commissioner may require.

(b) Every vapor product distributor shall pay to the commissioner with the filing of such return the tax on vapor products for such month imposed under this article.

(c) Notwithstanding the provisions of this section or section eleven hundred forty-six of this chapter, the commissioner may, in [~~his or her~~] the commissioner's discretion, permit the commissioner of health or [~~his or her~~] such commissioner's authorized representative to inspect any return related to the tax imposed by this article and may furnish to the commissioner of health any such return or supply [~~him or her~~] such commissioner with information concerning an item contained in any such return, or disclosed by any investigation of a liability under this article.

§ 5. The tax law is amended by adding two new sections 1184-a and 1184-b to read as follows:

§ 1184-a. Enforcement. The commissioner or the commissioner's duly authorized representatives are hereby authorized:

(a) To conduct regulatory inspections during normal business hours of any place of business, including a vehicle used for such business, where vapor products are distributed, placed, stored, sold, or offered for sale. For the purposes of this section, "place of business" shall not include a residence or other real property, or any personal vehicle on or about such property, not held out as open to the public or otherwise being utilized in a business or commercial manner, unless probable cause exists to believe that such residence, real property or vehicle is being used in such a business or commercial manner for the buying or selling of vapor products.

(b) To examine any vapor products and the books, papers, invoices, and other records of any place of business or vehicle where vapor products are distributed, placed, stored, sold or offered for sale. Any person in possession, control or occupancy of any such business is required to give to the commissioner or the commissioner's duly authorized representatives, the means, facilities, and opportunity for such examinations. For the purposes of this section, "place of business" shall not include a residence or other real property, or any personal vehicle on or about such property, not held out as open to the public or otherwise being utilized in a business or commercial manner, unless probable cause exists to believe that such residence, real property or vehicle is being used in such a business or commercial manner for the buying or selling of vapor products.

(c) If any person registered or who has obtained a license under this article, or their agents, refuses to give the commissioner, or the commissioner's duly authorized representatives, the means, facilities and opportunity for the inspections and examinations required by this section, the commissioner, after notice and an opportunity for a hear-

ing, may revoke their license to distribute vapor products or to sell vapor products at retail:

(1) for a period of one year for the first such failure;

(2) for a period of up to three years for a second such failure within a period of three years; and

(3) for a period of up to seven years for a third such failure within five years.

(d) The commissioner or the commissioner's duly authorized representatives shall seize any non-tax-paid vapor products found in any place of business or vehicle where vapor products are distributed, placed, stored, sold or offered for sale by any person who does not possess a license as described in section eleven hundred eighty-three-a of this article.

(e) All non-tax-paid vapor products seized pursuant to the authority of this chapter or any other law of this state shall be turned over to the department or its authorized representative. Such seized non-tax-paid vapor products shall, after notice and an opportunity for a hearing, be forfeited to the state. If the department determines the non-tax-paid vapor products cannot be used for law enforcement purposes, it may, within a reasonable time after the forfeiture of such non-tax-paid vapor products, upon publication in the state registry, destroy such forfeited non-tax-paid vapor products.

§ 1184-b. General powers of the tax commission. The powers conferred upon the tax commission by sections one hundred seventy-one and one hundred seventy-one-b of this chapter shall, so far as applicable, be exercisable with respect to the provisions of this article. Such commission may require returns to be filed with it at such times and containing such information as it may prescribe and in such event the fact that a person's name is signed to the return shall be prima facie evidence for all purposes that the return was actually signed by such person. Notwithstanding any other provision of this article, the tax commission may enter into an agreement with any city of this state which is authorized to impose a tax similar to that imposed by this article to provide for the joint administration, in whole or in part, of such taxes.

§ 6. This act shall take effect immediately.

PART W

Section 1. Section 490 of the tax law is REPEALED.

§ 2. Section 89-h of the state finance law is REPEALED.

§ 3. This act shall take effect May 1, 2024.

PART X

Section 1. Subsection (g-1) of section 606 of the tax law, as amended by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the laws of 2007, is amended to read as follows:

(g-1) Solar energy system equipment credit. (1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-five percent of qualified solar energy system equipment expenditures, except as provided in subparagraph (D) of paragraph two of this subsection. This credit shall not exceed three thousand seven hundred fifty dollars for qualified solar energy equipment placed in service before September first, two thousand six, [~~and~~] five thousand

dollars for qualified solar energy equipment placed in service on or after September first, two thousand six **and before January first, two thousand twenty-five, and ten thousand dollars for qualified solar energy equipment placed in service on or after January first, two thousand twenty-five**.

(2) Qualified solar energy system equipment expenditures. (A) The term "qualified solar energy system equipment expenditures" means expenditures for:

(i) the purchase of solar energy system equipment which is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as [~~his or her~~] **their** principal residence at the time the solar energy system equipment is placed in service;

(ii) the lease of solar energy system equipment under a written agreement that spans at least ten years where such equipment owned by a person other than the taxpayer is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as [~~his or her~~] **their** principal residence at the time the solar energy system equipment is placed in service; or

(iii) the purchase of power under a written agreement that spans at least ten years whereunder the power purchased is generated by solar energy system equipment owned by a person other than the taxpayer which is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as [~~his or her~~] **their** principal residence at the time the solar energy system equipment is placed in service.

(B) Such qualified expenditures shall include expenditures for materials, labor costs properly allocable to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the solar energy system equipment.

(C) Such qualified expenditures for the purchase of solar energy system equipment shall not include interest or other finance charges.

(D) Such qualified expenditures for the lease of solar energy system equipment or the purchase of power under an agreement described in clauses (ii) or (iii) of subparagraph (A) of this paragraph shall include an amount equal to all payments made during the taxable year under such agreement. Provided, however, such credits shall only be allowed for fourteen years after the first taxable year in which such credit is allowed. Provided further, however, the twenty-five percent limitation in paragraph one of this subsection shall only apply to the total aggregate amount of all payments to be made pursuant to an agreement referenced in clauses (ii) or (iii) of subparagraph (A) of this paragraph, and shall not apply to individual payments made during a taxable year under such agreement except to the extent such limitation on an aggregate basis has been reached.

(3) Solar energy system equipment. The term "solar energy system equipment" shall mean an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces **and may store** energy designed to provide heating, cooling, hot water or electricity for use in such residence. Such arrangement or components **may include electric energy storage equipment but** shall not include **any other** equipment connected to solar energy system equipment that is a component of part or parts of a non-solar energy system or which uses any sort of recreational facility or equipment as a storage medium. Solar energy system equipment that generates **and stores** electricity for

use in a residence must conform to applicable requirements set forth in section sixty-six-j of the public service law. Provided, however, where solar energy system equipment is purchased and installed by a condominium management association or a cooperative housing corporation, for purposes of this subsection only, the term "ten kilowatts" in such section sixty-six-j shall be read as [~~"fifty~~] **"ten** kilowatts **multiplied by the number of owner-occupied units in the cooperative or condominium management association**."

(4) Multiple taxpayers. Where solar energy system equipment is purchased and installed in a principal residence shared by two or more taxpayers, the amount of the credit allowable under this subsection for each such taxpayer shall be prorated according to the percentage of the total expenditure for such solar energy system equipment contributed by each taxpayer.

(5) Proportionate share. Where solar energy system equipment is purchased and installed by a condominium management association or a cooperative housing corporation, a taxpayer who is a member of the condominium management association or who is a tenant-stockholder in the cooperative housing corporation may for the purpose of this subsection claim a proportionate share of the total expense as the expenditure for the purposes of the credit attributable to [~~his~~] **their** principal residence.

(6) Grants. For purposes of determining the amount of the expenditure incurred in purchasing and installing solar energy system equipment, the amount of any federal, state or local grant received by the taxpayer, which was used for the purchase and/or installation of such equipment and which was not included in the federal gross income of the taxpayer, shall not be included in the amount of such expenditures.

(7) When credit allowed. The credit provided for herein shall be allowed with respect to the taxable year, commencing after nineteen hundred ninety-seven, in which the solar energy system equipment is placed in service.

