

STATE OF NEW YORK

10009--B

IN ASSEMBLY

January 21, 2026

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, in relation to enhancing and reforming the child and dependent care credit (Part A); to amend the tax law, in relation to excluding certain tips earned from New York adjusted gross income (Part B); to amend the tax law, in relation to retaining the deductibility of certain charitable contributions (Part C); to amend the tax law, in relation to standardizing the definition of farmer for various credits; and to repeal certain provisions of such law relating thereto (Part D); to amend the tax law, in relation to extending the current corporate tax rates for certain businesses and increasing the corporate tax rate for certain businesses (Part E); to amend the tax law, in relation to exemptions from calculation of income in certain cases (Part F); to amend the administrative code of the city of New York, in relation to the treatment of certain deductions allowable under the internal revenue code in calculating New York city taxable income for corporations (Part G); intentionally omitted (Part H); to amend the executive law and the tax law, in relation to extending the commercial security tax credit (Part I); to amend the tax law, in relation to enhancing the New York city musical and theatrical production tax credit (Part J); to amend the tax law and the state finance law, in relation to alternative nicotine products (Part K); to amend the tax law and the public health law, in relation to the taxation of vapor products (Part L); to amend the tax law and the administrative code of the city of New York, in relation to extending the real estate transfer tax rate reduction for conveyances of real property to existing real estate investment funds (Part M); establishing a sales and use tax reregistration program and a sales and use tax penalty and interest discount program (Part N); to amend the tax law, in relation to establishing a sales tax exemption for electric vehicle charging stations (Part O); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through a vending machine for three years (Part P); to amend part PP of chapter

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

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58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy storage, in relation to extending the residential energy storage exemption for two years (Part Q); to amend the tax law, in relation to the petroleum business tax filing deadline for commercial vessel operators (Part R); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions (Part S); to amend the real property tax law and the tax law, in relation to making technical corrections to the STAR exemption and STAR credit programs; and to repeal certain provisions of the real property tax law relating thereto (Part T); to amend chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2031 (Part U); intentionally omitted (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to conforming pari-mutuel tax provisions (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part X); 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; 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 Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain seasonal employee licensing requirements for additional race dates at Saratoga Racetrack (Part Z); to amend the tax law, in relation to providing for a middle-class tax cut and increasing the temporary personal income high income surcharge; and to repeal certain provisions of such law relating thereto (Part AA); to amend the tax law, in relation to the protecting our wallets energy rebate program (Part BB); to amend the tax law, in relation to establishing a credit against the tax on personal income (Part CC); to amend the tax law, in relation to establishing small business savings accounts (Part DD); to amend the tax law, in relation to increasing the current small business subtraction modification (Part EE); to amend the tax law, in relation to establishing a tax credit for certain food donations to qualified community-based organizations (Part FF); to amend the tax law, in relation to increasing tax credits for donations to food pantries by farmers (Part GG); to amend the tax law and the parks, recreation and historic preservation law, in relation to extending the historic homeownership rehabilitation tax credit and requiring additional reporting (Part HH); to amend the tax law, in relation to imposing an excise tax on energy used in digital asset mining using proof-of-work authentication methods (Part II); to amend the real property tax law, in relation to providing for a vacancy surcharge on vacant and abandoned property in cities (Part JJ); to amend the tax law, in relation to exempting from sales tax certain tangible personal property and services (Part KK); to amend the tax law, the public service law and the labor law, in relation to establishing a sales tax exemption for energy storage; and providing for the repeal of certain provisions upon expiration thereof

(Part LL); 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 MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to standardbred testing (Part NN); to amend the tax law and the administrative code of the city of New York, in relation to decreasing the amount of the credit allowed for the city pass-through entity tax against the city personal income tax (Part OO); to amend chapter 772 of the laws of 1966 relating to enabling any city having a population of one million or more to raise tax revenue; and to amend the administrative code of the city of New York, in relation to increasing tax rates imposed on unincorporated businesses and corporations in the city of New York (Part PP); and to amend the tax law and the administrative code of the city of New York, in relation to increasing the rate of tax on certain conveyances of real property, transfers of leasehold interests, and transfers of controlling economic interests in real property in the city of New York (Part QQ)

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

1 Section 1. This act enacts into law major components of legislation
 2 which are necessary to implement the state fiscal plan for the 2026-2027
 3 state fiscal year. Each component is wholly contained within a Part
 4 identified as Parts A through QQ. The effective date for each particular
 5 provision contained within such Part is set forth in the last section of
 6 such Part. Any provision in any section contained within a Part,
 7 including the effective date of the Part, which makes a reference to a
 8 section "of this act", when used in connection with that particular
 9 component, shall be deemed to mean and refer to the corresponding
 10 section of the Part in which it is found. Section three of this act sets
 11 forth the general effective date of this act.

12 PART A

13 Section 1. Paragraph 1 of subsection (c) of section 606 of the tax
 14 law, as amended by section 1 of part M of chapter 63 of the laws of
 15 2000, is amended to read as follows:

16 (1) [A] **For taxable years beginning before January first, two thousand**
 17 **twenty-six, a** taxpayer shall be allowed a credit as provided herein
 18 equal to the applicable percentage of the credit allowable under section
 19 twenty-one of the internal revenue code for the same taxable year (with-
 20 out regard to whether the taxpayer in fact claimed the credit under such
 21 section twenty-one for such taxable year). The applicable percentage
 22 shall be the sum of (i) twenty percent and (ii) a multiplier multiplied
 23 by a fraction. For taxable years beginning in nineteen hundred ninety-
 24 six and nineteen hundred ninety-seven, the numerator of such fraction
 25 shall be the lesser of (i) four thousand dollars or (ii) fourteen thou-
 26 sand dollars less the New York adjusted gross income for the taxable
 27 year, provided, however, the numerator shall not be less than zero. For
 28 the taxable year beginning in nineteen hundred ninety-eight, the numera-
 29 tor of such fraction shall be the lesser of (i) thirteen thousand
 30 dollars or (ii) thirty thousand dollars less the New York adjusted gross
 31 income for the taxable year, provided, however, the numerator shall not
 32 be less than zero. For taxable years beginning in nineteen hundred nine-

1 ty-nine, the numerator of such fraction shall be the lesser of (i)
2 fifteen thousand dollars or (ii) fifty thousand dollars less the New
3 York adjusted gross income for the taxable year, provided, however, the
4 numerator shall not be less than zero. For taxable years beginning after
5 nineteen hundred ninety-nine, the numerator of such fraction shall be
6 the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand
7 dollars less the New York adjusted gross income for the taxable year,
8 provided, however, the numerator shall not be less than zero. The denom-
9 inator of such fraction shall be four thousand dollars for taxable years
10 beginning in nineteen hundred ninety-six and nineteen hundred ninety-
11 seven, thirteen thousand dollars for the taxable year beginning in nine-
12 teen hundred ninety-eight, and fifteen thousand dollars for taxable
13 years beginning after nineteen hundred ninety-eight. The multiplier
14 shall be ten percent for taxable years beginning in nineteen hundred
15 ninety-six, forty percent for taxable years beginning in nineteen
16 hundred ninety-seven, and eighty percent for taxable years beginning
17 after nineteen hundred ninety-seven. Provided, however, for taxable
18 years beginning after nineteen hundred ninety-nine, for a person whose
19 New York adjusted gross income is less than forty thousand dollars, such
20 applicable percentage shall be equal to (i) one hundred percent, plus
21 (ii) ten percent multiplied by a fraction whose numerator shall be the
22 lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars
23 less the New York adjusted gross income for the taxable year, provided
24 such numerator shall not be less than zero, and whose denominator shall
25 be fifteen thousand dollars. Provided, further, that if the reversion
26 event, as defined in this paragraph, occurs, the applicable percentage
27 shall, for taxable years ending on or after the date on which the rever-
28 sion event occurred, be determined using the rules specified in this
29 paragraph applicable to taxable years beginning in nineteen hundred
30 ninety-nine. The reversion event shall be deemed to have occurred on the
31 date on which federal action, including but not limited to, administra-
32 tive, statutory or regulatory changes, materially reduces or eliminates
33 New York state's allocation of the federal temporary assistance for
34 needy families block grant, or materially reduces the ability of the
35 state to spend federal temporary assistance for needy families block
36 grant funds for the credit for certain household and dependent care
37 services necessary for gainful employment or to apply state general fund
38 spending on the credit for certain household and dependent care services
39 necessary for gainful employment toward the temporary assistance for
40 needy families block grant maintenance of effort requirement, and the
41 commissioner of the office of temporary and disability assistance shall
42 certify the date of such event to the commissioner, the director of the
43 division of the budget, the speaker of the assembly and the temporary
44 president of the senate.

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

47 (c-2) New York state child and dependent care credit. (1) For taxable
48 years beginning on or after January first, two thousand twenty-six, an
49 eligible taxpayer shall be allowed a credit as provided herein to enable
50 the eligible taxpayer to be gainfully employed or a full-time student at
51 an educational institution for any period of the taxable year. If the
52 amount of the credit allowed under this subsection for any taxable year
53 shall exceed the eligible taxpayer's tax for such year, the excess shall
54 be treated as an overpayment of tax to be credited or refunded in
55 accordance with the provisions of six hundred eighty-six of this arti-
56 cle, provided, however, that no interest shall be paid thereon.

1 (2) For the purposes of this subsection:

2 (A) "Eligible taxpayer" shall mean a resident individual as defined in
3 paragraph one of subsection (b) of section six hundred five of this
4 article who, during the taxable year: (i) is not a dependent of another
5 taxpayer pursuant to section one hundred fifty-two of the internal
6 revenue code; and (ii) is not a resident married individual filing a
7 separate return unless such individual meets the conditions in paragraph
8 four of subdivision (e) of section twenty-one of the internal revenue
9 code. Provided, however, where married individuals file a joint federal
10 return, but are required to determine their New York taxes separately
11 pursuant to subsection (b) of section six hundred fifty-one of this
12 article, the credit allowed pursuant to this subsection may only be
13 applied against the tax imposed on the spouse with the lower New York
14 adjusted gross income.

15 (B) "Qualifying individual" shall mean an individual who: (i) is under
16 the age of thirteen at the close of the taxable year or is physically or
17 mentally incapable of caring for themselves during the taxable year;
18 (ii) resides with the eligible taxpayer for more than one-half of the
19 taxable year; and (iii) is claimed as a dependent pursuant to section
20 one hundred fifty-two of the internal revenue code, or could otherwise
21 be claimed as a dependent. Provided, a qualifying individual shall also
22 include an individual where a noncustodial parent claims such individual
23 under subsection (e) of section one hundred fifty-two of the internal
24 revenue code or the individual is the eligible taxpayer's spouse who is
25 physically or mentally incapable of caring for themselves during the
26 taxable year and resides with the eligible taxpayer for more than one-
27 half of the taxable year.

28 (C) "Earned income" shall mean the wages, salaries, tips and other
29 employee compensation, and those items of gross income which are inclu-
30 dible in the computation of net earnings from self-employment.

31 (D) (i) "Qualifying expenses" shall mean the sum of the amount
32 incurred and paid in the taxable year directly by an eligible taxpayer
33 for: a. services provided in and about the eligible taxpayer's resi-
34 dence to provide care for any qualifying individual, including such
35 expenses for the room and board of any such caregiver; and b. non-over-
36 night services provided outside of the eligible taxpayer's residence to
37 provide care for any qualifying individual; provided, however, that
38 amounts incurred or paid for which the primary purpose is educational
39 shall not be included.

40 (ii) Provided, however, "qualifying expenses" shall not include: a.
41 any amounts paid whereby the taxpayer receives reimbursement or are paid
42 from funds provided by a government entity, dependent care account, or
43 other third party; b. any amounts paid to a dependent of the taxpayer
44 for which the taxpayer or the taxpayer's spouse is entitled to a
45 deduction for the taxable year under subsection (c) of section one
46 hundred fifty-one of the internal revenue code; or c. any amounts paid
47 to a child of the taxpayer as defined in paragraph one of subsection (f)
48 of section one hundred fifty-two of the internal revenue code who has
49 not attained the age of nineteen at the close of the taxable year.

50 (iii) For the purposes of the credit provided pursuant to this
51 subsection, an eligible taxpayer's qualifying expenses shall not exceed:

52 a. three thousand dollars, in the case of an eligible taxpayer with
53 one qualifying individual;

54 b. six thousand dollars, in the case of an eligible taxpayer with two
55 qualifying individuals;

1 c. seven thousand five hundred dollars, in the case of an eligible
2 taxpayer with three qualifying individuals;

3 d. eight thousand five hundred dollars, in the case of an eligible
4 taxpayer with four qualifying individuals; and

5 e. nine thousand dollars, in the case of an eligible taxpayer with
6 five or more qualifying individuals.

7 Provided, further, that an eligible taxpayer's qualifying expenses
8 shall not exceed such eligible taxpayer's earned income as defined in
9 subparagraph (C) of this paragraph, or in the case of a married eligible
10 taxpayer filing a joint return, the lesser of the earned income of each
11 spouse determined separately.

12 (E) "Applicable percentage" shall mean: (i) fifty-five percent in the
13 case of an eligible taxpayer with a New York adjusted gross income
14 determined pursuant to section six hundred twelve of this article of
15 fifteen thousand dollars or less; or (ii) fifty-five percent reduced by
16 twenty-five hundred thousandths of a percentage point for each dollar of
17 an eligible taxpayer's New York adjusted gross income determined pursu-
18 ant to section six hundred twelve of this article in excess of fifteen
19 thousand dollars. Provided, however, that the applicable percentage for
20 an eligible taxpayer shall not be reduced below four percent.

