STATE OF NEW YORK

S. 8309--B A. 8809--B

SENATE - ASSEMBLY

January 17, 2024

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

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

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

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

LBD12674-04-4

amend the tax law, in relation to the filing of amended returns under article 28 thereof (Part H); to amend the tax law, in relation to exempting from sales and use tax certain tangible personal property and services sold to a related person (Part I); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part J); intentionally omitted (Part K); to amend the tax law, in relation to the imposition of taxes on the sale of cannabis (Part L); intentionally omitted (Part M); intentionally omitted (Part N); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Catskill and the Capital off-track betting corporations' capital acquisition funds (Part O); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, in relation to the effectiveness thereof; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Part P); to amend the tax law, in relation to the computation of tax on little cigars (Part Q); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part R); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain exceptions to licensing at a race meet; and providing for the repeal of such provisions upon expiration thereof (Part S); and to amend the tax law and the state finance law, in relation to the excise tax on medical cannabis and the allocation of moneys of the medical cannabis trust fund (Part T)

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

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 T. 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 Dutch-**

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

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

PART D

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

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

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

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

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

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

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

PART E

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

§ 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 fifty 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 four thousand dollars for a qualified business with twenty-five or fewer total employees or six thousand dollars for a qualified business with more than twenty-five employees 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 four thousand dollars for a qualified business with twenty-five or fewer total employees or six thousand dollars for a qualified business with more than twenty-five employees 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. 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

§ 2. 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 periods 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.

§ 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

Intentionally Omitted

PART L

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

(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 nine percent of the amount charged for the sale or transfer of such adult-use cannabis products to such retailer; 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.

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

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

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

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

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

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

PART M

Intentionally Omitted

PART N

Intentionally Omitted

PART O

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

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

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

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

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

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

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

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

PART R

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

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

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

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

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

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

The commission shall, as a condition of racing, require any franchised corporation and every other corporation subject to its jurisdiction to withhold one percent of all purses, except that for the franchised corporation, starting on September first, two thousand seven and continuing through August thirty-first, [~~two thousand twenty-four~~] **two thousand twenty-seven**, two percent of all purses shall be withheld, and, in the case of the franchised corporation, to pay such sum to the horsemen's organization or its successor that was first entitled to receive payments pursuant to this section in accordance with rules of the commission adopted effective November third, nineteen hundred eighty-three representing at least fifty-one percent of the owners and trainers using the facilities of such franchised corporation, on the condition that such horsemen's organization shall expend as much as is necessary, but not to exceed one-half of one percent of such total sum, to acquire and maintain the equipment required to establish a program at a state college within this state with an approved equine science program to test for the presence of steroids in horses, provided further that the qualified organization shall also, in an amount to be determined by its board of directors, annually include in its expenditures for benevolence programs, funds to support an organization providing services necessary to backstretch employees, and, in the case of every other corporation, to pay such one percent sum of purses to the horsemen's organization or its successor that was first entitled to receive payments pursuant to this section in accordance with rules of the commission adopted effective May twenty-third, nineteen hundred eighty-six representing at least fifty-one percent of the owners and trainers using the facilities of such corporation.

§ 4. This act shall take effect immediately.

PART S

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

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of this article, the commission shall license owners, which term shall be deemed to include part-owners and lessees, trainers, assistant trainers and jockeys, jockey agents, stable employees, and such other persons as the commission may by rule prescribe at running races and at steeplechases, provided, however, that no such license shall be required for seasonal employees hired solely to work for no longer than six weeks during the summer meet at Saratoga racetrack**, and any such other times as race dates historically assigned to Belmont Park are conducted at the Saratoga racetrack in two thousand twenty-four and two thousand twenty-five as approved in writing by the commission**. In the event that a proposed licensee is other than a natural person, the commission shall require by regulation disclosure of the names and addresses of all owners of an interest in such entity. The commission may retain, employ or appoint such officers, employees and agents, as it may deem necessary to receive, examine and make recommendations, for the consideration of the commission, in respect of applications for such licenses; prescribe their duties in connection therewith, and fix their compensation therefor within the limitations prescribed by law. Each applicant for a license shall pay to the commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, thirty dollars; assistant trainer's license, thirty dollars; jockey's license, fifty dollars; jockey agent's license, twenty dollars; and stable employee's license, five dollars. Each applicant may apply for a two-year or three-year license by payment to the commission of the appropriate multiple of the annual fee. The commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the commission, not to exceed thirty dollars per category. The application for the license shall be in writing in such form as the commission may prescribe, and contain such information as the commission may require. The commission shall henceforth cause all applicants for licenses to be photographed and fingerprinted and may issue identification cards to licensees. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. A fee equal to the actual cost of issuance shall be charged for the initial issuance of such identification cards. Each such license unless revoked for cause shall be for the period of no more than one, two or three years, determined by rule of the commission, expiring on the applicant's birth date. Licenses current on the effective date of this provision shall not be reduced in duration by this provision. An applicant who applies for a license that, if issued, would take effect less than six months prior to the applicant's birth date may, by payment of a fifty percent higher fee, receive a license which shall not expire until the applicant's second succeeding birth date. All receipts of the commission derived from the operation of this section shall be paid by it into the state treasury on or before the tenth day of each month. All officials connected with the actual conduct of racing shall be subject to approval by the commission.

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

PART T

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

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

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

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

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

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

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

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

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