(8) Carryover of credit **and refundability**. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. **For taxable years beginning on or after January first, two thousand twenty-five, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low to moderate income, as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.**

§ 2. This act shall take effect immediately.

PART Y

Section 1. Paragraphs 1 and 9 of subsection (g-4) of section 606 of the tax law, as added by section 1 of part FF of chapter 59 of the laws of 2022, are amended to read as follows:

(1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-five percent of qualified geothermal energy system expenditures, except as provided in subparagraph (D) of paragraph two of this subsection, not to exceed five thousand dollars **for qualified geothermal energy systems placed in service before June thirtieth, two thousand twenty-four, and ten thousand dollars for qualified geothermal energy equipment placed in service on or after July first, two thousand twenty-four**.

(9) Carryover of credit **and refundability**. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. **For taxable years beginning on or after January first, two thousand twenty-five, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low-to-moderate income as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be treated as an overpayment of tax to be credited or refunded. Any refund paid pursuant to this paragraph shall be deemed to be a refund of an overpayment of tax as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.**

§ 2. This act shall take effect immediately.

PART Z

Section 1. Section 1115 of the tax law is amended by adding a new subdivision (ll) to read as follows:

(ll) The following shall be exempt from tax under this article: (1) Receipts from the retail sale of, and consideration given or contracted to be given for, or for the use of, residential energy storage systems equipment and the service of installing such systems. For the purposes of this subdivision, "residential energy storage systems equipment" shall mean an arrangement or combination of components installed in a residence that stores electricity for use at a later time to provide heating, cooling, hot water and/or electricity.

(2) Receipts from the sale of electricity by a person primarily engaged in the sale of energy storage system equipment and/or electricity generated by such equipment pursuant to a written agreement under which such electricity is generated by residential energy system storage equipment that is: (A) owned by a person other than the purchaser of such electricity; (B) installed on residential property of the purchaser of such electricity; and (C) used to provide heating, cooling, hot water or electricity.

§ 2. Paragraph 1 of subdivision (a) of section 1210 of the tax law, as amended by section 5 of part J of chapter 59 of the laws of 2021, is amended to read as follows:

(1) Either, all of the taxes described in article twenty-eight of this chapter, at the same uniform rate, as to which taxes all provisions of the local laws, ordinances or resolutions imposing such taxes shall be identical, except as to rate and except as otherwise provided, with the corresponding provisions in such article twenty-eight, including the definition and exemption provisions of such article, so far as the

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

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

(d) A local law, ordinance or resolution imposing any tax pursuant to this section, increasing or decreasing the rate of such tax, repealing or suspending such tax, exempting from such tax the energy sources and services described in paragraph three of subdivision (a) or of subdivision (b) of this section or changing the rate of tax imposed on such energy sources and services or providing for the credit or refund described in clause six of subdivision (a) of section eleven hundred nineteen of this chapter, or electing or repealing the exemption for residential solar equipment and electricity in subdivision (ee) of

section eleven hundred fifteen of this article, or the exemption for commercial solar equipment and electricity in subdivision (ii) of section eleven hundred fifteen of this article, or electing or repealing the exemption for commercial fuel cell electricity generating systems equipment and electricity generated by such equipment in subdivision (kk) of section eleven hundred fifteen of this article**, or the exemption for residential energy storage equipment or electricity in subdivision (ll) of section eleven hundred fifteen of this article,** must go into effect only on one of the following dates: March first, June first, September first or December first; provided, that a local law, ordinance or resolution providing for the exemption described in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter or repealing any such exemption or a local law, ordinance or resolution providing for a refund or credit described in subdivision (d) of section eleven hundred nineteen of this chapter or repealing such provision so provided must go into effect only on March first. No such local law, ordinance or resolution shall be effective unless a certified copy of such law, ordinance or resolution is mailed by registered or certified mail to the commissioner at the commissioner's office in Albany at least ninety days prior to the date it is to become effective. However, the commissioner may waive and reduce such ninety-day minimum notice requirement to a mailing of such certified copy by registered or certified mail within a period of not less than thirty days prior to such effective date if the commissioner deems such action to be consistent with the commissioner's duties under section twelve hundred fifty of this article and the commissioner acts by resolution. Where the restriction provided for in section twelve hundred twenty-three of this article as to the effective date of a tax and the notice requirement provided for therein are applicable and have not been waived, the restriction and notice requirement in section twelve hundred twenty-three of this article shall also apply.

§ 4. This act shall take effect on the first day of a sales tax quarterly period, as described in subdivision (b) of section 1136 of the tax law, beginning at least 90 days after the date this act shall have become a law and shall apply to sales made on or after such date.

PART AA

Section 1. Subdivisions (b) and (c) of section 45 of the tax law, as added by section 1 of part OO of chapter 59 of the laws of 2022, are amended to read as follows:

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-five of section two hundred ten-B and subsection (nnn) of section six hundred six of this chapter in any taxable year shall be five million dollars. Such credit shall be allocated by the department of economic development in order of priority based upon the date of filing an application for allocation of digital gaming media production credit with such office. **An applicant shall submit an annual application which shall include all qualified digital gaming media productions for the taxable year along with an estimate of the digital gaming media production costs. The application can be submitted no earlier than ninety days prior to the first day of the applicable taxable year.** If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be

treated as having been applied for on the first day of the subsequent taxable year.

(c) Definitions. As used in this section:

(1) "Qualified digital gaming media production" means: (i) a website, the digital media production costs of which are paid or incurred predominately in connection with (A) video simulation, animation, text, audio, graphics or similar gaming related property embodied in digital format, and (B) interactive features of digital gaming (e.g., links, message boards, communities or content manipulation); (ii) video or interactive games produced primarily for distribution over the internet, wireless network or successors thereto; and (iii) animation, simulation or embedded graphics digital gaming related software intended for commercial distribution regardless of medium; provided, however, that the qualified digital game development media productions described in subparagraphs (i) through (iii) of this paragraph must have digital media production costs equal to or in excess of [~~one hundred~~] **fifty** thousand dollars per production. A qualified digital gaming media production does not include a website, video, interactive game or software that is used predominately for: electronic commerce (retail or wholesale purposes other than the sale of video interactive games), gambling (including activities regulated by a New York gaming agency), or political advocacy purposes.

(2) "Digital gaming media production costs" means any costs for wages [~~or salaries~~] paid to individuals, [~~other than actors or writers,~~] directly employed for services performed by those individuals directly [~~and predominantly~~] in the creation of a digital gaming media production or productions. [~~Up to one hundred thousand dollars in wages and salaries paid to such employees, other than actors and writers, directly employed shall be used in the calculation of this credit.~~] Digital gaming media production costs include but shall not be limited to payments for services performed directly [~~and predominantly~~] in the development (including concept creation), [~~design,~~] production (including concept creation), design, production (including testing), editing (including encoding) and compositing (including the integration of digital files for interaction by end users) of digital gaming media. Digital gaming media production costs shall not include expenses incurred for the distribution, marketing, promotion, or advertising content generated by end users, other costs not directly [~~and predominantly~~] related to the creation, production or modification of digital gaming media or costs used by the taxpayer as a basis of the calculation of any other tax credit allowed under this chapter. In addition, [~~salaries or other income distribution~~] **wages** related to the creation of digital gaming media for any person who **predominately** serves in **a corporate capacity in** the role of chief executive officer, chief financial officer, president, treasurer or similar **corporate** position **and who is not directly engaged in services related to the creation of a digital gaming media production or productions** shall not be included as digital gaming media production costs if the digital gaming media production entity has more then ten employees. [~~Salaries or other income~~] **Wages paid** to a person serving in such a role for the digital gaming media production entity shall also not be included if the person was employed by a related person of the digital gaming media production entity within sixty months of the date the digital gaming media production entity applied for the tax credit certificate described in subdivision (d) of this section. For purposes of the preceding sentence, a related person shall have the same meaning as the term "related person" in section four

hundred sixty-five of the internal revenue code. [~~Furthermore, any income or other distribution to any individual including, but not limited to, licensing or royalty fees, who holds an ownership interest in a digital gaming media production entity, whether or not such individual is serving in the role of chief executive officer, chief financial officer, president, treasurer or similar position for such an entity, shall not be included as digital gaming media production costs. Up to four million dollars in qualified digital gaming media production costs per production shall be used in the calculation of this credit.~~] Digital gaming media production costs shall not include those costs used by the taxpayer or another taxpayer as the basis calculation of any other tax credit allowed under this chapter.