21 (3) The amount of the credit allowed to an eligible taxpayer under
22 this subsection shall be the product of the eligible taxpayer's qualify-
23 ing expenses determined pursuant to subparagraph (D) of paragraph two of
24 this subsection and the applicable percentage determined pursuant to
25 subparagraph (E) of paragraph two of this subsection.

26 (4) To be eligible for the credit provided by this subsection, an
27 eligible taxpayer shall provide the following information to the satis-
28 faction of the commissioner: (i) the amount of qualifying expenses; (ii)
29 identifying information related to the care provider; (iii) identifying
30 information related to the qualifying individual for whom the expenses
31 were incurred; and (iv) any other information as required.

32 (5) Any references to the internal revenue code in this subsection
33 shall be to the internal revenue code as it existed prior to January
34 first, two thousand twenty-five.

35 § 3. Paragraph 3 of subsection (e) of section 697 of the tax law, as
36 amended by chapter 284 of the laws of 2016, is amended to read as
37 follows:

38 (3) Nothing herein shall be construed to prohibit the department, its
39 officers or employees from furnishing information to the office of
40 temporary and disability assistance relating to the payment of the cred-
41 it for certain household and dependent care services necessary for gain-
42 ful employment under subsection (c) of section six hundred six of this
43 article, the New York state child and dependent care credit under
44 subsection (c-2) of section six hundred six of this article, and the
45 earned income credit under subsection (d) of section six hundred six of
46 this article and the enhanced earned income credit under subsection
47 (d-1) of section six hundred six of this article, or pursuant to a local
48 law enacted by a city having a population of one million or more pursu-
49 ant to subsection (f) of section thirteen hundred ten of this chapter,
50 only to the extent necessary to calculate qualified state expenditures
51 under paragraph seven of subdivision (a) of section four hundred nine of
52 the federal social security act or to document the proper expenditure of
53 federal temporary assistance for needy families funds under section four
54 hundred three of such act. The office of temporary and disability
55 assistance may redisclose such information to the United States depart-
56 ment of health and human services only to the extent necessary to calcu-

1 late such qualified state expenditures or to document the proper expend-
2 iture of such federal temporary assistance for needy families funds.
3 Nothing herein shall be construed to prohibit the delivery by the
4 commissioner to a commissioner of jurors, appointed pursuant to section
5 five hundred four of the judiciary law, or, in counties within cities
6 having a population of one million or more, to the county clerk of such
7 county, or to the clerk of the court or jury administrator of a United
8 States district court appointed pursuant to title twenty-eight of the
9 United States Code, section 1836(b)(2), of a mailing list of individuals
10 to whom income tax forms are mailed by the commissioner for the sole
11 purpose of compiling a list of prospective jurors as provided in article
12 sixteen of the judiciary law or title twenty-eight of the United States
13 Code. Provided, however, such delivery shall only be made pursuant to an
14 order of the chief administrator of the courts, appointed pursuant to
15 section two hundred ten of the judiciary law or an order of a chief
16 judge of any United States district court in New York State. No such
17 order may be issued unless such chief administrator or chief judge of
18 such United States district court is satisfied that such mailing list is
19 needed to compile a proper list of prospective jurors for the county or
20 such United States district court for which such order is sought and
21 that, in view of the responsibilities imposed by the various laws of the
22 state on the department, it is reasonable to require the commissioner to
23 furnish such list. Such order shall provide that such list shall be used
24 for the sole purpose of compiling a list of prospective jurors and that
25 such commissioner of jurors, or such county clerk, or clerk of the court
26 or jury administrator of such United States district court shall take
27 all necessary steps to insure that the list is kept confidential and
28 that there is no unauthorized use or disclosure of such list. Further-
29 more, nothing herein shall be construed to prohibit the delivery to a
30 taxpayer or [~~his or her~~] their duly authorized representative of a
31 certified copy of any return or report filed in connection with [~~his or~~
32 ~~her~~] their tax or to prohibit the publication of statistics so classi-
33 fied as to prevent the identification of particular reports or returns
34 and the items thereof, or the inspection by the attorney general or
35 other legal representatives of the state of the report or return of any
36 taxpayer or of any employer filed under section one hundred
37 seventy-one-h of this chapter, where such taxpayer or employer shall
38 bring action to set aside or review the tax based thereon, or against
39 whom an action or proceeding under this chapter or under this chapter
40 and article eighteen of the labor law has been recommended by the
41 commissioner, the commissioner of labor with respect to unemployment
42 insurance matters, or the attorney general or has been instituted, or
43 the inspection of the reports or returns required under this article by
44 the comptroller or duly designated officer or employee of the state
45 department of audit and control, for purposes of the audit of a refund
46 of any tax paid by a taxpayer under this article, or the furnishing to
47 the state department of labor of unemployment insurance information
48 obtained or derived from quarterly combined withholding, wage reporting
49 and unemployment insurance returns required to be filed by employers
50 pursuant to paragraph four of subsection (a) of section six hundred
51 seventy-four of this article, for purposes of administration of such
52 department's unemployment insurance program, employment services
53 program, federal and state employment and training programs, employment
54 statistics and labor market information programs, worker protection
55 programs, federal programs for which the department has administrative
56 responsibility or for other purposes deemed appropriate by the commis-

1 sioner of labor consistent with the provisions of the labor law, and
2 redisclosure of such information in accordance with the provisions of
3 sections five hundred thirty-six and five hundred thirty-seven of the
4 labor law or any other applicable law, or the furnishing to the state
5 office of temporary and disability assistance of information obtained or
6 derived from New York state personal income tax returns as described in
7 paragraph (b) of subdivision two of section one hundred seventy-one-g of
8 this chapter for the purpose of reviewing support orders enforced pursu-
9 ant to title six-A of article three of the social services law to aid in
10 the determination of whether such orders should be adjusted, or the
11 furnishing of information obtained from the reports required to be
12 submitted by employers regarding newly hired or re-hired employees
13 pursuant to section one hundred seventy-one-h of this chapter to the
14 state office of temporary and disability assistance, the state depart-
15 ment of health, the state department of labor and the workers' compen-
16 sation board for purposes of administration of the child support
17 enforcement program, verification of individuals' eligibility for one or
18 more of the programs specified in subsection (b) of section eleven
19 hundred thirty-seven of the federal social security act and for other
20 public assistance programs authorized by state law, and administration
21 of the state's employment security and workers' compensation programs,
22 and to the national directory of new hires established pursuant to
23 section four hundred fifty-three-A of the federal social security act
24 for the purposes specified in such section, or the furnishing to the
25 state office of temporary and disability assistance of the amount of an
26 overpayment of income tax and interest thereon certified to the comp-
27 troller to be credited against past-due support pursuant to section one
28 hundred seventy-one-c of this chapter and of the name and social securi-
29 ty number of the taxpayer who made such overpayment, or the disclosing
30 to the commissioner of finance of the city of New York, pursuant to
31 section one hundred seventy-one-l of this chapter, of the amount of an
32 overpayment and interest thereon certified to the comptroller to be
33 credited against a city of New York tax warrant judgment debt and of the
34 name and social security number of the taxpayer who made such overpay-
35 ment, or the furnishing to the New York state higher education services
36 corporation of the amount of an overpayment of income tax and interest
37 thereon certified to the comptroller to be credited against the amount
38 of a default in repayment of any education loan debt, including judg-
39 ments, owed to the federal or New York state government that is being
40 collected by the New York state higher education services corporation,
41 and of the name and social security number of the taxpayer who made such
42 overpayment, or the furnishing to the state department of health of the
43 information required by paragraph (f) of subdivision two and subdivision
44 two-a of section two thousand five hundred eleven of the public health
45 law and by subdivision eight of section three hundred sixty-six-a of the
46 social services law, or the furnishing to the state university of New
47 York or the city university of New York respectively or the attorney
48 general on behalf of such state or city university the amount of an
49 overpayment of income tax and interest thereon certified to the comp-
50 troller to be credited against the amount of a default in repayment of a
51 state university loan pursuant to section one hundred seventy-one-e of
52 this chapter and of the name and social security number of the taxpayer
53 who made such overpayment, or the disclosing to a state agency, pursuant
54 to section one hundred seventy-one-f of this chapter, of the amount of
55 an overpayment and interest thereon certified to the comptroller to be
56 credited against a past-due legally enforceable debt owed to such agency

1 and of the name and social security number of the taxpayer who made such
2 overpayment, or the furnishing of employee and employer information
3 obtained through the wage reporting system, pursuant to section one
4 hundred seventy-one-a of this chapter, as added by chapter five hundred
5 forty-five of the laws of nineteen hundred seventy-eight, to the state
6 office of temporary and disability assistance, the department of health
7 or to the state office of the medicaid inspector general for the purpose
8 of verifying eligibility for and entitlement to amounts of benefits
9 under the social services law or similar law of another jurisdiction,
10 locating absent parents or other persons legally responsible for the
11 support of applicants for or recipients of public assistance and care
12 under the social services law and persons legally responsible for the
13 support of a recipient of services under section one hundred eleven-g of
14 the social services law and, in appropriate cases, establishing support
15 obligations pursuant to the social services law and the family court act
16 or similar provision of law of another jurisdiction for the purpose of
17 evaluating the effect on earnings of participation in employment, train-
18 ing or other programs designed to promote self-sufficiency authorized
19 pursuant to the social services law by current recipients of public
20 assistance and care and by former applicants and recipients of public
21 assistance and care, (except that with regard to former recipients,
22 information which relates to a particular former recipient shall be
23 provided with client identifying data deleted), to the state office of
24 temporary and disability assistance for the purpose of determining the
25 eligibility of any child in the custody, care and custody or custody and
26 guardianship of a local social services district or of the office of
27 children and family services for federal payments for foster care and
28 adoption assistance pursuant to the provisions of title IV-E of the
29 federal social security act by providing information with respect to the
30 parents, the stepparents, the child and the siblings of the child who
31 were living in the same household as such child during the month that
32 the court proceedings leading to the child's removal from the household
33 were initiated, or the written instrument transferring care and custody
34 of the child pursuant to the provisions of section three hundred fifty-
35 eight-a or three hundred eighty-four-a of the social services law was
36 signed, provided however that the office of temporary and disability
37 assistance shall only use the information obtained pursuant to this
38 subdivision for the purpose of determining the eligibility of such child
39 for federal payments for foster care and adoption assistance pursuant to
40 the provisions of title IV-E of the federal social security act, and to
41 the state department of labor, or other individuals designated by the
42 commissioner of labor, for the purpose of the administration of such
43 department's unemployment insurance program, employment services
44 program, federal and state employment and training programs, employment
45 statistics and labor market information programs, worker protection
46 programs, federal programs for which the department has administrative
47 responsibility or for other purposes deemed appropriate by the commis-
48 sioner of labor consistent with the provisions of the labor law, and
49 redisclosure of such information in accordance with the provisions of
50 sections five hundred thirty-six and five hundred thirty-seven of the
51 labor law, or the furnishing of information, which is obtained from the
52 wage reporting system operated pursuant to section one hundred seventy-
53 one-a of this chapter, as added by chapter five hundred forty-five of
54 the laws of nineteen hundred seventy-eight, to the state office of
55 temporary and disability assistance so that it may furnish such informa-
56 tion to public agencies of other jurisdictions with which the state

1 office of temporary and disability assistance has an agreement pursuant
2 to paragraph (h) or (i) of subdivision three of section twenty of the
3 social services law, and to the state office of temporary and disability
4 assistance for the purpose of fulfilling obligations and responsibil-
5 ities otherwise incumbent upon the state department of labor, under
6 section one hundred twenty-four of the federal family support act of
7 nineteen hundred eighty-eight, by giving the federal parent locator
8 service, maintained by the federal department of health and human
9 services, prompt access to such information as required by such act, or
10 to the state department of health to verify eligibility under the child
11 health insurance plan pursuant to subdivisions two and two-a of section
12 two thousand five hundred eleven of the public health law, to verify
13 eligibility under the medical assistance and family health plus programs
14 pursuant to subdivision eight of section three hundred sixty-six-a of
15 the social services law, and to verify eligibility for the program for
16 elderly pharmaceutical insurance coverage under title three of article
17 two of the elder law, or to the office of vocational and educational
18 services for individuals with disabilities of the education department,
19 the commission for the blind and any other state vocational rehabili-
20 tation agency, for purposes of obtaining reimbursement from the federal
21 social security administration for expenditures made by such office,
22 commission or agency on behalf of disabled individuals who have achieved
23 economic self-sufficiency or to the higher education services corpo-
24 ration for the purpose of assisting the corporation in default
25 prevention and default collection of education loan debt, including
26 judgments, owed to the federal or New York state government; provided,
27 however, that such information shall be limited to the names, social
28 security numbers, home and/or business addresses, and employer names of
29 defaulted or delinquent student loan borrowers, or to the office of the
30 state comptroller for purposes of verifying the income of a retired
31 member of a retirement system or pension plan administered by the state
32 or any of its political subdivisions who returns to public employment.

33 Provided, however, that with respect to employee information the
34 office of temporary and disability assistance shall only be furnished
35 with the names, social security account numbers and gross wages of those
36 employees who are (A) applicants for or recipients of benefits under the
37 social services law, or similar provision of law of another jurisdiction
38 (pursuant to an agreement under subdivision three of section twenty of
39 the social services law) or, (B) absent parents or other persons legally
40 responsible for the support of applicants for or recipients of public
41 assistance and care under the social services law or similar provision
42 of law of another jurisdiction (pursuant to an agreement under subdivi-
43 sion three of section twenty of the social services law), or (C) persons
44 legally responsible for the support of a recipient of services under
45 section one hundred eleven-g of the social services law or similar
46 provision of law of another jurisdiction (pursuant to an agreement under
47 subdivision three of section twenty of the social services law), or (D)
48 employees about whom wage reporting system information is being
49 furnished to public agencies of other jurisdictions, with which the
50 state office of temporary and disability assistance has an agreement
51 pursuant to paragraph (h) or (i) of subdivision three of section twenty
52 of the social services law, or (E) employees about whom wage reporting
53 system information is being furnished to the federal parent locator
54 service, maintained by the federal department of health and human
55 services, for the purpose of enabling the state office of temporary and
56 disability assistance to fulfill obligations and responsibilities other-

1 wise incumbent upon the state department of labor, under section one
2 hundred twenty-four of the federal family support act of nineteen
3 hundred eighty-eight, and, only if, the office of temporary and disabili-
4 ty assistance certifies to the commissioner that such persons are such
5 applicants, recipients, absent parents or persons legally responsible
6 for support or persons about whom information has been requested by a
7 public agency of another jurisdiction or by the federal parent locator
8 service and further certifies that in the case of information requested
9 under agreements with other jurisdictions entered into pursuant to
10 subdivision three of section twenty of the social services law, that
11 such request is in compliance with any applicable federal law. Provided,
12 further, that where the office of temporary and disability assistance
13 requests employee information for the purpose of evaluating the effects
14 on earnings of participation in employment, training or other programs
15 designed to promote self-sufficiency authorized pursuant to the social
16 services law, the office of temporary and disability assistance shall
17 only be furnished with the quarterly gross wages (excluding any refer-
18 ence to the name, social security number or any other information which
19 could be used to identify any employee or the name or identification
20 number of any employer) paid to employees who are former applicants for
21 or recipients of public assistance and care and who are so certified to
22 the commissioner by the commissioner of the office of temporary and
23 disability assistance. Provided, further, that with respect to employee
24 information, the department of health shall only be furnished with the
25 information required pursuant to the provisions of paragraph (f) of
26 subdivision two and subdivision two-a of section two thousand five
27 hundred eleven of the public health law and subdivision eight of section
28 three hundred sixty-six-a of the social services law, with respect to
29 those individuals whose eligibility under the child health insurance
30 plan, medical assistance program, and family health plus program is to
31 be determined pursuant to such provisions and with respect to those
32 members of any such individual's household whose income affects such
33 individual's eligibility and who are so certified to the commissioner or
34 by the department of health. Provided, further, that wage reporting
35 information shall be furnished to the office of vocational and educa-
36 tional services for individuals with disabilities of the education
37 department, the commission for the blind and any other state vocational
38 rehabilitation agency only if such office, commission or agency, as
39 applicable, certifies to the commissioner that such information is
40 necessary to obtain reimbursement from the federal social security
41 administration for expenditures made on behalf of disabled individuals
42 who have achieved self-sufficiency. Reports and returns shall be
43 preserved for three years and thereafter until the commissioner orders
44 them to be destroyed.

45 § 4. This act shall take effect immediately.

46

PART B

47 Section 1. Subsection (c) of section 612 of the tax law is amended by
48 adding a new paragraph 48 to read as follows:

49 (48) For taxable years beginning on or after January first, two thou-
50 sand twenty-six, an amount of up to twenty-five thousand dollars to the
51 extent allowed as a federal deduction pursuant to section two hundred
52 twenty-four of the internal revenue code.

53 § 2. This act shall take effect immediately.

1

PART C

2 Section 1. Subsection (g) of section 615 of the tax law, as amended by
3 section 1 of part Q of chapter 59 of the laws of 2019, paragraph 2 as
4 amended by section 1 of part A of chapter 59 of the laws of 2024, is
5 amended to read as follows:

6 (g) Notwithstanding subsection (a) of this section, the New York item-
7 ized deduction for charitable contributions shall be the amount allowed
8 under section one hundred seventy of the internal revenue code or the
9 amount allowable pursuant to paragraph three of this subsection, as

10 modified by paragraph nine of subsection (c) of this section and as
11 limited by this subsection. (1) With respect to an individual whose New
12 York adjusted gross income is over one million dollars and no more than
13 ten million dollars, the New York itemized deduction shall be an amount
14 equal to fifty percent of any charitable contribution deduction allowed
15 under section one hundred seventy of the internal revenue code or allow-
16 able pursuant to paragraph three of this subsection for taxable years
17 beginning after two thousand nine and before two thousand twenty-five.
18 With respect to an individual whose New York adjusted gross income is
19 over one million dollars, the New York itemized deduction shall be an
20 amount equal to fifty percent of any charitable contribution deduction
21 allowed under section one hundred seventy of the internal revenue code
22 or allowable pursuant to paragraph three of this subsection for taxable
23 years beginning in two thousand nine or after two thousand twenty-four.

24 (2) With respect to an individual whose New York adjusted gross income
25 is over ten million dollars, the New York itemized deduction shall be an
26 amount equal to twenty-five percent of any charitable contribution
27 deduction allowed under section one hundred seventy of the internal
28 revenue code or allowable pursuant to paragraph three of this subsection
29 for taxable years beginning after two thousand nine and ending before
30 two thousand thirty.

31 (3) Contributions to an organization that meets the definition of an
32 exempt organization under paragraph four of subdivision (a) of section
33 eleven hundred sixteen of this chapter or to organizations that have
34 applied for, and were approved for tax-exempt status under subsection
35 (c) of section five hundred one of the internal revenue code by the
36 internal revenue service before January first, two thousand twenty-five,
37 will continue to qualify as charitable contributions allowable as a New
38 York itemized deduction under this subsection, to the extent otherwise
39 allowable under section one hundred seventy of the internal revenue
40 code, even if the internal revenue service revokes such organization's
41 tax-exempt status, so long as the organization establishes that the
42 revocation was unrelated to the organization's charitable mission and
43 that it continues to meet the statutory requirements of paragraph three
44 of subsection (c) of section five hundred one of the internal revenue
45 code and the regulations and authorities promulgated thereunder.

46 § 2. This act shall take effect immediately and shall apply to taxable
47 years beginning on or after January 1, 2026.

48

PART D

49 Section 1. Paragraph (c) of section 42 of the tax law, as amended by
50 section 1 of part N of chapter 59 of the laws of 2019, is amended to
51 read as follows:

52 (c) For purposes of this section, the term "eligible farmer" [~~means a~~
53 ~~taxpayer whose federal gross income from farming as defined~~] shall have

1 ~~the same meaning as set forth~~ in subsection (n) of section six hundred
2 six of this chapter [~~for the taxable year is at least two-thirds of~~
3 ~~excess federal gross income. Excess federal gross income means the~~
4 ~~amount of federal gross income from all sources for the taxable year in~~
5 ~~excess of thirty thousand dollars. For purposes of this section,~~
6 ~~payments from the state's farmland protection program, administered by~~
7 ~~the department of agriculture and markets, shall be included as federal~~
8 ~~gross income from farming for otherwise eligible farmers].~~

9 § 2. Paragraph (b) of section 42-a of the tax law, as amended by
10 section 2 of part KK of chapter 59 of the laws of 2025, is amended to
11 read as follows:

12 (b) For purposes of this section, the term "eligible farm employer"
13 means a taxpayer who received an overtime expense certificate pursuant
14 to section three hundred thirty-five of the agriculture and markets law
15 and [~~whose federal gross income from farming~~] who is an eligible farmer,
16 as defined in subsection (n) of section six hundred six of this chapter
17 for the taxable year [~~is at least two-thirds of excess federal gross~~
18 ~~income. Excess federal gross income means the amount of federal gross~~
19 ~~income from all sources for the taxable year in excess of thirty thou-~~
20 ~~sand dollars. For purposes of this section, payments from the state's~~
21 ~~farmland protection program, administered by the department of agricul-~~
22 ~~ture and markets, shall be included as federal gross income from farming~~
23 ~~for otherwise eligible farmers].~~

24 § 3. Subdivision 11 of section 210-B of the tax law is amended by
25 adding a new paragraph (a-1) to read as follows:

26 (a-1) New York gross income from farming. For purposes of this subdivi-
27 vision, the term "New York gross income from farming" means a taxpayer's
28 federal gross income from farming, plus payments from the state's farm-
29 land protection program, administered by the department of agriculture
30 and markets, income from a commercial horse boarding operation as
31 defined by subdivision thirteen of section three hundred one of the
32 agriculture and markets law, and income from the production or sale of
33 maple syrup, Christmas trees, and cider or wine from a licensed New York
34 state farm cidery or winery, as provided for in section fifty-eight-c
35 and article six of the alcoholic beverage control law.

36 § 4. Paragraph (b) of subdivision 11 of section 210-B of the tax law,
37 as added by section 17 of part A of chapter 59 of the laws of 2014, is
38 amended to read as follows:

39 (b) Eligible farmer. For purposes of this subdivision, the term
40 "eligible farmer" means a taxpayer whose [~~federal~~] New York gross income
41 from farming for the taxable year, or whose average New York gross
42 income from farming for the current year and two prior taxable years, is
43 at least two-thirds of [~~excess~~] such taxpayer's federal gross income
44 from all sources less thirty thousand dollars. The term "eligible farm-
45 er" also includes a corporation other than the taxpayer of record for
46 qualified agricultural land which has paid the school district property
47 taxes on such land pursuant to a contract for the future purchase of
48 such land; provided that such corporation [~~has a federal gross income~~
49 ~~from farming for the taxable year which is at least two-thirds of excess~~
50 ~~federal gross income, and provided further that, in determining such~~
51 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~
52 ~~age of such federal gross income from farming for that taxable year and~~
53 ~~such income for the two consecutive taxable years immediately preceding~~
54 ~~such taxable year. Excess federal gross income means the amount of~~
55 ~~federal gross income from all sources for the taxable year in excess of~~
56 ~~thirty thousand dollars. For the purposes of this paragraph, payments~~

1 ~~from the state's farmland protection program, administered by the~~
2 ~~department of agriculture and markets, shall be included as federal~~
3 ~~gross income from farming for otherwise eligible farmers] meets the~~
4 ~~definition of eligible farmer pursuant to this paragraph.~~

5 § 5. Paragraph (i) of subdivision 11 of section 210-B of the tax law
6 is REPEALED.

7 § 6. Paragraph (b) of subdivision 52 of section 210-B of the tax law,
8 as added by section 4 of part DDD of chapter 59 of the laws of 2017, is
9 amended to read as follows:

10 (b) Eligible farmer. For purposes of this subdivision, the term
11 "eligible farmer" ~~[means a taxpayer whose federal gross income from~~
12 ~~farming for the taxable year is at least two-thirds of excess federal~~
13 ~~gross income. Excess federal gross income means the amount of federal~~
14 ~~gross income from all sources for the taxable year in excess of thirty~~
15 ~~thousand dollars. For purposes of this paragraph, payments from the~~
16 ~~state's farmland protection program, administered by the department of~~
17 ~~agriculture and markets, shall be included as federal gross income from~~
18 ~~farming for otherwise eligible farmers] shall have the same meaning as~~
19 ~~set forth subdivision eleven of this section.~~

20 § 7. Subsection (n) of section 606 of the tax law is amended by adding
21 a new paragraph 1-a to read as follows:

22 (1-a) New York gross income from farming. For purposes of this
23 subsection, the term "New York gross income from farming" means a
24 taxpayer's federal gross income from farming, plus payments from the
25 state's farmland protection program, administered by the department of
26 agriculture and markets, income from a commercial horse boarding opera-
27 tion as defined by subdivision thirteen of section three hundred one of
28 the agriculture and markets law, and income from the production or sale
29 of maple syrup, Christmas trees, and cider or wine from a licensed New
30 York state farm cidery or winery, as provided for in section fifty-
31 eight-c and article six of the alcoholic beverage control law.

32 § 8. Paragraph 2 of subsection (n) of section 606 of the tax law, as
33 amended by chapter 297 of the laws of 2010, is amended to read as
34 follows:

35 (2) Eligible farmer. For purposes of this subsection, the term "eligi-
36 ble farmer" means a taxpayer whose ~~[federal]~~ New York gross income from
37 farming for the taxable year, or whose average New York gross income
38 from farming for the current year and two prior taxable years, is at
39 least two-thirds of ~~[excess]~~ such taxpayer's federal gross income from
40 all sources less thirty thousand dollars. The term "eligible farmer"
41 also includes an individual other than the taxpayer of record for quali-
42 fied agricultural land who has paid the school district property taxes
43 on such land pursuant to a contract for the future purchase of such
44 land; provided that such individual ~~[has a federal gross income from~~
45 ~~farming for the taxable year which is at least two-thirds of excess~~
46 ~~federal gross income, and provided further that, in determining such~~
47 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~
48 ~~age of such federal gross income from farming for that taxable year and~~
49 ~~such income for the two consecutive taxable years immediately preceding~~
50 ~~such taxable year. Excess federal gross income means the amount of~~
51 ~~federal gross income from all sources for the taxable year reduced by~~
52 ~~the sum (not to exceed thirty thousand dollars) of those items included~~
53 ~~in federal gross income which consist of (i) earned income, (ii) pension~~
54 ~~payments, including social security payments, (iii) interest, and (iv)~~
55 ~~dividends. For purposes of this paragraph, the term "earned income"~~
56 ~~shall mean wages, salaries, tips and other employee compensation, and~~

~~those items of gross income which are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ meets the definition of "eligible farmer" pursuant to this paragraph.

§ 9. Paragraph 8 of subsection (n) of section 606 of the tax law is REPEALED.