(3) "Qualified digital gaming media production costs" means digital gaming media production costs only to the extent such costs are attributable to the use of property or the performance of services by any persons within the state directly [~~and predominantly~~] in the creation, production or modification of digital gaming related media. [~~Such total production costs incurred and paid in this state shall be equal to or exceed seventy-five percent of total cost of an eligible production incurred and paid within and without this state.~~]

(4) "Digital gaming media production entity" means a corporation, partnership, limited partnership or other entity or individual engaged in qualified digital game development media production.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2023 and before January 1, 2028.

PART BB

Section 1. Subdivision (a) of section 1166-b of the tax law, as added by section 2 of part WW of chapter 59 of the laws of 2019, is amended and a new subdivision (d) is added to read as follows:

(a) In addition to the tax imposed under section eleven hundred sixty of this article and in addition to any tax imposed under any other article of this chapter, there is hereby imposed and there shall be paid a tax at the rate of six percent upon the receipts from every rental of a passenger car that is not subject to the tax described in section eleven hundred sixty-six-a of this article **and not otherwise exempt pursuant to subdivision (d) of this section**, but which is a retail sale of such passenger car within the state.

(d) The transfer of possession of a motor vehicle for a consideration shall not be considered a rental for purposes of this section if such transfer is operated by a car-sharing organization which primarily engages in such operation outside of the metropolitan commuter transportation district where it sells service. For purposes of this section, a "car-sharing organization" is an organization described in paragraph four of subdivision (a) of section eleven hundred sixteen of this chapter and offers an alternative means to car ownership under which the members of such entity are permitted to use a motor vehicle for a consideration. In addition, to the extent such services have already been or will be subject to the tax under this section for a use of a passenger car, a person who used such a passenger car as a member of such car-sharing organization shall be exempt from such use tax.

§ 2. This act shall take effect June 1, 2024.

PART CC

Section 1. Subsection (e-1) of section 606 of the tax law, as added by section 1 of part U of chapter 62 of the laws of 2006, paragraph 2 as amended by chapter 532 of the laws of 2007, paragraph 3 as added and paragraph 4 as renumbered by section 4 of part N of chapter 61 of the laws of 2006, is amended to read as follows:

(e-1) Volunteer firefighters' and ambulance workers' credit. (1) For taxable years beginning on and after January first, two thousand seven **and before January first, two thousand twenty-four**, a resident taxpayer who serves as an active volunteer firefighter as defined in subdivision one of section two hundred fifteen of the general municipal law or as a volunteer ambulance worker as defined in subdivision fourteen of section two hundred nineteen-k of the general municipal law shall be allowed a credit against the tax imposed by this article equal to two hundred dollars. **For taxable years beginning on and after January first, two thousand twenty-four, a resident taxpayer who serves as an active volunteer firefighter as defined in subdivision one of section two hundred fifteen of the general municipal law or as a volunteer ambulance worker as defined in subdivision fourteen of section two hundred nineteen-k of the general municipal law shall be allowed a credit against the tax imposed by this article equal to eight hundred dollars.** In order to receive this credit a volunteer firefighter or volunteer ambulance worker must have been active for the entire taxable year for which the credit is sought.

(2) If a taxpayer receives a real property tax exemption relating to such service under title two of article four of the real property tax law, such taxpayer shall not be eligible for this credit; provided, however (A) if the taxpayer receives such real property tax exemption in the two thousand seven taxable year as a result of making application therefor in a prior year or (B) if the taxpayer notifies his or her assessor in writing by December thirty-first, two thousand seven of the taxpayer's intent to discontinue such real property tax exemption by not re-applying for such real property tax exemption by the next taxable status date, such taxpayer shall be eligible for this credit for the two thousand seven taxable year.

(3) In the case of [~~a husband and wife~~] **spouses** who file a joint return and who both individually qualify for the credit under this subsection **for taxable years beginning on and after January first, two thousand seven and before January first, two thousand twenty-four**, the amount of the credit allowed shall be four hundred **dollars. For taxable years beginning on and after January first, two thousand twenty-four, the amount of the credit shall be sixteen hundred** dollars.

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

§ 2. This act shall take effect immediately.

PART DD

Section 1. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law, as amended by section 1 of subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three [~~and before two thousand twenty-eight~~] the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.5% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,754 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$418,263 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,478,263 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	**The tax is:**
Not over $17,150	**4% of the New York taxable income**
Over $17,150 but not over $23,600	**$686 plus 4.5% of excess over $17,150**
Over $23,600 but not over $27,900	**$976 plus 5.25% of excess over $23,600**
Over $27,900 but not over $161,550	**$1,202 plus 5.5% of excess over $27,900**
Over $161,550 but not over $323,200	**$8,553 plus 6.00% of excess over $161,550**
Over $323,200 but not over $2,155,350	**$18,252 plus 6.85% of excess over $323,200**
Over $2,155,350 but not over 5,000,000	**$143,754 plus 9.65% of excess over $2,155,350**
Over $5,000,000 but not over $25,000,000	**$418,263 plus 10.80% of excess over $5,000,000**
Over $25,000,000	**$2,578,263 plus 11.40% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.5% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over	$18,252 plus 6.85% of excess

$2,155,350	over $323,200
Over $2,155,350	$143,754 plus 8.82% of excess over $2,155,350

§ 2. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, as amended by section 2 of subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three [~~and before two thousand twenty-eight~~] the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.5% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,651 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$434,163 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,494,163 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	**The tax is:**
Not over $12,800	**4% of the New York taxable income**
Over $12,800 but not over $17,650	**$512 plus 4.5% of excess over $12,800**
Over $17,650 but not over $20,900	**$730 plus 5.25% of excess over $17,650**
Over $20,900 but not over $107,650	**$901 plus 5.5% of excess over $20,900**
Over $107,650 but not over $269,300	**$5,672 plus 6.00% of excess over $107,650**
Over $269,300 but not over $1,616,450	**$15,371 plus 6.85% of excess over $269,300**
Over $1,616,450 but not over $5,000,000	**$107,651 plus 9.65% of excess over $1,616,450**
Over $5,000,000 but not over $25,000,000	**$434,163 plus 10.80% of excess over $5,000,000**
Over $25,000,000	**$2,594,163 plus 11.40% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $12,800	4% of the New York taxable income

Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.5% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450	$107,651 plus 8.82% of excess over $1,616,450

§ 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, as amended by section 3 of subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three [~~and before two thousand twenty-eight~~] the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,413 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,929 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,509,929 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	**The tax is:**
Not over $8,500	**4% of the New York taxable income**
Over $8,500 but not over $11,700	**$340 plus 4.5% of excess over $8,500**
Over $11,700 but not over $13,900	**$484 plus 5.25% of excess over $11,700**
Over $13,900 but not over $80,650	**$600 plus 5.50% of excess over $13,900**
Over $80,650 but not over $215,400	**$4,271 plus 6.00% of excess over $80,650**
Over $215,400 but not over $1,077,550	**$12,356 plus 6.85% of excess over $215,400**
Over $1,077,550 but not over $5,000,000	**$71,413 plus 9.65% of excess over $1,077,550**

Over $5,000,000 but not over $25,000,000	**$449,929 plus 10.80% of excess over $5,000,000**
Over $25,000,000	**$2,609,929 plus 11.40% of excess over $25,000,000**

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

If the New York taxable income is:	The tax is:
Not over $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550	$71,413 plus 8.82% of excess over $1,077,550

§ 4. Subsection (d-4) of section 601 of the tax law, as added by section 3 of subpart B of part A of chapter 59 of the laws of 2022, is amended to read as follows:

(d-4) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d), (d-1), (d-2) or (d-3) of this section, for taxable years beginning on or after two thousand twenty-three and before two thousand twenty-eight, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d), (d-1), (d-2) or (d-3) of this section shall be read as a reference to this subsection.