§ 10. Paragraph 2 of subsection (n-2) of section 606 of the tax law, as added by section 1 of part DDD of chapter 59 of the laws of 2017, is amended to read as follows:

(2) Eligible farmer. For purposes of this subsection, the term "eligible farmer" [~~means a taxpayer whose federal gross income from farming for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year reduced by the sum (not to exceed thirty thousand dollars) of those items included in federal gross income that consist of: (i) earned income, (ii) pension payments, including social security payments, (iii) interest, and (iv) dividends. For purposes of this paragraph, the term "earned income" shall mean wages, salaries, tips and other employee compensation, and those items of gross income that are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ shall have the same meaning as set forth in subsection (n) of this section.

§ 11. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2026.

PART E

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-six 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-six and before January first, two thousand thirty for any taxpayer with a business income base for the taxable year of more than five million dollars but not over ten million dollars, the amount prescribed by this paragraph shall be seven and one-quarter percent of the taxpayer's income base. Provided, further, for taxable years beginning on or after January first, two thousand twenty-six and before January first, two thousand thirty for any taxpayer with a business income base for the taxable year of more than ten million dollars, the amount prescribed by this paragraph shall be nine and one-quarter percent of the taxpayer's

1 business income base. The taxpayer's business income base shall mean the
2 portion of the taxpayer's business income apportioned within the state
3 as hereinafter provided. However, in the case of a small business
4 taxpayer, as defined in paragraph (f) of this subdivision, the amount
5 prescribed by this paragraph shall be computed pursuant to subparagraph
6 (iv) of this paragraph and in the case of a manufacturer, as defined in
7 subparagraph (vi) of this paragraph, the amount prescribed by this para-
8 graph shall be computed pursuant to subparagraph (vi) of this paragraph,
9 and, in the case of a qualified emerging technology company, as defined
10 in subparagraph (vii) of this paragraph, the amount prescribed by this
11 paragraph shall be computed pursuant to subparagraph (vii) of this para-
12 graph.

13 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210
14 of the tax law, as amended by section 2 of subpart A of part I of chap-
15 ter 59 of the laws of 2023, is amended to read as follows:

16 (1) (i) The amount prescribed by this paragraph shall be computed
17 at .15 percent for each dollar of the taxpayer's total business capital,
18 or the portion thereof apportioned within the state as hereinafter
19 provided for taxable years beginning before January first, two thousand
20 sixteen. However, in the case of a cooperative housing corporation as
21 defined in the internal revenue code, the applicable rate shall be .04
22 percent until taxable years beginning on or after January first, two
23 thousand twenty and zero percent for taxable years beginning on or after
24 January first, two thousand twenty-one. The rate of tax for subsequent
25 tax years shall be as follows: .125 percent for taxable years beginning
26 on or after January first, two thousand sixteen and before January
27 first, two thousand seventeen; .100 percent for taxable years beginning
28 on or after January first, two thousand seventeen and before January
29 first, two thousand eighteen; .075 percent for taxable years beginning
30 on or after January first, two thousand eighteen and before January
31 first, two thousand nineteen; .050 percent for taxable years beginning
32 on or after January first, two thousand nineteen and before January
33 first, two thousand twenty; .025 percent for taxable years beginning on
34 or after January first, two thousand twenty and before January first,
35 two thousand twenty-one; and .1875 percent for years beginning on or
36 after January first, two thousand twenty-one and before January first,
37 two thousand [~~twenty-seven~~ thirty], and zero percent for taxable years
38 beginning on or after January first, two thousand [~~twenty-seven~~ thirty].
39 Provided however, for taxable years beginning on or after January first,
40 two thousand twenty-one, the rate of tax for a small business as defined
41 in paragraph (f) of this subdivision shall be zero percent. The rate of
42 tax for a qualified New York manufacturer shall be .132 percent for
43 taxable years beginning on or after January first, two thousand fifteen
44 and before January first, two thousand sixteen, .106 percent for taxable
45 years beginning on or after January first, two thousand sixteen and
46 before January first, two thousand seventeen, .085 percent for taxable
47 years beginning on or after January first, two thousand seventeen and
48 before January first, two thousand eighteen; .056 percent for taxable
49 years beginning on or after January first, two thousand eighteen and
50 before January first, two thousand nineteen; .038 percent for taxable
51 years beginning on or after January first, two thousand nineteen and
52 before January first, two thousand twenty; .019 percent for taxable
53 years beginning on or after January first, two thousand twenty and
54 before January first, two thousand twenty-one; and zero percent for
55 years beginning on or after January first, two thousand twenty-one. (ii)
56 In no event shall the amount prescribed by this paragraph exceed three

1 hundred fifty thousand dollars for qualified New York manufacturers and
2 for all other taxpayers five million dollars.
3 § 3. This act shall take effect immediately.

4 PART F

5 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax
6 law is amended by adding three new subparagraphs 24, 25 and 26 to read
7 as follows:

8 (24) For taxable years beginning on or after January first, two thou-
9 sand twenty-five, in the case of qualified production property described
10 in paragraph two of subsection (n) of section one hundred sixty-eight of
11 the internal revenue code, the amount of any deduction allowed pursuant
12 to subsection (a) of section one hundred sixty-seven of the internal
13 revenue code as if the taxpayer has not made an election pursuant to
14 subsection (n) of section one hundred sixty-eight of the internal reven-
15 ue code.

16 (25) For taxable years beginning on or after January first, two thou-
17 sand twenty-five, the amount of any foreign and domestic research or
18 experimental expenditures, as defined in sections one hundred seventy-
19 four and 174A of the internal revenue code, paid or incurred in each
20 taxable year on and after January first, two thousand twenty-five, amor-
21 tized over a sixty-month period as if the election in subsection (c) of
22 section 174A of the internal revenue code applied to such foreign and
23 domestic research or experimental expenditures.

24 (26) For taxable years beginning on or after January first, two thou-
25 sand twenty-five, the remaining amount of any foreign and domestic
26 research or experimental expenditures, as defined in sections one
27 hundred seventy-four and 174A of the internal revenue code, paid or
28 incurred prior to January first, two thousand twenty-five, determined as
29 if section one hundred seventy-four of the internal revenue code in
30 effect as of January first, two thousand twenty-two, applied to such
31 expenditures.

32 § 2. Paragraph (b) of subdivision 9 of section 208 of the tax law is
33 amended by adding two new subparagraphs 28 and 29 to read as follows:

34 (28) For taxable years beginning on or after January first, two thou-
35 sand twenty-five, in the case of qualified production property described
36 in paragraph two of subsection (n) of section one hundred sixty-eight of
37 the internal revenue code, any amount which the taxpayer claimed as a
38 deduction under subsection (a) of section one hundred sixty-seven of the
39 internal revenue code that included an allowance solely as a result of
40 an election made pursuant to subsection (n) of section one hundred
41 sixty-eight of the internal revenue code.

42 (29) For taxable years beginning on or after January first, two thou-
43 sand twenty-five, any amount claimed as a deduction under sections one
44 hundred seventy-four and 174A of the internal revenue code in effect as
45 of January first, two thousand twenty-five, and any amount claimed as a
46 deduction pursuant to federal Public Law 119-21, title VII, section
47 70302(f)(2)(a), for foreign and domestic research or experimental
48 expenditures, as defined in sections one hundred seventy-four and 174A
49 of the internal revenue code.

50 § 3. Subsection (b) of section 612 of the tax law is amended by adding
51 two new paragraphs 44 and 45 to read as follows:

52 (44) For taxable years beginning on or after January first, two thou-
53 sand twenty-five, in the case of qualified production property described
54 in paragraph two of subsection (n) of section one hundred sixty-eight of

1 the internal revenue code, any amount which the taxpayer claimed as a
2 deduction under subsection (a) of section one hundred sixty-seven of the
3 internal revenue code that included an allowance solely as a result of
4 an election made pursuant to subsection (n) of section one hundred
5 sixty-eight of the internal revenue code.

6 (45) For taxable years beginning on or after January first, two thou-
7 sand twenty-five, any amount claimed as a deduction under sections one
8 hundred seventy-four and 174A of the internal revenue code in effect as
9 of January first, two thousand twenty-five, and any amount claimed as a
10 deduction pursuant to federal Public Law 119-21, title VII, section
11 70302(f)(2)(a), for foreign and domestic research or experimental
12 expenditures, as defined in sections one hundred seventy-four and 174A
13 of the internal revenue code.

14 § 4. Subsection (c) of section 612 of the tax law is amended by adding
15 three new paragraphs 48, 49 and 50 to read as follows:

16 (48) For taxable years beginning on or after January first, two thou-
17 sand twenty-five, in the case of qualified production property described
18 in paragraph two of subsection (n) of section one hundred sixty-eight of
19 the internal revenue code, the amount of any deduction allowed pursuant
20 to subsection (a) of section one hundred sixty-seven of the internal
21 revenue code as if the taxpayer has not made an election pursuant to
22 subsection (n) of section one hundred sixty-eight of the internal reven-
23 ue code.

24 (49) For taxable years beginning on or after January first, two thou-
25 sand twenty-five, the amount of any foreign and domestic research or
26 experimental expenditures, as defined in sections one hundred seventy-
27 four and 174A of the internal revenue code, paid or incurred in each
28 taxable year on and after January first, two thousand twenty-five, amor-
29 tized over a sixty-month period as if the election in subsection (c) of
30 section 174A of the internal revenue code applied to such foreign and
31 domestic research or experimental expenditures.

32 (50) For taxable years beginning on or after January first, two thou-
33 sand twenty-five, the remaining amount of any foreign and domestic
34 research or experimental expenditures, as defined in sections one
35 hundred seventy-four and 174A of the internal revenue code, paid or
36 incurred prior to January first, two thousand twenty-five, determined as
37 if section one hundred seventy-four of the internal revenue code in
38 effect as of January first, two thousand twenty-two, applied to such
39 expenditures.

40 § 5. Paragraph 1 of subdivision (b) of section 1503 of the tax law is
41 amended by adding three new subparagraphs (X), (Y) and (Z) to read as
42 follows:

43 (X) For taxable years beginning on or after January first, two thou-
44 sand twenty-five, in the case of qualified production property described
45 in paragraph two of subsection (n) of section one hundred sixty-eight of
46 the internal revenue code, the amount of any deduction allowed pursuant
47 to subsection (a) of section one hundred sixty-seven of the internal
48 revenue code as if the taxpayer has not made an election pursuant to
49 subsection (n) of section one hundred sixty-eight of the internal reven-
50 ue code.

51 (Y) For taxable years beginning on or after January first, two thou-
52 sand twenty-five, the amount of any foreign and domestic research or
53 experimental expenditures, as defined in sections one hundred seventy-
54 four and 174A of the internal revenue code, paid or incurred in each
55 taxable year on and after January first, two thousand twenty-five, amor-
56 tized over a sixty-month period as if the election in subsection (c) of

1 section 174A of the internal revenue code applied to such foreign and
2 domestic research or experimental expenditures.

3 (Z) For taxable years beginning on or after January first, two thou-
4 sand twenty-five, the remaining amount of any foreign and domestic
5 research or experimental expenditures, as defined in sections one
6 hundred seventy-four and 174A of the internal revenue code, paid or
7 incurred prior to January first, two thousand twenty-five, determined as
8 if section one hundred seventy-four of the internal revenue code in
9 effect as of January first, two thousand twenty-two, applied to such
10 expenditures.

11 § 6. Paragraph 2 of subdivision (b) of section 1503 of the tax law is
12 amended by adding two new subparagraphs (AA) and (BB) to read as
13 follows:

14 (AA) For taxable years beginning on or after January first, two thou-
15 sand twenty-five, in the case of qualified production property described
16 in paragraph two of subsection (n) of section one hundred sixty-eight of
17 the internal revenue code, any amount which the taxpayer claimed as a
18 deduction under subsection (a) of section one hundred sixty-seven of the
19 internal revenue code that included an allowance solely as a result of
20 an election made pursuant to subsection (n) of section one hundred
21 sixty-eight of the internal revenue code.

22 (BB) For taxable years beginning on or after January first, two thou-
23 sand twenty-five, any amount claimed as a deduction under sections one
24 hundred seventy-four and 174A of the internal revenue code in effect as
25 of January first, two thousand twenty-five, and any amount claimed as a
26 deduction pursuant to federal Public Law 119-21, title VII, section
27 70302(f)(2)(a), for foreign and domestic research or experimental
28 expenditures, as defined in sections one hundred seventy-four and 174A
29 of the internal revenue code.

30 § 7. This act shall take effect immediately, and shall apply to tax
31 years beginning on or after January 1, 2025.

32 PART G

33 Section 1. Subdivision (b) of section 11-506 of the administrative
34 code of the city of New York is amended by adding four new paragraphs
35 19, 20, 21 and 22 to read as follows:

36 (19) For taxable years beginning after December thirty-first, two
37 thousand twenty-four, the amount allowed as an exclusion or deduction in
38 determining federal gross income of any depreciation of qualified
39 production property described in subsection (n) of section one hundred
40 sixty-eight of the internal revenue code. For the purposes of this chap-
41 ter, such property shall not be treated as section 1245 property as
42 described in section twelve hundred forty-five of the internal revenue
43 code.

44 (20) For taxable years beginning after December thirty-first, two
45 thousand twenty-four, the amount allowed as an exclusion or deduction in
46 determining federal gross income pursuant to subsection (a) of section
47 one hundred seventy-nine of the internal revenue code.

48 (21) For taxable years beginning after December thirty-first, two
49 thousand twenty-four, the amount allowed as an exclusion or deduction in
50 determining federal gross income for domestic research or experimental
51 expenditures pursuant to section one hundred seventy-four-A of the
52 internal revenue code.