(1) For resident married individuals filing joint returns and resident surviving spouses:

(A) If New York adjusted gross income is greater than $107,650, but not over $25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$807
$323,200	$2,155,350	$1,140	$2,747
$2,155,350	$5,000,000	$3,887	$60,350
$5,000,000	$25,000,000	$64,237	$32,500

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
$27,900	$161,550	New York adjusted gross income minus $107,650
$161,550	$323,200	New York adjusted gross income minus $161,550
$323,200	$2,155,350	New York adjusted gross income minus $323,200
$2,155,350	$5,000,000	New York adjusted gross income minus $2,155,350
$5,000,000	$25,000,000	New York adjusted gross income minus $5,000,000

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 5.50 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of [~~10.00~~] 11.40 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(2) For resident heads of households:

(A) If New York adjusted gross income is greater than $107,650, but not over $25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$787
$269,300	$1,616,450	$787	$2,289
$1,616,450	$5,000,000	$3,076	$45,261
$5,000,000	$25,000,000	$48,337	$32,500

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
$107,650	$269,300	New York adjusted gross income minus $107,650
$269,300	$1,616,450	New York adjusted gross income minus $269,300
$1,616,450	$5,000,000	New York adjusted gross income minus $1,616,450
$5,000,000	$25,000,000	New York adjusted gross income minus $5,000,000

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of [~~10.00~~] 11.40 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts:

(A) If New York adjusted gross income is greater than $107,650, but not over $25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
$80,650	$215,400	$0	$568
$215,400	$1,077,550	$568	$1,831
$1,077,550	$5,000,000	$2,399	$30,172
$5,000,000	$25,000,000	$32,571	$32,500

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
$80,650	$215,400	New York adjusted gross income minus $107,650
$215,400	$1,077,550	New York adjusted gross income minus $215,400
$1,077,550	$5,000,000	New York adjusted gross income minus $1,077,550
$5,000,000	$25,000,000	New York adjusted gross income minus $5,000,000

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 6.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of [~~10.90~~] 11.40 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section.

§ 5. This act shall take effect immediately.

PART EE

Section 1. This act shall be known and may be cited as the "local journalism sustainability act".

§ 2. The tax law is amended by adding a new section 24-d to read as follows:

§ 24-d. Payroll credit for compensation of journalists. (a) In general. An eligible news journalist employer which is subject to tax under article nine-A or twenty-two of this chapter shall be allowed a credit against such tax, to be computed as provided in this section, for each calendar quarter an amount equal to the applicable percentage of wages paid by such employer to news journalists for such calendar quarter.

(b) Limitations. (1) The amount of wages paid with respect to any individual which may be taken into account under subdivision (a) of this section during any calendar quarter by the eligible news journalist employer shall not exceed twelve thousand five hundred dollars. Credit is allowed for individuals paid in excess of this amount but shall be

limited to a portion of the wages paid up to twelve thousand five hundred dollars per quarter.

(2) The provisions of this section shall only apply to the first four calendar quarters beginning after the effective date of this section.

(3) This section shall not apply with respect to any eligible news journalist employer for any calendar quarter if such employer elects (at such time and in such manner as the commissioner may prescribe) not to have this section apply.

(4) Any wages taken into account in determining the credit allowed under this section shall not be taken into account for purposes of determining any other credit allowed under this chapter.

(5) The credit allowable under this section shall be allowable for a period of one year from the effective date of this section. No credit shall be allowed under this section for any amount paid or incurred by the taxpayer in a taxable year commencing after the close of the one-year period. No credit shall be allowed under this section for any portion of an amount paid or incurred by the taxpayer in a taxable year for any wages that extend beyond the close of the one-year period beginning on the effective date of this section.

(c) Definitions. As used in this section, the following terms shall have the following meanings:

(1) "Applicable percentage" means fifty percent.

(2) (A) "Eligible news journalist employer" means, with respect to any calendar quarter, any employer which: (i) is a qualifying publication or a qualifying broadcast station; (ii) employs news journalists; and (iii) employs a total of one hundred employees or fewer.

(B) All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as one employer for purposes of this paragraph; provided that each FCC licensed broadcast station or qualifying publication which serves a separate market shall be treated as a separate and single news journalist employer for the purposes of this tax credit.

(3) (A) "Qualifying broadcast station" means, with respect to any calendar quarter, any employer which:

(i) provides local community news, which is broadcast during the calendar quarter and has been broadcast during each of the four calendar quarters preceding such calendar quarter;

(ii) owns or operates a broadcast station, as defined by section three of the federal communications act of 1934;

(iii) is not a disqualified organization;

(iv) did not derive more than fifty percent of its gross receipts for such calendar quarter from disqualified organizations; and

(v) discloses its ownership to the public at such times and in such manner as identified by the commissioner.

(B) For purposes of this paragraph each FCC licensed broadcast station serving a separate market shall be treated as a separate and single news journalist employer.

(4) "News journalist" means, with respect to any eligible news journalist for any calendar quarter, any full time employee who (A) provides qualified services for an average of not less than thirty hours per week for each week during which such employee is employed by the eligible news journalist employer during the calendar quarter, and (B) resides within the designated broadcast market or fifty miles of the local community with respect to the qualifying publication or qualifying

broadcast station with respect to which the qualified services are provided.

(5) "Qualified services" means services which consist of gathering, preparing, directing the recording of, producing, collecting, photographing, recording, writing, editing, reporting, presenting or publishing original news for dissemination to the local community.

(6) "Qualifying publication" means, with respect to any calendar quarter, any print or digital publication:

(A) which provides local community news, which is published during the calendar quarter and has been published during each of the four calendar quarters preceding such calendar quarter;

(B) is not a disqualified organization;

(C) did not derive more than fifty percent of its gross receipts for such calendar quarter from disqualified organizations;

(D) which is covered by media liability insurance for such calendar quarter; and

(E) which publishes the owner's name pursuant to section three hundred thirty of the general business law, provided that a digital publication shall publish the information required by such section on the website of such publication.

(7) (A) "Local community" means, with respect to any qualifying publication, a geographically contiguous area that does not exceed the boundaries of:

(i) the metropolitan or micropolitan statistical area, as defined by the federal Office of Management and Budget, in which the qualifying publication is primarily distributed;

(ii) if such qualifying publication is not primarily distributed in a metropolitan or micropolitan statistical area, the county in which such qualifying publication is primarily distributed; or

(iii) if such qualifying publication is not primarily distributed in a metropolitan or micropolitan statistical area or a county, the state.

(B) A digital publication shall be considered to be primarily distributed in the area where such publication is intended to be primarily consumed.

(8) "Disqualified organization" means:

(A) any organization described in section 501(c)(4) of the internal revenue code and exempt from tax under section 501(a) of such code;

(B) any organization described in section 527 of the internal revenue code; or

(C) any organization that is controlled, directly or indirectly, by one or more organizations described in subparagraph (A) or (B) of this paragraph.

(d) Maximum amount of credits. The maximum amount of tax credits allowed under this section, subdivision sixty of section two hundred ten-B and subsection (w) of section six hundred six of this chapter in any calendar year shall be two hundred thousand dollars per eligible news journalist employer. The maximum amount of tax credits allowed under this section, subdivision sixty of section two hundred ten-B and subsection (w) of section six hundred six of this chapter for all taxpayers in the state is twenty million dollars.

(e) Administration. The commissioner shall issue such forms, instructions, regulations, and guidance as are necessary:

(1) to allow the advance payment of the credit under subdivision (a) of this section, subject to the limitations provided in this section, based on such information as the commissioner shall require;

(2) to provide for the reconciliation of such advance payment with the amount advanced at the time of filing the return of tax for the applicable calendar quarter or taxable year; and

(3) with respect to the application of the credit under subdivision (a) of this section to third-party payors (including professional employer organizations, certified professional employer organizations, or agents under section 3504 of the Internal Revenue Code of 1986), including regulations or guidance allowing such payors to submit documentation necessary to substantiate the eligible employer status of employers that use such payors.