53 (22) For taxable years beginning on or after January first, two thou-
54 sand twenty-five, the increase in the amount allowed as a federal inter-

est deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 2. Paragraph (c) of section 11-506 of the administrative code of the city of New York is amended by adding three new paragraphs 14, 15 and 16 to read as follows:

(14) For taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property as defined in such subsection, the amount allowed as an exclusion or deduction in determining federal gross income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(15) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of subparagraph (A) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(16) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 3. Paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding three new subparagraphs 18, 19 and 20 to read as follows:

(18) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of

1 section one hundred sixty-seven of such code so that the depreciation
2 deduction and adjusted basis reduction or any other deduction or exclu-
3 sion allowed by subsection (n) of section one hundred sixty-eight of
4 such code shall not apply.

5 (19) for taxable years beginning after December thirty-first, two
6 thousand twenty-four, the amount allowed as an exclusion or deduction in
7 determining federal taxable income pursuant to subsection (a) of section
8 one hundred seventy-nine of the internal revenue code subject to the
9 dollar limitations in paragraphs one and two of subsection (b) of such
10 section that were in effect for the last tax year beginning before Janu-
11 ary first, two thousand twenty-five, adjusted in accordance with para-
12 graph six of such subsection using the amounts in paragraphs one and two
13 that were in effect for such tax year and, for the purposes of applying
14 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of
15 section one of the internal revenue code, substituting "calendar year
16 2017" for "calendar year 2016".

17 (20) for taxable years beginning after December thirty-first, two
18 thousand twenty-four, the amount allowed as an exclusion or deduction in
19 determining federal taxable income for domestic research or experimental
20 expenditures pursuant to section one hundred seventy-four-A of the
21 internal revenue code, provided that such exclusion or deduction is
22 calculated in the same manner as an exclusion or deduction for a foreign
23 research or experimental expenditure described in section one hundred
24 seventy-four of such code, except that the amortization deduction of
25 such expenditures shall be rated over the five-year period beginning
26 with the midpoint of the taxable year in which such expenditures are
27 paid or incurred.

28 § 4. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-
29 trative code of the city of New York is amended by adding four new
30 subparagraphs 23, 24, 25 and 26 to read as follows:

31 (23) For taxable years beginning after December thirty-first, two
32 thousand twenty-four, the amount allowed as an exclusion or deduction in
33 determining federal taxable income of any depreciation of qualified
34 production property described in subsection (n) of section one hundred
35 sixty-eight of the internal revenue code. For the purposes of this
36 subchapter, such property shall not be treated as section 1245 property
37 as described in section one thousand two hundred forty-five of the
38 internal revenue code.

39 (24) For taxable years beginning after December thirty-first, two
40 thousand twenty-four, the amount allowed as an exclusion or deduction in
41 determining federal taxable income pursuant to subsection (a) of section
42 one hundred seventy-nine of the internal revenue code.

43 (25) For taxable years beginning after December thirty-first, two
44 thousand twenty-four, the amount allowed as an exclusion or deduction in
45 determining federal taxable income for domestic research or experimental
46 expenditures pursuant to section one hundred seventy-four-A of the
47 internal revenue code.

48 (26) For taxable years beginning on or after January first, two thou-
49 sand twenty-five, the increase in the amount allowed as a federal inter-
50 est deduction pursuant to section one hundred sixty-three of the inter-
51 nal revenue code attributable to additional adjusted taxable income that
52 is attributable to depreciation, amortization, or depletion. For the
53 purposes of this subdivision, "additional adjusted taxable income that
54 is attributable to depreciation, amortization, or depletion" means the
55 difference between the amount of adjusted taxable income computed pursu-
56 ant to paragraph eight of subsection (j) of section one hundred sixty-

three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 5. Clause (E) of subparagraph (2) of paragraph (a) of subdivision 3 of section 11-604 of the administrative code of the city of New York, as added by chapter 59 of the laws of 2019, is amended to read as follows:

(E) notwithstanding any other provision of this paragraph, ~~[net global intangible low-taxed income shall be included in the receipts fraction as provided in this clause. Receipts constituting net global intangible low-taxed income]~~ the amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1) (B) of such code shall not be included in the numerator of the receipts fraction. [Receipts constituting net global intangible low-taxed income] The amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code shall be included in the denominator of the receipts fraction. [For purposes of this clause, the term "net global intangible low-taxed income" means the amount that would have been required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction that would have been allowed under clause (i) of section 250(a)(1)(B) of such code if the taxpayer had not made an election under subchapter s of chapter one of the internal revenue code] For any taxable year, such amount shall be calculated pursuant to such provisions of the internal revenue code provisions as in effect in such taxable year.

§ 6. Subdivision (b) of section 11-641 of the administrative code of the city of New York is amended by adding four new paragraphs 18, 19, 20 and 21 to read as follows:

(18) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as section 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(20) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(21) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-

1 three of the internal revenue code and such amount calculated without
2 regard to clause (v) of subparagraph (A) of such paragraph.

3 § 7. Subdivision (e) of section 11-641 of the administrative code of
4 the city of New York is amended by adding three new paragraphs 17, 18
5 and 19 to read as follows:

6 (17) for taxable years beginning after December thirty-first, two
7 thousand twenty-four, for taxpayers that have made an election pursuant
8 to paragraph six of subsection (n) of section one hundred sixty-eight of
9 the internal revenue code with respect to any qualified production prop-
10 erty defined in such subsection, the amount allowed as an exclusion or
11 deduction in determining federal taxable income of any depreciation of
12 such qualified production property, pursuant to subsection (a) of
13 section one hundred sixty-seven of such code so that the depreciation
14 deduction and adjusted basis reduction or any other deduction or exclu-
15 sion allowed by subsection (n) of section one hundred sixty-eight of
16 such code shall not apply.

17 (18) for taxable years beginning after December thirty-first, two
18 thousand twenty-four, the amount allowed as an exclusion or deduction in
19 determining federal taxable income pursuant to subsection (a) of section
20 one hundred seventy-nine of the internal revenue code subject to the
21 dollar limitations in paragraphs one and two of subsection (b) of such
22 section that were in effect for the last tax year beginning before Janu-
23 ary first, two thousand twenty-five, adjusted in accordance with para-
24 graph six of such subsection using the amounts in paragraphs one and two
25 that were in effect for such tax year and, for the purposes of applying
26 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of
27 section one of the internal revenue code, substituting "calendar year
28 2017" for "calendar year 2016".

29 (19) for taxable years beginning after December thirty-first, two
30 thousand twenty-four, the amount allowed as an exclusion or deduction in
31 determining federal taxable income for domestic research or experimental
32 expenditures pursuant to section one hundred seventy-four-A of the
33 internal revenue code, provided that such exclusion or deduction is
34 calculated in the same manner as an exclusion or deduction for a foreign
35 research or experimental expenditure described in section one hundred
36 seventy-four of such code, except that the amortization deduction of
37 such expenditures shall be rated over the five-year period beginning
38 with the midpoint of the taxable year in which such expenditures are
39 paid or incurred.

40 § 8. Paragraph (a) of subdivision 8 of section 11-652 of the adminis-
41 trative code of the city of New York is amended by adding three new
42 subparagraphs 19, 20 and 21 to read as follows:

43 (19) for taxable years beginning after December thirty-first, two
44 thousand twenty-four, for taxpayers that have made an election pursuant
45 to paragraph six of subsection (n) of section one hundred sixty-eight of
46 the internal revenue code with respect to any qualified production prop-
47 erty defined in such subsection, the amount allowed as an exclusion or
48 deduction in determining federal taxable income of any depreciation of
49 such qualified production property, pursuant to subsection (a) of
50 section one hundred sixty-seven of such code so that the depreciation
51 deduction and adjusted basis reduction or any other deduction or exclu-
52 sion allowed by subsection (n) of section one hundred sixty-eight of
53 such code shall not apply.

54 (20) for taxable years beginning after December thirty-first, two
55 thousand twenty-four, the amount allowed as an exclusion or deduction in
56 determining federal taxable income pursuant to subsection (a) of section

1 one hundred seventy-nine of the internal revenue code subject to the
2 dollar limitations in paragraphs one and two of subsection (b) of such
3 section that were in effect for the last tax year beginning before Janu-
4 ary first, two thousand twenty-five, adjusted in accordance with para-
5 graph six of such subsection using the amounts in paragraphs one and two
6 that were in effect for such tax year and, for the purposes of applying
7 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of
8 section one of the internal revenue code, substituting "calendar year
9 2017" for "calendar year 2016".

10 (21) for taxable years beginning after December thirty-first, two
11 thousand twenty-four, the amount allowed as an exclusion or deduction in
12 determining federal taxable income for domestic research or experimental
13 expenditures pursuant to section one hundred seventy-four-A of the
14 internal revenue code, provided that such exclusion or deduction is
15 calculated in the same manner as an exclusion or deduction for a foreign
16 research or experimental expenditure described in section one hundred
17 seventy-four of such code, except that the amortization deduction of
18 such expenditures shall be rated over the five-year period beginning
19 with the midpoint of the taxable year in which such expenditures are
20 paid or incurred.

21 § 9. Paragraph (b) of subdivision 8 of section 11-652 of the adminis-
22 trative code of the city of New York is amended by adding four new
23 subparagraphs 24, 25, 26 and 27 to read as follows:

24 (24) For taxable years beginning after December thirty-first, two
25 thousand twenty-four, the amount allowed as an exclusion or deduction in
26 determining federal taxable income of any depreciation of qualified
27 production property described in subsection (n) of section one hundred
28 sixty-eight of the internal revenue code. For the purposes of this
29 subchapter, such property shall not be treated as section 1245 property
30 as described in section one thousand two hundred forty-five of the
31 internal revenue code.

32 (25) For taxable years beginning after December thirty-first, two
33 thousand twenty-four, the amount allowed as an exclusion or deduction in
34 determining federal taxable income pursuant to subsection (a) of section
35 one hundred seventy-nine of the internal revenue code.

36 (26) For taxable years beginning after December thirty-first, two
37 thousand twenty-four, the amount allowed as an exclusion or deduction in
38 determining federal taxable income for domestic research or experimental
39 expenditures pursuant to section one hundred seventy-four-A of the
40 internal revenue code.

41 (27) For taxable years beginning on or after January first, two thou-
42 sand twenty-five, the increase in the amount allowed as a federal inter-
43 est deduction pursuant to section one hundred sixty-three of the inter-
44 nal revenue code attributable to additional adjusted taxable income that
45 is attributable to depreciation, amortization, or depletion. For the
46 purposes of this subdivision, "additional adjusted taxable income that
47 is attributable to depreciation, amortization, or depletion" means the
48 difference between the amount of adjusted taxable income computed pursu-
49 ant to paragraph eight of subsection (j) of section one hundred sixty-
50 three of the internal revenue code and such amount calculated without
51 regard to clause (v) of subparagraph (A) of such paragraph.

52 § 10. Subdivision 5-a of section 11-654.2 of the administrative code
53 of the city of New York, as added by chapter 59 of the laws of 2019, is
54 amended to read as follows:

55 5-a. Notwithstanding any other provision of this section, [~~net—global~~
56 ~~intangible low-taxed income shall be included in the receipts fraction~~

1 ~~as provided in this subdivision. Receipts constituting net global intan-~~
2 ~~gible low taxed income] the amount required to be included in the
3 taxpayer's federal gross income pursuant to subsection (a) of section
4 951A of the internal revenue code less the amount of the deduction
5 allowed under clause (i) of section 250(a)(1)(B) of such code shall not
6 be included in the numerator of the receipts fraction. [~~Receipts consti-~~
7 ~~tuting net global intangible low taxed income] The amount required to be
8 included in the taxpayer's federal gross income pursuant to subsection
9 (a) of section 951A of the internal revenue code less the amount of the
10 deduction allowed under clause (i) of section 250(a)(1)(B) of such code
11 shall be included in the denominator of the receipts fraction. [~~For~~
12 ~~purposes of this subdivision, the term "net global intangible low taxed~~
13 ~~income" means the amount required to be included in the taxpayer's~~
14 ~~federal gross income pursuant to subsection (a) of section 951A of the~~
15 ~~internal revenue code less the amount of the deduction allowed under~~
16 ~~clause (i) of section 250(a)(1)(B) of such code] For any taxable year,
17 such amount shall be calculated pursuant to such provisions of the
18 internal revenue code provisions as in effect in such taxable year.~~~~~~

19 § 11. This act shall take effect immediately and shall be deemed to
20 have been in full force and effect on and after December 31, 2024, and
21 shall apply to taxable years beginning after December 31, 2024.

PART H

Intentionally Omitted

PART I

25 Section 1. Paragraph (a) of subdivision 5 of section 845-e of the
26 executive law, as added by section 1 of part E of chapter 59 of the laws
27 of 2024, is amended to read as follows:

28 (a) For taxable years beginning on or after January first, two thou-
29 sand twenty-four and before January first, two thousand [~~twenty-six~~
30 twenty-nine, a business entity in the commercial security tax credit
31 program that meets the eligibility requirements of subdivision two of
32 this section may be eligible to claim a credit equal to three thousand
33 dollars for each retail location of the business entity located in New
34 York state.