(f) Treatment of deposits. The commissioner shall waive any penalty under this chapter for any failure to make a deposit of any applicable employment taxes if the commissioner determines that such failure was due to the reasonable anticipation of the credit allowed under this section.

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

(1) article 9-A: section 210-B: subdivision 60.

(2) article 22: section 606: subsections (i) and (w).

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

60. Payroll credit for compensation of journalists. (a) Allowance of credit. A taxpayer who is eligible pursuant to section twenty-four-d of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article.

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

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

(w) Payroll credit for compensation of journalists. (1) Allowance of credit. A taxpayer who is eligible pursuant to section twenty-four-d of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article.

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

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

(li) Payroll credit for compensation of journalists under subsection (w)	Amount of credit for the sum of payroll credit for compensation of journalists under subdivision sixty of section two hundred ten-B

§ 6. This act shall take effect immediately and shall apply to tax years commencing on and after January 1, 2024; provided that:

(a) this act shall expire and be deemed repealed January 1, 2029; and

(b) the expiration and repeal of this act shall not affect the processing or allowance of any tax credit provided in this act for any tax year commencing prior to January 1, 2029.

Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such date.

PART FF

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

§ 49. Work opportunity tax credit. (a) General. A taxpayer subject to tax under article nine-A, twenty-two, or thirty-three of this chapter shall be allowed a credit against such tax in an amount equal to one hundred percent of the credit that is allowed to the taxpayer under section 51 of the internal revenue code that is attributable to qualified wages paid to a New York resident who is a member of a targeted group and for whom a certificate to that effect has been issued by the department of labor.

(b) Definitions. The terms "qualified wages" and "targeted group" shall have the same meanings as in section 51 of the internal revenue code.

(c) Effect on other tax credits. Wages which are the basis of the credit under this section may not be used as the basis for any other credit allowed under this chapter.

(d) Limit on tax credits issued. Over the lifetime of the tax credit, the total amount of tax credits provided for under this section shall not exceed five million dollars.

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

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

(2) article 22: section 606, subsection (bbb);

(3) article 33: section 1511, subdivision (ff).

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

60. Work opportunity tax credit. (a) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

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

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

(bbb) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

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

§ 4. Section 1511 of the tax law is amended by adding a new subdivision (ff) to read as follows:

(ff) Work opportunity tax credit. (1) A taxpayer shall be allowed a credit, to be computed as provided in section forty-nine of this chapter, against the tax imposed by this article. Such credit may not exceed five hundred dollars per eligible employee per year in any given tax year.

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

§ 5. This act shall take effect April 1, 2024 and shall apply to taxable years beginning on and after January 1, 2024 and shall apply to wages paid to individuals hired on and after such effective date and shall expire and be deemed repealed December 31, 2026.

PART GG

Section 1. Subdivision (m) of section 301-a of the tax law, as added by section 20 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(m) Special rate adjustment for certain vessels. Notwithstanding any provision of this section to the contrary, the use of non-highway diesel motor fuel in the engine of a vessel to propel such vessel shall be subject to tax at the motor fuel and highway diesel motor fuel rate provided for in this section, and shall be subject to the provisions of section three hundred one-j of this article, including the adjustment set forth in paragraph [~~four~~] **three** of subdivision (a) of such section three hundred one-j. A credit or refund shall be available to the extent tax paid on gallonage used to propel any such vessel exceeds the amount of tax due based on the tax rate set forth herein. Provided, however, that the commissioner shall require such documentary proof to qualify for any credit or reimbursement provided hereunder as the commissioner deems appropriate.

§ 2. Paragraph 3 of subdivision (f) and paragraph 4 of subdivision (g) of section 301-a of the tax law are REPEALED.

§ 3. Subdivisions (a) and (d) of section 301-b of the tax law, subdivision (a) as added by chapter 190 of the laws of 1990, paragraph 5 of subdivision (a) as amended by section 3 of part E of chapter 59 of the laws of 2012, paragraphs 6, 7 and 8 of subdivision (a) as added by section 4 of part W-1 of chapter 109 of the laws of 2006, and subdivision (d) as amended by section 21 of part K of chapter 61 of the laws of 2011, are amended to read as follows:

(a) Products. (1) [~~Kerosene sold or used by a petroleum business which is registered under article twelve-A of this chapter as a distributor of diesel motor fuel so long as (i) such product has not been blended or mixed with any other product constituting diesel motor fuel or motor fuel or a residual petroleum product and (ii) such product is not used by the petroleum business as fuel to operate a motor vehicle or sold by such petroleum business to a consumer for use as fuel to operate a motor vehicle.~~

~~(2) Kero-jet fuel (i) sold by a petroleum business which is registered under article twelve-A of this chapter as a distributor of diesel motor fuel to a consumer for use exclusively as jet aircraft fuel or to a petroleum business registered under such article twelve-A as a "distributor of kero-jet fuel only" where such fixed base operator is engaged solely in making or offering to make retail sales not in bulk of kero-jet fuel directly into the fuel tank of an airplane for the purpose of operating such airplane, (ii) used by a petroleum business, registered under article twelve-A of this chapter as a distributor of diesel motor fuel, exclusively as jet aircraft fuel, or (iii) sold at retail not in bulk by a petroleum business registered under article twelve-A of this chapter as a "distributor of kero-jet fuel only" where such fuel is delivered directly into the fuel tank of a jet airplane for use in the operation of such airplane.~~

~~(3)~~] Aviation gasoline, meeting the specifications set forth in American Standard Testing Material Specification D910 or Military Specification MIL-G-5572, which is imported or caused to be imported into this state by a petroleum business which is registered under article twelve-A of this chapter as a distributor of motor fuel or produced, refined, manufactured or compounded in this state by such a petroleum business.

[~~(4) Residual petroleum product sold by a petroleum business registered under this article as a residual petroleum product business if such product is sold by such petroleum business to a consumer for use exclusively as bunker fuel for vessels or if such product is used by such petroleum business exclusively as bunker fuel in its own vessels.~~

~~(5)~~] **(2)** Liquefied petroleum gases, such as butane, ethane or propane.

[~~(6)~~] **(3)** E85 imported or caused to be imported into this state or produced, refined, manufactured or compounded in this state by a petroleum business registered under article twelve-A of this chapter, as a distributor of motor fuel, and then sold by such petroleum business and delivered to a filling station and placed in a storage tank of such filling station for such E85 to be dispensed directly into a motor vehicle for use in the operation of such vehicle.

[~~(7)~~] (i) Partial B20 exemption. B20 imported or caused to be imported into this state or produced, refined, manufactured or compounded in this state by a petroleum business registered under article twelve-A of this chapter, as a distributor of diesel motor fuel, and then sold by such petroleum business.

(ii) Calculation of partial exemption. The amount of the partial exemption under this paragraph shall be determined by multiplying the

quantity of B20 times twenty percent of the applicable taxes otherwise imposed by this article on such fuel.

[~~(8)~~] (4) CNG or hydrogen.

(d) Sales to consumers for heating purposes. [~~(1)~~] Total residential heating exemption. Non-highway diesel motor fuel sold by a petroleum business registered under article twelve-A of this chapter as a distributor of diesel motor fuel or residual petroleum product sold by a petroleum business registered under this article as a residual petroleum product business to the consumer exclusively for residential heating purposes only if such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such fuel.

[~~(2) Partial non-residential heating exemption. (A) Non-highway diesel motor fuel sold by a petroleum business registered under article twelve-A of this chapter as a distributor of diesel motor fuel or residual petroleum product sold by a petroleum business registered under this article as a residual petroleum product business to the consumer exclusively for heating, other than residential heating purposes only if such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such fuel (B) Calculation of partial exemption. The partial exemption under this paragraph shall be determined by multiplying the quantity of non-highway diesel motor fuel and residual petroleum product eligible for the exemption times the sum of the then current rate of the supplemental tax imposed by section three hundred one-j of this article and forty-six percent of the then current rate of the tax imposed by section three hundred one-a of this article, with respect to the specific non-highway diesel motor fuel or residual petroleum product rate, as the case may be.~~]

§ 4. The subdivision heading and paragraph 1 of subdivision (c) of section 301-b of the tax law, as added by chapter 190 of the laws of 1990, are amended to read as follows:

Sales to [~~New York state and~~] the federal government. (1) Motor fuel imported or caused to be imported into this state or produced, refined, manufactured or compounded in this state by a petroleum business registered under article twelve-A of this chapter, as a distributor of motor fuel, and then sold by such petroleum business to an organization described in paragraph [~~one or~~] two of subdivision (a) of section eleven hundred sixteen of this chapter where such motor fuel is used by such organization for its own use or consumption.

§ 5. The opening paragraph and subdivisions (a) and (b) of section 301-c of the tax law, the opening paragraph as amended by section 2 of part T of chapter 59 of the laws of 2022, subdivision (a) as amended by section 23 of part K of chapter 61 of the laws of 2011, and subdivision (b) as amended by chapter 330 of the laws of 1991, are amended to read as follows:

A subsequent purchaser shall be eligible for reimbursement of tax with respect to the following gallonage, subsequently sold by such purchaser in accordance with subdivision (a), (b), (e), (h), [~~(j), (k), (n) or (o)~~] (i), (k) or (l) of this section or used by such purchaser in accordance with subdivision (c), (d), (f), (g), [~~(i), (l), (m)~~] (j) or (q) of this section, which gallonage has been included in the measure of the tax imposed by this article on a petroleum business:

(a) [~~Non-highway Diesel motor fuel used for heating purposes. (1)~~] Total residential heating reimbursement. Non-highway Diesel motor fuel purchased in this state and sold by such purchaser to a consumer for use exclusively for residential heating purposes but only where (i) such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such non-highway Diesel motor fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such non-highway Diesel motor fuel, (ii) the tax imposed pursuant to this article has been paid with respect to such non-highway diesel motor fuel and the entire amount of such tax has been absorbed by such purchaser, and (iii) such purchaser possesses documentary proof satisfactory to the commissioner evidencing the absorption by it of the entire amount of the tax imposed pursuant to this article. Provided, however, that the commissioner is authorized, in the event that the commissioner determines that it would not threaten the integrity of the administration and enforcement of the tax imposed by this article, to provide a reimbursement with respect to a retail sale to a consumer for residential heating purposes of less than ten gallons of non-highway diesel motor fuel provided such fuel is not dispensed into the tank of a motor vehicle.

[~~(2) Partial non-residential heating reimbursement. (A) Non-highway Diesel motor fuel purchased in this state and sold by such purchaser to a consumer for use exclusively for heating, other than for residential heating purposes, but only where (i) such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such non-highway Diesel motor fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such non-highway Diesel motor fuel, (ii) the tax imposed pursuant to this article has been paid with respect to such non-highway diesel motor fuel and the entire amount of such tax has been absorbed by such purchaser, and (iii) such purchaser possesses documentary proof satisfactory to the commissioner evidencing the absorption by it of the entire amount of the tax imposed pursuant to this article.~~

~~(B) Calculation of partial reimbursement. Notwithstanding any other provision of this article, the amount of the reimbursement under this paragraph shall be determined by multiplying the quantity of non-highway diesel motor fuel eligible for the reimbursement times the sum of the then current rate of the supplemental tax imposed by section three hundred one-j of this article and forty-six percent of the then current rate of the tax imposed by section three hundred one-a of this article, with respect to the non-highway diesel motor fuel rate, as the case may be.~~]

(b) Sales to [~~New York state and~~] the federal government. Motor fuel and diesel motor fuel purchased in this state and sold by such purchaser in this state to an organization described in paragraph [~~one or~~] two of subdivision (a) of section eleven hundred sixteen of this chapter where (i) such motor fuel or diesel motor fuel is for such organization's own use or consumption, (ii) the tax imposed pursuant to this article has been paid with respect to such motor fuel or diesel motor fuel and the entire amount of such tax has been absorbed by such purchaser and, (iii) such purchaser possesses documentary proof satisfactory to the commissioner of taxation and finance evidencing the absorption by it of the entire amount of the tax imposed pursuant to this article. Provided, however, that the commissioner [~~of taxation and finance~~] shall require such documentary proof to qualify for any reimbursement of tax provided

by this section as the commissioner deems appropriate, including the expansion of any certification required pursuant to section two hundred eighty-five-a or two hundred eighty-five-b of this chapter to cover the taxes imposed pursuant to this article.

§ 6. The opening paragraph of section 301-c of the tax law, as amended by section 3 of part T of chapter 59 of the laws of 2022, is amended to read as follows:

A subsequent purchaser shall be eligible for reimbursement of tax with respect to the following gallonage, subsequently sold by such purchaser in accordance with subdivision (a), (b), (e), (h), [~~(j)~~] or [~~(k)~~] **(i)** of this section or used by such purchaser in accordance with subdivision (c), (d), (f), (g), [~~(i), (l), (m)~~] **(j)** or (q) of this section, which gallonage has been included in the measure of the tax imposed by this article on a petroleum business:

§ 7. Subdivisions (i), (j) and (l) of section 301-c of the tax law are REPEALED.

§ 8. Subdivisions (k), (m), (n), (o) and (p) of section 301-c of the tax law are relettered subdivisions (i), (j), (k), (l) and (m).

§ 9. Section 301-d of the tax law is REPEALED.

§ 10. Subdivision (f) of section 301-e of the tax law is REPEALED.

§ 11. Subdivision (a) of section 301-j of the tax law, as amended by chapter 309 of the laws of 1996, paragraphs 1, 2, 3 and 4 as amended by section 29 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(a) Imposition of tax. (1) In addition to the taxes imposed by sections three hundred one-a and three hundred one-e of this article, there is hereby imposed upon every petroleum business subject to tax imposed under section three hundred one-a of this article and every aviation fuel business subject to the aviation gasoline component of the tax imposed under section three hundred one-e of this article, a supplemental monthly tax for each or any part of a taxable month at a rate of six and eight-tenths cents per gallon with respect to the products included in each component of the taxes imposed by such section three hundred one-a and the aviation gasoline component of the tax imposed by such section three hundred one-e of this article.

(2) [~~Provided, however, "commercial gallonage," as such term is defined in subdivision (k) of section three hundred of this article, shall be exempt from the measure of the tax imposed under this section.~~

~~(3)~~] Provided, further, "railroad diesel," as such term is defined in subdivision (l) of section three hundred of this article, shall be exempt from the measure of the tax imposed under this section.

[~~(4)~~] **(3)** Provided, further, a separate per gallon rate shall apply with respect to highway diesel motor fuel. Such rate shall be determined by taking the adjusted rate per gallon of tax imposed under paragraph one of this subdivision as adjusted in accordance with paragraph [~~five~~] **four** of this subdivision and subtracting therefrom one and three-quarters cents. Commencing January first, two thousand twelve, and each January thereafter, the per gallon rate applicable to highway diesel motor fuel shall be the adjusted rate under paragraph one of this subdivision as adjusted in accordance with paragraph [~~five~~] **four** of this subdivision which commences on such date minus one and three-quarters cents. The resulting rate under this paragraph shall be expressed in hundredths of a cent.

[~~(5)~~] **(4)** Except as herein provided, the tax imposed under this section shall be calculated in the same respective manner as the taxes imposed by section three hundred one-a and section three hundred one-e

of this article. Except [~~for section three hundred one-d and except~~] as otherwise provided in this section, all the provisions of this article applicable to the taxes imposed by sections three hundred one-a and three hundred one-e of this article, shall apply with respect to the supplemental tax imposed by this section to the same extent as if it were respectively imposed by such sections.

§ 12. Subparagraphs (ix) and (x) of paragraph 3 and paragraph 5 of subdivision (c) of section 1105 of the tax law, subparagraph (ix) of paragraph 3 as added by chapter 395 of the laws of 1998, subparagraph (x) of paragraph 3 as added by section 1 of part FF of chapter 407 of the laws of 1999, and paragraph 5 as amended by chapter 321 of the laws of 2005, are amended to read as follows:

(ix) [~~such services rendered with respect to tangible property used or consumed directly and predominantly in the production for sale of gas or oil by manufacturing, processing, generating, assembling, refining, mining, or extracting.~~

~~(x)~~] such services rendered with respect to property described in paragraph twelve-a of subdivision (a) of section eleven hundred fifteen of this article.