35 § 2. Subdivision (a) of section 49 of the tax law, as added by section
36 2 of part E of chapter 59 of the laws of 2024, is amended to read as
37 follows:

38 (a) Allowance of credit. For taxable years beginning on or after Janu-
39 ary first, two thousand twenty-four and before January first, two thou-
40 sand [~~twenty-six~~ twenty-nine, a taxpayer required to file a return
41 pursuant to articles nine, nine-A or twenty-two of this chapter shall be
42 allowed a credit against such tax, pursuant to the provisions referenced
43 in subdivision (f) of this section. The amount of the credit is equal to
44 the amount determined pursuant to section eight hundred forty-five-e of
45 the executive law. No cost or expense paid or incurred by the taxpayer
46 that is included as part of the calculation of this credit shall be the
47 basis of any other tax credit allowed under this chapter.

48 § 3. This act shall take effect immediately.

PART J

1 Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax
2 law, as amended by section 4 of part L of chapter 59 of the laws of
3 2025, is amended to read as follows:

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

11 § 2. This act shall take effect immediately and apply to qualified New
12 York city musical and theatrical production companies whose first
13 performance was on or after December 1, 2025; provided, however, that
14 the amendments to section 24-c of the tax law made by section one of
15 this act shall not affect the repeal of such section and shall be deemed
16 repealed therewith.

17 PART K

18 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdivi-
19 sion 2 as amended by chapter 728 of the laws of 2019 and subdivision
20 12 as added by chapter 61 of the laws of 1989, are amended and a new
21 subdivision 22 is added to read as follows:

22 2. "Tobacco products." Any cigar, including a little cigar, [~~or~~]
23 tobacco, or alternative nicotine product, other than cigarettes,
24 intended for consumption by smoking, chewing, or as snuff. "Tobacco
25 products" shall not include research tobacco products.

26 12. "Distributor." Any person who imports or causes to be imported
27 into this state any tobacco product (in excess of fifty cigars [~~or~~], one
28 pound of tobacco, or fifteen units of alternative nicotine products) for
29 sale, or who manufactures any tobacco product in this state, and any
30 person within or without the state who is authorized by the commissioner
31 of taxation and finance to make returns and pay the tax on tobacco
32 products sold, shipped or delivered by [~~him~~] them to any person in the
33 state.

34 22. "Alternative nicotine product." Any noncombustible product, other
35 than vapor products, which contains nicotine but not tobacco and is
36 intended for human consumption, whether chewed, absorbed, dissolved, or
37 ingested by any other means. "Alternative nicotine product" does not
38 include any product regulated as a drug or device by the U.S. Food and
39 Drug Administration (FDA) under Chapter V (21 U.S.C. § 351 et seq.) of
40 the Federal Food, Drug, and Cosmetic Act. The term "unit" as it relates
41 to alternative nicotine products means any cannister, pack, box, carton,
42 or container of any kind or, if no other container, any wrapping, in
43 which an alternative nicotine product is offered for sale, sold, or
44 otherwise distributed to consumers.

45 § 2. The opening paragraph of subdivision (a) of section 471-c of the
46 tax law, as amended by section 2 of part I1 of chapter 57 of the laws of
47 2009, is amended to read as follows:

48 There is hereby imposed and shall be paid a tax on all tobacco
49 products used in the state by any person, except that no such tax shall
50 be imposed (1) if the tax provided in section four hundred seventy-one-b
51 of this article is paid, or (2) on the use of tobacco products which are
52 exempt from the tax imposed by said section, or (3) on the use of two
53 hundred fifty cigars or less, or five pounds or less of tobacco other
54 than roll-your-own tobacco, or thirty-six ounces or less of roll-your-

1 own tobacco, or seventy-five units or less of alternative nicotine
2 products, brought into the state on, or in the possession of, any
3 person.

4 § 3. Subdivisions 2 and 3 of section 474 of the tax law, subdivision 2
5 as amended by chapter 552 of the laws of 2008 and subdivision 3 as added
6 by chapter 61 of the laws of 1989, are amended to read as follows:

7 2. Every person who shall possess or transport more than two hundred
8 fifty cigars, or more than five pounds of tobacco other than roll-your-
9 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or
10 more than seventy-five units of alternative nicotine products, upon the
11 public highways, roads or streets of the state, shall be required to
12 have in [~~his~~] their actual possession invoices or delivery tickets for
13 such tobacco products. Such invoices or delivery tickets shall show the
14 name and address of the consignor or seller, the name and address of the
15 consignee or purchaser, the quantity and brands of the tobacco products
16 transported, and the name and address of the person who has or shall
17 assume the payment of the tax and the wholesale price or the tax paid or
18 payable. The absence of such invoices or delivery tickets shall be prima
19 facie evidence that such person is a dealer in tobacco products in this
20 state and subject to the requirements of this article.

21 3. Every dealer or distributor or employee thereof, or other person
22 acting on behalf of a dealer or distributor, who shall possess or trans-
23 port more than fifty cigars [~~or~~], more than one pound of tobacco, or
24 more than fifteen units of alternative nicotine products, upon the
25 public highways, roads or streets of the state, shall be required to
26 have in [~~his~~] their actual possession invoices or delivery tickets for
27 such tobacco products. Such invoices or delivery tickets shall show the
28 name and address of the consignor or seller, the name and address of the
29 consignee or purchaser, the quantity and brands of the tobacco products
30 transported, and the name and address of the person who has or shall
31 assume the payment of the tax and the wholesale price or the tax paid or
32 payable. The absence of such invoices or delivery tickets shall be prima
33 facie evidence that the tax imposed by this article on tobacco products
34 has not been paid and is due and owing.

35 § 4. Subparagraph (i) of paragraph (b) of subdivision 1 of section 481
36 of the tax law, as amended by section 1 of part O of chapter 59 of the
37 laws of 2013, is amended to read as follows:

38 (i) In addition to any other penalty imposed by this article, the
39 commissioner may (A) impose a penalty of not more than six hundred
40 dollars for each two hundred cigarettes, or fraction thereof, in excess
41 of one thousand cigarettes in unstamped or unlawfully stamped packages
42 in the possession or under the control of any person or (B) impose a
43 penalty of not more than two hundred dollars for each ten unaffixed
44 false, altered or counterfeit cigarette tax stamps, imprints or
45 impressions, or fraction thereof, in the possession or under the control
46 of any person. In addition, the commissioner may impose a penalty of not
47 more than seventy-five dollars for each fifty cigars [~~or~~], one pound of
48 tobacco, or fifteen units of alternative nicotine products, or fraction
49 thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of
50 tobacco, or seventy-five units of alternative nicotine products, in the
51 possession or under the control of any person and a penalty of not more
52 than one hundred fifty dollars for each fifty cigars [~~or~~], pound of
53 tobacco, or fifteen units of alternative nicotine products, or fraction
54 thereof, in excess of five hundred cigars [~~or~~], ten pounds of tobacco,
55 or one hundred fifty units of alternative nicotine products, in the
56 possession or under the control of any person, with respect to which the

1 tobacco products tax has not been paid or assumed by a distributor or
2 tobacco products dealer; provided, however, that any such penalty
3 imposed shall not exceed seven thousand five hundred dollars in the
4 aggregate. The commissioner may impose a penalty of not more than seven-
5 ty-five dollars for each fifty cigars [~~or~~], one pound of tobacco, or
6 fifteen units of alternative nicotine products, or fraction thereof, in
7 excess of fifty cigars [~~or~~], one pound of tobacco, or fifteen units of
8 alternative nicotine products, in the possession or under the control of
9 any tobacco products dealer or distributor appointed by the commission-
10 er, and a penalty of not more than one hundred fifty dollars for each
11 fifty cigars [~~or~~], pound of tobacco, or fifteen units of alternative
12 nicotine products, or fraction thereof, in excess of two hundred fifty
13 cigars [~~or~~], five pounds of tobacco, or seventy-five units of alterna-
14 tive nicotine products, in the possession or under the control of any
15 such dealer or distributor, with respect to which the tobacco products
16 tax has not been paid or assumed by a distributor or a tobacco products
17 dealer; provided, however, that any such penalty imposed shall not
18 exceed fifteen thousand dollars in the aggregate.

19 § 5. Clauses (B) and (C) of subparagraph (ii) of paragraph (b) of
20 subdivision 1 of section 481 of the tax law, as added by chapter 262 of
21 the laws of 2000, are amended to read as follows:

22 (B)(I) not less than twenty-five dollars but not more than one hundred
23 dollars for each fifty cigars [~~or~~], one pound of tobacco, or fifteen
24 units of alternative nicotine products, or fraction thereof, in excess
25 of two hundred fifty cigars [~~or~~], five pounds of tobacco, or seventy-
26 five units of alternative nicotine products, knowingly in the possession
27 or knowingly under the control of any person, with respect to which the
28 tobacco products tax has not been paid or assumed by a distributor or
29 tobacco products dealer; and

30 (II) not less than fifty dollars but not more than two hundred dollars
31 for each fifty cigars [~~or~~], pound of tobacco, or fifteen units of alter-
32 native nicotine products, or fraction thereof, in excess of five hundred
33 cigars [~~or~~], ten pounds of tobacco, or one hundred fifty units of alter-
34 native nicotine products, knowingly in the possession or knowingly under
35 the control of any person, with respect to which the tobacco products
36 tax has not been paid or assumed by a distributor or tobacco products
37 dealer; provided, however, that any such penalty imposed under this
38 clause shall not exceed ten thousand dollars in the aggregate.

39 (C)(I) not less than twenty-five dollars but not more than one hundred
40 dollars for each fifty cigars [~~or~~], one pound of tobacco, or fifteen
41 units of alternative nicotine products, or fraction thereof, in excess
42 of fifty cigars [~~or~~], one pound of tobacco, or fifteen units of alterna-
43 tive nicotine products, knowingly in the possession or knowingly under
44 the control of any person, with respect to which the tobacco products
45 tax has not been paid or assumed by a distributor or tobacco products
46 dealer; and

47 (II) not less than fifty dollars but not more than two hundred dollars
48 for each fifty cigars [~~or~~], pound of tobacco, or fifteen units of alter-
49 native nicotine products, or fraction thereof, in excess of two hundred
50 fifty cigars [~~or~~], five pounds of tobacco, or seventy-five units of
51 alternative nicotine products, knowingly in the possession or knowingly
52 under the control of any person, with respect to which the tobacco
53 products tax has not been paid or assumed by a distributor or a tobacco
54 products dealer; provided, however, that any such penalty imposed under
55 this clause shall not exceed twenty thousand dollars in the aggregate.

1 § 6. Paragraph (a) of subdivision 2 of section 481 of the tax law, as
2 amended by chapter 552 of the laws of 2008, is amended to read as
3 follows:

4 (a) The possession within this state of more than four hundred ciga-
5 rettes in unstamped or unlawfully stamped packages or more than two
6 hundred fifty cigars, or more than five pounds of tobacco other than
7 roll-your-own tobacco, or more than thirty-six ounces of roll-your-own
8 tobacco, or more than seventy-five units of alternative nicotine
9 products, by any person other than an agent or distributor, as the case
10 may be, at any one time shall be presumptive evidence that such ciga-
11 rettes or tobacco products are subject to tax as provided by this arti-
12 cle.

13 § 7. Section 482 of the tax law is amended by adding a new subdivision
14 (c) to read as follows:

15 (c) From the taxes, interest and penalties collected or received by
16 the commissioner under section four hundred seventy-one-b of this arti-
17 cle, effective April first, two thousand twenty-seven, fifty million
18 dollars from the moneys collected or received under such section shall
19 be deposited annually to the credit of the tobacco control and insurance
20 initiatives pool to be established and distributed by the commissioner
21 of health in accordance with section twenty-eight hundred seven-v of the
22 public health law.

23 § 8. Subdivisions (a) and (h) of section 1814 of the tax law, as
24 amended by section 28 of subpart I of part V1 of chapter 57 of the laws
25 of 2009, are amended to read as follows:

26 (a) Any person who willfully attempts in any manner to evade or defeat
27 the taxes imposed by article twenty of this chapter or payment thereof
28 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
29 or more, [~~or~~] (iii) four hundred forty pounds of tobacco or more, or
30 (iv) six thousand six hundred units of alternative nicotine products or
31 more, or has previously been convicted two or more times of a violation
32 of paragraph one of this subdivision shall be guilty of a class E felo-
33 ny.

34 (h) (1) Any dealer, other than a distributor appointed by the commis-
35 sioner of taxation and finance under article twenty of this chapter, who
36 shall knowingly transport or have in [~~his~~] their custody, possession or
37 under [~~his~~] their control more than ten pounds of tobacco [~~or~~], more
38 than five hundred cigars, or more than one hundred fifty units of alter-
39 native nicotine products, upon which the taxes imposed by article twenty
40 of this chapter have not been assumed or paid by a distributor appointed
41 by the commissioner of taxation and finance under article twenty of this
42 chapter, or other person treated as a distributor pursuant to section
43 four hundred seventy-one-d of this chapter, shall be guilty of a misde-
44 meanor punishable by a fine of not more than five thousand dollars or by
45 a term of imprisonment not to exceed thirty days.

46 (2) Any person, other than a dealer or a distributor appointed by the
47 commissioner under article twenty of this chapter, who shall knowingly
48 transport or have in [~~his~~] their custody, possession or under [~~his~~]
49 their control more than fifteen pounds of tobacco [~~or~~], more
50 than seven hundred fifty cigars, or more than two hundred twenty-five units of
51 alternative nicotine products, upon which the taxes imposed by article
52 twenty of this chapter have not been assumed or paid by a distributor
53 appointed by the commissioner under article twenty of this chapter, or
54 other person treated as a distributor pursuant to section four hundred
55 seventy-one-d of this chapter shall be guilty of a misdemeanor punisha-

1 ble by a fine of not more than five thousand dollars or by a term of
2 imprisonment not to exceed thirty days.