(5) Maintaining, servicing or repairing real property, property or land, as such terms are defined in the real property tax law, whether the services are performed in or outside of a building, as distinguished from adding to or improving such real property, property or land, by a capital improvement as such term capital improvement is defined in paragraph nine of subdivision (b) of section eleven hundred one of this article, but excluding (i) services rendered by an individual who is not in a regular trade or business offering his services to the public, (ii) [~~services rendered directly with respect to real property, property or land used or consumed directly and predominantly in the production for sale of gas or oil by manufacturing, processing, generating, assembling, refining, mining, or extracting, (iii)~~] services rendered with respect to real property, property or land used or consumed predominantly either in the production of tangible personal property, for sale, by farming or in a commercial horse boarding operation, or in both and [~~(iv)~~] **(iii)** services of removal of waste material from a facility regulated as a transfer station or construction and demolition debris processing facility by the department of environmental conservation, provided that the waste material to be removed was not generated by the facility.

§ 13. Subparagraph (xi) of paragraph 3 of subdivision (c) of section 1105 of the tax law is REPEALED.

§ 14. Paragraph 9 of subdivision (a) of section 1115 of the tax law is REPEALED.

§ 15. Paragraphs 3 and 4 of subdivision (a) of section 1221 of the tax law, paragraph 3 as amended by chapter 2 of the laws of 1995 and paragraph 4 as added by chapter 93 of the laws of 1965 are amended and a new paragraph 5 is added to read as follows:

(3) except in accordance with the provisions of section twenty-b of the general city law, a tax upon gross incomes, gross operating incomes or gross receipts of persons subject to taxation under the provisions of section one hundred eighty-six-a or one hundred eighty-six-e of this chapter, but this clause shall not be deemed to restrict the power to tax persons not subject to taxation under such section of this chapter who are otherwise subject to taxation under subdivision (a) of section twelve hundred one, nor the power to provide for credits against any tax imposed pursuant to such subdivision, nor to limit the rates of taxes

authorized to be imposed by such subdivision (a) of such section twelve hundred one, [~~or~~]

(4) a tax upon interest or dividends received from a corporation by a person referred to in this section[~~.~~], **or**

(5) a tax on fuel sold to an airline for use in its airplanes.

§ 16. Section 1148 of the tax law is amended by adding a new subdivision (d) to read as follows:

(d) Provided, however, before such funds are distributed pursuant to subdivision (a) of this section, any revenue collected by the state, from fuel sold to an airline for use in its airplanes, under the authority granted to the state by this article shall be dedicated to the aviation purpose account of the dedicated highway and bridge trust fund, provided that the portion for the airport or aviation state program shall be no less than forty million dollars annually, with the remaining revenue collected from such taxes being dedicated to the capital projects fund for aviation purposes required in connection therewith of airports and aviation facilities, equipment and related projects.

§ 17. Paragraph (ii) of subdivision (b) of section 1115 of the tax law, as amended by section 30 of part Y of chapter 63 of the laws of 2000, is amended to read as follows:

(ii) [~~Gas, electricity~~] **Electricity**, refrigeration and steam, and [~~gas,~~] electric, refrigeration and steam service of whatever nature for use or consumption directly and exclusively in research and development in the experimental or laboratory sense shall be exempt from the tax imposed under subdivision (b) of section eleven hundred five and the compensating use tax imposed under section eleven hundred ten of this article. Such research and development shall not be deemed to include the ordinary testing or inspection of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions or research in connection with literary, historical or similar projects.

§ 18. Paragraph 1 of subdivision (c) of section 1115 of the tax law, as amended by section 7 of part B of chapter 63 of the laws of 2000, is amended to read as follows:

(1) [~~Fuel, gas, electricity~~] **Electricity**, refrigeration and steam, and [~~gas,~~] electric, refrigeration and steam service of whatever nature for use or consumption directly and exclusively in the production of tangible personal property, [~~gas,~~] electricity, refrigeration or steam, for sale, by manufacturing, processing, assembling, generating, refining, mining or extracting shall be exempt from the taxes imposed under subdivisions (a) and (b) of section eleven hundred five and the compensating use tax imposed under section eleven hundred ten of this article.

§ 19. Subdivision (j) of section 1115 of the tax law, as amended by section 41 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(j) The exemptions provided in this section shall not apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article nor to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to receipts from sales and uses of motor fuel or diesel motor fuel,[~~ except that the exemptions provided in paragraphs nine and forty-two of subdivision (a) of this section shall apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article and to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to sales and uses of kero-jet fuel,~~] CNG, hydrogen and E85, provided, however, the exemption allowed

for E85 shall be subject to the additional requirements provided in section eleven hundred two of this article with respect to E85. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel but only if all of such fuel is consumed other than on the public highways of this state. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel for use or consumption either in the production for sale of tangible personal property by farming or in a commercial horse boarding operation, or in both but only if all of such fuel is consumed other than on the public highways of this state (except for the use of the public highways to reach adjacent farmlands or adjacent lands used in a commercial horse boarding operation, or both).

§ 20. Subdivision (j) of section 1115 of the tax law, as amended by section 41-a of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(j) The exemptions provided in this section shall not apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article nor to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to receipts from sales and uses of motor fuel or diesel motor fuel[~~, except that the exemption provided in paragraph nine of subdivision (a) of this section shall apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article and to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to sales and uses of kero-jet fuel~~]. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel but only if all of such fuel is consumed other than on the public highways of this state. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel for use or consumption either in the production for sale of tangible personal property by farming or in a commercial horse boarding operation, or in both but only if all of such fuel is consumed other than on the public highways of this state (except for the use of the public highways to reach adjacent farmlands or adjacent lands used in a commercial horse boarding operation, or both).

§ 21. Subdivision (s) of section 1115 of the tax law, as added by chapter 201 of the laws of 1995, is relettered subdivision (p).

§ 22. Subdivision (w) of section 1115 of the tax law, as added by section 32 of part Y of chapter 63 of the laws of 2000, is amended to read as follows:

(w) Receipts from the sale of [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature and consideration given or contracted to be given for, or for the use of, [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature purchased for use or consumption directly and exclusively to provide [~~gas or~~] electric service of whatever nature consisting of operating [~~a gas pipeline or gas distribution line or~~] an electric transmission or distribution line [~~and ensuring the necessary working pressure in an underground gas storage facility~~] shall be exempt from sales and compensating use taxes imposed by this article. Such exempt [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature shall include, but shall not be limited to, such [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature used or consumed directly and exclusively to (1) [~~ensure necessary working pressure in a gas pipeline used to transport, transmit or distribute gas,~~

~~(2) operate compressors used to transport, transmit or distribute gas through such a gas pipeline or distribution line or used to ensure necessary working pressure in such a storage facility, (3) operate heaters to prevent gas in such a pipeline or distribution line from freezing, (4) operate equipment which removes impurities and moisture from gas in such a pipeline or distribution line, (5)~~] operate substations and equipment related to electric transmission and distribution lines such as transformers, capacitors, meters, switches, communication devices and heating and cooling equipment, and [~~(6)~~] **(2)** ensure the reliability of electricity or electric service transmitted or distributed through such lines, for example, by operating reserve capacity machinery and equipment.