3 (3) Any person, other than a distributor appointed by the commissioner
4 under article twenty of this chapter, who shall knowingly transport or
5 have in [~~his~~] their custody, possession or under [~~his~~] their control
6 twenty-five hundred or more cigars [~~or~~], fifty or more pounds of
7 tobacco, or seven hundred fifty units or more of alternative nicotine
8 products, upon which the taxes imposed by article twenty of this chapter
9 have not been assumed or paid by a distributor appointed by the commis-
10 sioner under article twenty of this chapter, or other person treated as
11 a distributor pursuant to section four hundred seventy-one-d of this
12 chapter shall be guilty of a misdemeanor. Provided further, that any
13 person who has twice been convicted under this subdivision shall be
14 guilty of a class E felony for any subsequent violation of this section,
15 regardless of the amount of tobacco products involved in such violation.

16 (4) For purposes of this subdivision, such person shall knowingly
17 transport or have in [~~his~~] their custody, possession or under [~~his~~]
18 their control tobacco [~~or~~], cigars, or alternative nicotine products, on
19 which such taxes have not been assumed or paid by a distributor
20 appointed by the commissioner where such person has knowledge of the
21 requirement of the tax on tobacco products and, where to [~~his~~] their
22 knowledge, such taxes have not been assumed or paid on such tobacco
23 products by a distributor appointed by the commissioner of taxation and
24 finance.

25 § 9. Section 1814-a of the tax law, as added by chapter 61 of the laws
26 of 1989, is amended to read as follows:

27 § 1814-a. Person not appointed as a tobacco products distributor. (a)
28 Any person who, while not appointed as a distributor of tobacco products
29 pursuant to the provisions of article twenty of this chapter, imports or
30 causes to be imported into the state more than fifty cigars [~~or~~], more
31 than one pound of tobacco, or more than fifteen units of alternative
32 nicotine products, for sale within the state, or produces, manufactures
33 or compounds tobacco products within the state shall be guilty of a
34 misdemeanor punishable by a fine of not more than five thousand dollars
35 or by a term of imprisonment not to exceed thirty days. If, within any
36 ninety day period, one thousand or more cigars, or five hundred pounds
37 or more of tobacco, or seven thousand five hundred units or more of
38 alternative nicotine products, are imported or caused to be imported
39 into the state for sale within the state or are produced, manufactured
40 or compounded within the state by any person while not appointed as a
41 distributor of tobacco products, such person shall be guilty of a misde-
42 meanor. Provided further, that any person who has twice been convicted
43 under this section shall be guilty of a class E felony for any subse-
44 quent violation of this section, regardless of the amount of tobacco
45 products involved in such violation.

46 (b) For purposes of this section, the possession or transportation
47 within this state by any person, other than a tobacco products distribu-
48 tor appointed by the commissioner of taxation and finance, at any one
49 time of seven hundred fifty or more cigars [~~or~~], fifteen pounds or more
50 of tobacco, or two hundred twenty-five units or more of alternative
51 nicotine products, shall be presumptive evidence that such tobacco
52 products are possessed or transported for the purpose of sale and are
53 subject to the tax imposed by section four hundred seventy-one-b of this
54 chapter. With respect to such possession or transportation, any
55 provisions of article twenty of this chapter providing for a time period

1 during which the tax imposed by such article may be paid shall not
2 apply.

3 § 10. Subdivision (a) of section 1846-a of the tax law, as amended by
4 chapter 556 of the laws of 2011, is amended to read as follows:

5 (a) Whenever a police officer designated in section 1.20 of the crimi-
6 nal procedure law or a peace officer designated in subdivision four of
7 section 2.10 of such law, acting pursuant to ~~[his]~~ their special duties,
8 shall discover any tobacco products in excess of five hundred cigars
9 ~~[or]~~, ten pounds of tobacco, or one hundred fifty units of alternative
10 nicotine products, which are ~~[being imported for]~~ possessed for the
11 purpose of sale in the state ~~[where the person importing or causing]~~
12 when the excise taxes on such tobacco products ~~[to be imported has not~~
13 ~~been appointed as]~~ have not been assumed or paid by a distributor
14 appointed pursuant to section four hundred seventy-two of this chapter,
15 such police officer or peace officer is hereby authorized and empowered
16 forthwith to seize and take possession of such tobacco products. Such
17 tobacco products seized by a police officer or peace officer shall be
18 turned over to the commissioner. Such seized tobacco products shall be
19 forfeited to the state. All tobacco products forfeited to the state
20 shall be destroyed or used for law enforcement purposes, except that
21 tobacco products that violate, or are suspected of violating, federal
22 trademark laws or import laws shall not be used for law enforcement
23 purposes. If the commissioner determines the tobacco products may not be
24 used for law enforcement purposes, the commissioner must, within a
25 reasonable time thereafter, upon publication in the state registry of a
26 notice to such effect before the day of destruction, destroy such
27 forfeited tobacco products. The commissioner may, prior to any
28 destruction of tobacco products, permit the true holder of the trademark
29 rights in the tobacco products to inspect such forfeited products in
30 order to assist in any investigation regarding such tobacco products.

31 § 11. Subdivision (b) of section 1847 of the tax law, as added by
32 chapter 61 of the laws of 1989, is amended to read as follows:

33 (b) Any peace officer designated in subdivision four of section 2.10
34 of the criminal procedure law, acting pursuant to ~~[his]~~ their special
35 duties, or any police officer designated in section 1.20 of the criminal
36 procedure law may seize any vehicle or other means of transportation
37 used to import tobacco products in excess of five hundred cigars ~~[or]~~,
38 ten pounds of tobacco, or one hundred fifty units of alternative nico-
39 tine products, for sale where the person importing or causing such
40 tobacco products to be imported has not been appointed a distributor
41 pursuant to section four hundred seventy-two of this chapter, other than
42 a vehicle or other means of transportation used by any person as a
43 common carrier in transaction of business as such common carrier, and
44 such vehicle or other means of transportation shall be subject to
45 forfeiture as hereinafter in this section provided.

46 § 12. Subdivisions (a) and (b) of section 92-dd of the state finance
47 law, subdivision (a) as amended by section 2 of part UU of chapter 59 of
48 the laws of 2019 and subdivision (b) as amended by section 3 of part T
49 of chapter 61 of the laws of 2011, are amended to read as follows:

50 (a) On and after April first, two thousand five, such fund shall
51 consist of the revenues heretofore and hereafter collected or required
52 to be deposited pursuant to paragraph (a) of subdivision eighteen of
53 section twenty-eight hundred seven-c, and sections twenty-eight hundred
54 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t
55 of the public health law, ~~[subdivision]~~ subdivisions (b) and (c) of
56 section four hundred eighty-two and section eleven hundred eighty-six of

1 the tax law and required to be credited to the tobacco control and
 2 insurance initiatives pool, subparagraph (O) of paragraph four of
 3 subsection (j) of section four thousand three hundred one of the insur-
 4 ance law, section twenty-seven of part A of chapter one of the laws of
 5 two thousand two and all other moneys credited or transferred thereto
 6 from any other fund or source pursuant to law.

7 (b) The pool administrator under contract with the commissioner of
 8 health pursuant to section twenty-eight hundred seven-y of the public
 9 health law shall continue to collect moneys required to be collected or
 10 deposited pursuant to paragraph (a) of subdivision eighteen of section
 11 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,
 12 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the
 13 public health law, and shall deposit such moneys in the HCRA resources
 14 fund. The comptroller shall deposit moneys collected or required to be
 15 deposited pursuant to [~~subdivision~~ subdivisions (b) and (c)] of section
 16 four hundred eighty-two of the tax law and required to be credited to
 17 the tobacco control and insurance initiatives pool, subparagraph (O) of
 18 paragraph four of subsection (j) of section four thousand three hundred
 19 one of the insurance law, section twenty-seven of part A of chapter one
 20 of the laws of two thousand two and all other moneys credited or trans-
 21 ferred thereto from any other fund or source pursuant to law in the HCRA
 22 resources fund.

23 § 13. Notwithstanding any other provision of law to the contrary, the
 24 units of alternative nicotine products possessed in New York state as of
 25 11:59 pm eastern standard time on August 31, 2026, by any person for
 26 sale shall be subject to tax pursuant to section 471-b of the tax law,
 27 and shall be remitted by September 21, 2026, in the form and manner
 28 prescribed by the commissioner of taxation and finance.

29 § 14. This act shall take effect immediately, and shall apply to all
 30 sales of alternative nicotine products on or after September 1, 2026.

31 PART L

32 Section 1. The article heading of article 28-C of the tax law, as
 33 added by section 1 of part UU of chapter 59 of the laws of 2019, is
 34 amended to read as follows:

35 [~~SUPPLEMENTAL~~] TAX ON VAPOR PRODUCTS

36 § 2. Section 1180 of the tax law, as added by section 1 of part UU of
 37 chapter 59 of the laws of 2019, is amended to read as follows:

38 § 1180. Definitions. For the purposes of the taxes imposed by this
 39 article, the following [~~terms shall mean~~] definitions shall apply:

40 (a) "Vapor product" means any noncombustible liquid or gel, regardless
 41 of the presence of nicotine therein, that is manufactured [~~in-te~~] into
 42 a finished product for use in an electronic cigarette, electronic cigar,
 43 electronic cigarillo, electronic pipe, vaping pen, hookah pen or other
 44 similar device. "Vapor product" shall not include any product approved
 45 by the United States food and drug administration as a drug or medical
 46 device, or manufactured and dispensed pursuant to title five-A of arti-
 47 cle thirty-three of the public health law.

48 (b) "Vapor products dealer" means a person [~~licensed by the commis-~~
 49 ~~sioner to sell~~] who sells vapor products at retail to a person in this
 50 state.

51 (c) "Vapor products distributor" means any person who imports or caus-
 52 es to be imported into this state any vapor products or who manufactures
 53 any vapor products in this state; provided, however, where a vapor

1 products dealer also imports vapor products or causes vapor products to
2 be imported into this state for sale, or manufactures vapor products for
3 sale in this state, such vapor products dealer shall also be a vapor
4 products distributor.

5 (d) "Contraband vapor products" means any vapor products that are: (1)
6 possessed by a vapor products dealer or vapor products distributor who
7 does not possess a valid certificate of registration or whose certifi-
8 cate of registration has been revoked; (2) possessed by a vapor
9 products distributor or vapor products dealer upon which the tax imposed
10 by this article is due and has not been paid; or (3) possessed in this
11 state that are not listed on the vapor products registry pursuant to
12 section eleven hundred eighty-seven of this article.

13 (e) "Unit" means the individual package, box, carton, canister or
14 container of any kind, or, if no other container, any wrapping in or
15 from which retail sales of vapor products are made or intended to be
16 made as such vapor product is packaged by the manufacturer of such vapor
17 products.

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

20 § 1181. Imposition of tax. (a)(1) In addition to any other tax
21 imposed by this chapter or other law, there is hereby imposed a tax on
22 each unit of vapor products first imported into or manufactured in the
23 state by a vapor products distributor at the rate of fifty-five cents
24 per unit of vapor product that shall accrue at the time of first import
25 or manufacture in the state.

26 (2) The tax imposed by this subdivision shall be passed through from
27 the vapor products distributor to the vapor products dealer at the time
28 the vapor products distributor sells or transfers such vapor products to
29 a vapor products dealer. Upon each sale or transfer of vapor products,
30 other than a sale at retail, the vapor products distributor shall
31 provide to the vapor products dealer at the time of delivery of such
32 products, an invoice pursuant to subdivision (d) of section eleven
33 hundred eighty-four of this article, which includes taxes paid by the
34 distributor.

35 (3) It shall be presumed that all vapor products possessed within the
36 state by a vapor products dealer are subject to the vapor products
37 distributor tax until the contrary is established and the burden to
38 establish that any vapor products are not taxable hereunder shall be
39 upon the vapor products dealer in possession or control of such vapor
40 products.

41 (4) Every vapor products dealer shall be liable for the tax on vapor
42 products in their possession upon which tax has not been paid by a
43 distributor, and the failure of any vapor products dealer to produce and
44 exhibit to the commissioner upon demand the invoice provided by a vapor
45 products distributor for any vapor products in their possession shall be
46 presumptive evidence that the tax thereon has not been paid, and that
47 such dealer is liable for the tax thereon unless evidence of such
48 invoice or payment shall later be produced.

49 (b) In addition to any other tax imposed by this chapter or other law,
50 there is hereby imposed a tax of twenty percent on receipts from the
51 retail sale of vapor products sold in this state. The tax is imposed on
52 the purchaser and collected by the vapor products dealer as defined in
53 subdivision (b) of section eleven hundred eighty of this article, in
54 trust for and on account of the state.

55 (c) The taxes imposed under this section shall not apply to adult-use
56 cannabis products subject to tax under article twenty-C of this chapter.

1 § 4. Section 1183 of the tax law, as added by section 1 of part UU of
2 chapter 59 of the laws of 2019, is amended to read as follows:

3 § 1183. Vapor products [~~dealer~~] registration and renewal. (a) Every
4 [~~person who intends to sell vapor products~~] vapor products distributor
5 and vapor products dealer in this state must [~~receive from the commis-~~
6 ~~sioner~~] file with the commissioner a properly completed application for
7 a certificate of registration and obtain such certificate twenty days
8 prior to [~~engaging in business~~] the first import, manufacture, or sale
9 of vapor products. Such person must electronically submit a properly
10 completed application for a certificate of registration [~~for each~~
11 ~~location at which vapor products will be sold in this state,~~] on a form
12 prescribed by the commissioner[7] and such application shall be accompa-
13 nied by a non-refundable application fee of three hundred dollars. A
14 vapor products dealer shall apply for a certificate of registration for
15 each location at which vapor products will be sold at retail in this
16 state.