§ 23. Subdivision (k) of section 300 of the tax law, as amended by section 17 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(k) "Commercial gallonage" means gallonage (1) which is non-highway diesel motor fuel or residual petroleum product, (2) [~~which is included in the full measure of the non-highway diesel motor fuel component or the residual petroleum product component of the tax imposed under section three hundred one-a of this article, (3)~~] which does not (and will not) qualify (A) [~~for the utility credit or reimbursement provided for in section three hundred one-d of this article, (B)~~] as "manufacturing gallonage", as such term is defined in subdivision (m) of this section, [~~(C)~~] **or (B)** for the not-for-profit organization exemption provided for in subdivision (h) of section three hundred one-b of this article, [~~or (D) for the heating exemption provided for in paragraph two of subdivision (d) of section three hundred one-b of this article or the heating reimbursement provided for in paragraph two of subdivision (a) of section three hundred one-c of this article,~~] and [~~(4)~~] **(3)** which will not be used nor has been used in the fuel tank connecting with the engine of a vessel. No gallonage shall qualify as "commercial gallonage" where such gallonage is eligible for the [~~(i) utility credit or reimbursement under such section three hundred one-d of this article, (ii) "manufacturing exemption" under paragraph three of subdivision (f) of section three hundred one-a of this article, (iii)~~] not-for-profit organization exemption under subdivision (h) of section three hundred one-b of this article[~~, or (iv) heating exemption provided for in paragraph two of subdivision (d) of section three hundred one-b of this article or the heating reimbursement provided for in paragraph two of subdivision (a) of section three hundred one-c of this article~~]. The commissioner shall require such documentary proof to substantiate the classification of product as "commercial gallonage" as the commissioner deems appropriate.

§ 24. Paragraph 1 of subdivision (f) of section 301-b of the tax law, as amended by section 21 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(1) Residual petroleum product and non-highway diesel motor fuel sold to an electric corporation, [~~as described in subdivision (a) of section three hundred one-d of this article,~~] **as defined in subdivision thirteen of section two of the public service law, subject to the supervision of the department of public service,** which is registered with the department as a petroleum business tax direct pay permittee, and used by such electric corporation to fuel generators for the purpose of manufacturing or producing electricity where such electric corporation provides a copy of a direct pay permit authorized and issued by the commissioner, to the petroleum business making such sale. If so registered, such corporation

shall be a taxpayer under this article and (i) such electric corporation shall file a return monthly and pay the applicable tax under this article, after the application of allowable credits, on all such purchases directly to the commissioner, (ii) such electric corporation shall be subject to all of the provisions of this article relating to the responsibilities and liabilities of taxpayers under this article with respect to such residual petroleum product and non-highway diesel motor fuel.

§ 25. This act shall take effect immediately and shall apply to taxable years commencing on or after the first of January next succeeding the date on which it shall have become a law; provided, however, that:

(a) the amendments to paragraphs 6, 7 and 8 of subdivision (a) of section 301-b made by section three of this act shall not affect the repeal of such paragraphs and shall be deemed repealed therewith;

(b) the amendments to the opening paragraph of section 301-c of the tax law made by section five of this act shall be subject to the expiration and reversion of such paragraph pursuant to section 19 of part W-1 of chapter 109 of the laws of 2006, as amended, when upon such date the provisions of section six of this act shall take effect;

(c) the amendments to subdivisions (k) and (l) of section 301-c of the tax law made by section eight of this act shall not affect the repeal of such subdivisions and shall be deemed repealed therewith; and

(d) the amendments to subdivision (j) of section 1115 of the tax law made by section nineteen of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 19 of part W-1 of chapter 109 of the laws of 2006, as amended, when upon such date the provisions of section twenty of this act shall take effect.

PART HH

Section 1. Paragraph 1 of subsection (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended to read as follows:

(1) General. A taxpayer shall be allowed a credit as provided herein equal to (i) the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, (ii) reduced by the credit permitted under subsection (b) of this section.

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, and (vii) thirty percent for taxable years beginning in two thousand three and thereafter**, provided that for taxable years beginning in two thousand twenty-four and thereafter the percentage shall be twenty-five percent for taxpayers with qualifying children as defined in 26 U.S.C. § 152(c)**. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal tempo-

rary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the earned income credit or to apply state general fund spending on the earned income credit toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner of taxation and finance, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

§ 2. Paragraph 1 of subsection (c-1) of section 606 of the tax law, as amended by section 1 of part HH of chapter 56 of the laws of 2023, is amended to read as follows:

(1) [~~A~~] **For taxable years beginning prior to January first, two thousand twenty-four, a** resident taxpayer shall be allowed a credit as provided herein equal to the greater of one hundred dollars times the number of qualifying children of the taxpayer or the applicable percentage of the child tax credit allowed the taxpayer under section twenty-four of the internal revenue code for the same taxable year for each qualifying child. Provided, however, in the case of a taxpayer whose federal adjusted gross income exceeds the applicable threshold amount set forth by section 24(b)(2) of the Internal Revenue Code, the credit shall only be equal to the applicable percentage of the child tax credit allowed the taxpayer under section 24 of the Internal Revenue Code for each qualifying child. For the purposes of this subsection, a qualifying child shall be a child who meets the definition of qualified child under section 24(c) of the internal revenue code. The applicable percentage shall be thirty-three percent. For purposes of this subsection, any reference to section 24 of the Internal Revenue Code shall be a reference to such section as it existed immediately prior to the enactment of Public Law 115-97.

§ 3. Section 606 of the tax law is amended by adding a new subsection (c-2) to read as follows:

(c-2) New York state working families tax credit. (1) For taxable years beginning on and after January first, two thousand twenty-four, a resident taxpayer with a New York state adjusted gross income of less than seventy-five thousand dollars in the case of an individual who is not married; one hundred thirty thousand dollars in the case of a joint return; or seventy-five thousand dollars in the case of a married individual filing a separate return shall be allowed a credit equal to five hundred fifty dollars times the number of qualifying children as defined in 26 U.S.C. § 152 (c). The amount of the credit per child shall be reduced by twenty dollars for each one thousand dollars by which the taxpayer's New York state adjusted gross income exceeds seventy-five thousand dollars in the case of an individual who is not married; one hundred thirty thousand dollars in the case of a joint return; or seventy-five thousand dollars in the case of a married individual filing a separate return. Such resident taxpayer must provide the social security number or individual taxpayer identification number for each qualifying child in order to receive the credit described in this subsection.

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

(3) In the case of a husband and wife who file a joint federal return, but who are required to determine their New York taxes separately, the credit allowed pursuant to this subsection may be applied against the tax imposed of either or divided between them as they may elect.

(4) Notwithstanding any provision of law to the contrary, the refundable credit and its payment authorized under this subsection shall be treated in the same manner as the federal Earned Income Tax Credit and shall not be considered as assets, income, or resources to the same extent the credit and its payment would be disregarded pursuant to 26 U.S.C. § 6409 and the general welfare doctrine for purposes of determining eligibility for benefits or assistance, or the amount or extent of those benefits or assistance, under any state or local program, including benefits established under section ninety-five of the social services law.

§ 4. This act shall take effect immediately.

PART II

Section 1. The opening paragraph of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 1 of subpart A of part I of chapter 59 of the laws of 2023, is amended to read as follows:

For taxable years beginning before January first, two thousand sixteen, the amount prescribed by this paragraph shall be computed at the rate of seven and one-tenth percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand sixteen, the amount prescribed by this paragraph shall be six and one-half percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-seven~~] twenty-four for any taxpayer with a business income base for the taxable year of more than five million dollars, the amount prescribed by this paragraph shall be seven and one-quarter percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand twenty-seven for any taxpayer with a business income base for the taxable year of more than five million dollars, the amount prescribed by this paragraph shall be nine percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph.

§ 2. This act shall take effect immediately.

PART JJ

Section 1. Paragraphs 2 and 4 of subsection (e-2) of section 606 of the tax law, as amended by section 1 of part III of chapter 59 of the laws of 2021, are amended to read as follows:

(2) For tax years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-four~~] **twenty-seven**, a qualified taxpayer shall be allowed a credit as provided in paragraph three of this subsection against the taxes imposed by this article. If the credit exceeds the tax for such year under this article, the excess shall be treated as an overpayment, to be credited or refunded, without interest.

(4) [~~No~~] **For tax years beginning before January first, two thousand twenty-four, no** credit shall be allowed under this subsection if the amount determined pursuant to paragraph three is less than two hundred fifty dollars **and for tax years beginning on or after January first, two thousand twenty-four and before January first, two thousand twenty-seven no credit shall be allowed under this subsection if the amount determined pursuant to paragraph three of this subsection is less than one hundred dollars**, provided further that if the amount determined pursuant to paragraph three is in excess of three hundred fifty dollars the taxpayer shall be allowed a credit of three hundred fifty dollars.

§ 2. This act shall take effect immediately.

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

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