17 (b) A [~~vapor products dealer~~] certificate of registration shall be
18 valid for the calendar year for which it is issued unless earlier
19 [~~suspended or~~] revoked. Upon the expiration of the term stated on the
20 certificate of registration, such certificate shall be null and void. A
21 certificate of registration shall not be assignable or transferable and
22 shall be destroyed immediately upon [~~the vapor products dealer~~] the
23 person to whom such certificate is issued ceasing to do business as
24 specified in such certificate or in the event that such business never
25 commenced.

26 (c) (1) Every [~~vapor product dealer~~] person to whom a certificate is
27 issued under this article shall publicly display a vapor products [~~deal-~~
28 ~~er~~] certificate of registration in each place of business in this state
29 where vapor products are first imported, manufactured, or sold [~~at~~
30 ~~retail~~]. A vapor products dealer who has no regular place of business
31 shall publicly display such valid certificate on each of its carts,
32 stands, trucks or other merchandising devices through which it sells
33 vapor products.

34 (2) No vapor products distributor shall sell any vapor product to any
35 vapor products dealer who is not registered pursuant to this section, or
36 whose registration has been revoked. No vapor products dealer shall
37 purchase any vapor products from a vapor products distributor who is not
38 registered pursuant to this section, or whose registration has been
39 revoked.

40 (d) (1) The commissioner shall refuse to issue a certificate of regis-
41 tration pursuant to this section to any applicant who is required to but
42 does not possess a valid certificate of authority under section eleven
43 hundred thirty-four of this chapter. In addition, the commissioner may
44 refuse to issue a certificate of registration[~~, or suspend, cancel~~] or
45 revoke a certificate of registration issued to any person who: (A) has a
46 past-due liability as that term is defined in section one hundred seven-
47 ty-one-v of this chapter; (B) has had a certificate of registration
48 under this article or any license or registration provided for in this
49 chapter revoked [~~within one year from the date on which such application~~
50 ~~was filed~~]; (C) has been convicted of a crime provided for in this chap-
51 ter [~~within one year from the date on which such application was filed~~];
52 (D) willfully fails to file a report or return required by this article;
53 (E) willfully files, causes to be filed, gives or causes to be given a
54 report, return, certificate or affidavit required by this article which
55 is false; (F) willfully fails to collect or truthfully account for or
56 pay over any tax imposed by this [~~article~~] chapter; [~~or~~] (G) has had a

1 penalty imposed pursuant to paragraph three, four, five, or six of
2 subdivision (c) of section eleven hundred eighty-five of this article
3 within one year from the date on which such application was filed; or
4 (H) whose place of business is at the same premises as that of a person
5 whose vapor products distributor registration or vapor products dealer
6 registration has been revoked and where such revocation is still in
7 effect, unless the applicant or vapor products distributor or vapor
8 products dealer, as the case may be, provides the commissioner with
9 adequate documentation demonstrating that such applicant or vapor
10 products distributor or vapor products dealer acquired the premises or
11 business through an arm's length transaction as defined in paragraph (e)
12 of subdivision one of section four hundred eighty-a of this chapter and
13 the sale or lease was not conducted, in whole or in part, for the
14 purpose of permitting the original registrant to avoid the effect of the
15 previous revocation for the same premises.

16 (2) In addition to the grounds provided in paragraph one of this
17 subdivision, the commissioner shall refuse to issue a certificate of
18 registration and shall [~~cancel or suspend~~] revoke a certificate of
19 registration as directed by an enforcement officer pursuant to article
20 thirteen-F of the public health law. Notwithstanding any provision of
21 law to the contrary, an applicant whose application for a certificate of
22 registration is refused or a vapor products distributor or vapor
23 products dealer whose registration is [~~cancelled or suspended~~] revoked
24 under this paragraph shall have no right to a hearing under this chapter
25 and shall have no right to commence a court action or proceeding or to
26 any other legal recourse against the commissioner with respect to such
27 refusal[~~, suspension or cancellation~~] or revocation; provided, however,
28 that nothing herein shall be construed to deny a vapor products distrib-
29 utor or vapor products dealer a hearing under article thirteen-F of the
30 public health law or to prohibit vapor products distributor or vapor
31 products dealers from commencing a court action or proceeding against an
32 enforcement officer as defined in section thirteen hundred ninety-nine-
33 aa of the public health law.

34 (3) No person whose registration has been revoked pursuant to this
35 section shall possess vapor products in any place of business, cart,
36 stand, truck or other merchandising device through which it sells in
37 this state beginning on the tenth day after such revocation and continu-
38 ing for the duration of the same; provided, however, that such person
39 shall not be prohibited before the tenth day after such revocation from
40 selling or transferring such inventory of vapor product properly listed
41 on the vapor products registry pursuant to section eleven hundred eight-
42 y-seven of this article on which taxes imposed by this article have been
43 paid to a properly registered vapor products dealer whose registration
44 has not been revoked.

45 (e) If a vapor products [~~dealer~~] certificate of registration is
46 [~~suspended, cancelled or~~] revoked and [~~such vapor products dealer~~] the
47 holder of such certificate sells vapor products through more than one
48 place of business in this state, the [~~vapor products dealer's~~] certifi-
49 cate of registration issued to that place of business, cart, stand,
50 truck or other merchandising device, where such violation occurred,
51 shall be [~~suspended,~~] revoked [~~or cancelled~~]. Provided, however, upon a
52 [~~vapor products dealer's~~] holder of a certificate of registration's
53 third [~~suspension, cancellation or~~] revocation within a five-year period
54 for any one or more businesses owned or operated by [~~the vapor products~~
55 dealer] such person, such [~~suspension, cancellation, or~~] revocation of
56 the [~~vapor products dealer's~~] certificate of registration shall apply to

1 all places of business where [~~he or she~~] such person sells vapor
2 products in this state.

3 (f) Every holder of a certificate of registration must notify the
4 commissioner of changes to any of the information stated on the certif-
5 icate or changes to any information contained in the application for the
6 certificate of registration. Such notification must be made on or before
7 the last day of the month in which a change occurs and must be made
8 electronically on a form prescribed by the commissioner.

9 (g) Every vapor products distributor and vapor products dealer who
10 holds a certificate of registration under this [~~article~~] section shall
11 be required to reapply for a certificate of registration for the follow-
12 ing calendar year on or before the twentieth day of September and such
13 reapplication shall be subject to the same requirements and conditions,
14 including grounds for refusal, as an initial registration under this
15 [~~article~~] section, including but not limited to the payment of the three
16 hundred dollar application fee for each retail location.

17 (h) In addition to any other penalty imposed by this chapter, any
18 vapor products distributor or vapor products dealer who violates the
19 provisions of this section, (1) for a first violation is liable for a
20 civil [~~fine~~] penalty not less than five thousand dollars but not to
21 exceed twenty-five thousand dollars and such certificate of registration
22 may be [~~suspended~~] revoked for a period of not more than six months; and
23 (2) for a second or subsequent violation within three years following a
24 prior violation of this section, is liable for a civil [~~fine~~] penalty
25 not less than ten thousand dollars but not to exceed thirty-five thou-
26 sand dollars and such certificate of registration may be [~~suspended~~]
27 revoked for a period of up to thirty-six months; or (3) for a third
28 violation within a period of five years, its vapor products certificate
29 or certificates of registration issued to each place of business owned
30 or operated by the vapor products distributor or vapor products dealer
31 in this state, shall be revoked for a period of up to five years.

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

34 § 1184. Administrative provisions. (a) Except as otherwise provided
35 for in this article, the taxes imposed by this article shall be adminis-
36 tered and collected in a like manner as and jointly with the taxes
37 imposed by sections eleven hundred five and eleven hundred ten of this
38 chapter. In addition, except as otherwise provided in this article, all
39 of the provisions of article twenty-eight of this chapter (except
40 sections eleven hundred seven, eleven hundred eight, eleven hundred
41 nine, and eleven hundred forty-eight) relating to or applicable to the
42 administration, collection and review of the taxes imposed by such
43 sections eleven hundred five and eleven hundred ten, including, but not
44 limited to, the provisions relating to definitions, returns, exemptions,
45 penalties, tax secrecy, personal liability for the tax, and collection
46 of tax from the customer, shall apply to the taxes imposed by this arti-
47 cle so far as such provisions can be made applicable to the taxes
48 imposed by this article with such limitations as set forth in this arti-
49 cle and such modifications as may be necessary in order to adapt such
50 language to the taxes so imposed. Such provisions shall apply with the
51 same force and effect as if the language of those provisions had been
52 set forth in full in this article except to the extent that any
53 provision is either inconsistent with a provision of this article or is
54 not relevant to the taxes imposed by this article.

55 (b) Notwithstanding the provisions of subdivision (a) of this section,
56 the exemptions provided in paragraph ten of subdivision (a) of section

1 eleven hundred fifteen of this chapter, and the provisions of section
2 eleven hundred sixteen, except those provided in paragraphs one, two,
3 three and six of subdivision (a) of such section, shall not apply to the
4 taxes imposed by this article.

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

13 (d) Every vapor products distributor and vapor products dealer on whom
14 tax is imposed under this article shall maintain complete and accurate
15 records in such form as the commissioner may require and shall provide
16 such records to the commissioner upon request. Each vapor products
17 distributor shall make a true duplicate invoice, in the form and manner
18 prescribed by the commissioner, that identifies the name and address of
19 the vapor products distributor, such distributor's certificate of regis-
20 tration number issued by the commissioner, the names and addresses of
21 any consignors or sellers, the names and addresses of the vapor products
22 dealer or any consignees or purchasers, the date of delivery or
23 purchase, the quantities, brands and purchase price of the vapor
24 products transported, purchased or delivered, the amount of taxes paid
25 by such distributor pursuant to section eleven hundred eighty-one of
26 this article on such vapor products, and any other record or information
27 the commissioner may require. A vapor products distributor shall provide
28 such invoice to the vapor products dealer when such vapor products are
29 purchased or received. Such records shall be preserved for a period of
30 four years after the filing of the return to which such records relate
31 and shall be provided to the commissioner upon request.

32 (e) (1) In addition to any other penalty provided in this chapter or
33 otherwise imposed by law, every person subject to the taxes imposed
34 under this article who fails to maintain or make available to the
35 commissioner the records required by this section shall be subject to a
36 penalty not to exceed one thousand dollars for each month, or part ther-
37 eof, for which the failure occurs. Such penalty may not be imposed more
38 than once for failures for the same monthly period or part thereof. If
39 the commissioner determines that a failure to maintain and make avail-
40 able records in any month was entirely due to reasonable cause and not
41 due to willful neglect, the commissioner shall abate the penalty for
42 that month.

43 (2) The failure of any vapor products distributor or vapor products
44 dealer on whom tax is imposed under this article to meet the require-
45 ments made applicable by subdivision (a) of this section for such vapor
46 products possessed by such distributor or such dealer shall be presump-
47 tive evidence that the taxes imposed pursuant to section eleven hundred
48 eighty-one of this article have not been paid, and that such distributor
49 or dealer is liable for the taxes thereon unless evidence of such
50 invoice, receipt or payment shall later be produced.

51 § 6. Section 1185 of the tax law, as added by section 1 of part UU of
52 chapter 59 of the laws of 2019, is amended to read as follows:

53 § 1185. [~~Criminal penalties~~] Enforcement. (a) For purposes of the
54 efficient administration of the taxes imposed by this article, it is the
55 intent of the legislature that the distribution and sale of vapor
56 products be deemed a heavily regulated industry subject to supervision

1 by the commissioner. The commissioner is hereby authorized to conduct
2 regulatory inspections in the same manner as a regulatory inspection
3 pursuant to article twenty of this chapter of any place of business or
4 vehicle where vapor products are placed, stored, sold or offered for
5 sale and to examine the books, papers, invoices and other records of any
6 place of business or vehicle where vapor products are placed, stored,
7 sold or offered for sale. To verify accuracy of the tax imposed and
8 assessed by this article, any vapor products distributor or vapor
9 products dealer in possession, control or occupancy of any such business
10 or vehicle is hereby directed and required upon demand to give to the
11 commissioner the means, facilities, and opportunity for such inspections
12 and examinations.

13 (b) If it is determined, after notice and opportunity for a hearing,
14 that a violation of this article has occurred then such penalties as
15 provided for in this article may be imposed. Nothing herein shall be
16 construed to prohibit the commencement of a proceeding for injunctive
17 relief to compel compliance with this article.

18 (c) Penalties. (1) The criminal penalties in sections eighteen hundred
19 one through eighteen hundred seven and eighteen hundred seventeen of
20 this chapter shall apply to this article with the same force and effect
21 as if the language of those provisions had been set forth in full in
22 this article except to the extent that any provision is either incon-
23 sistent with a provision of this article or is not relevant to the taxes
24 imposed by this article.

25 (2) If any person registered under section eleven hundred eighty-three
26 of this article refuses to give the commissioner the means, facilities
27 and opportunity for the inspections and examinations provided for in
28 this article, such person's registration to distribute or to sell vapor
29 products in this state shall be revoked for a period of one year or, for
30 a second such failure within a period of five years, such registration
31 shall be revoked for a period of three years.

32 (3) If any person required to be registered under section eleven
33 hundred eighty-three of this article who does not possess a valid regis-
34 tration, or whose registration is revoked, refuses to give the commis-
35 sioner the means, facilities and opportunity for such inspections and
36 examinations provided for in this article, such person shall be subject
37 to a civil penalty of up to four thousand dollars for the first such
38 refusal, and up to eight thousand dollars for a second or any subsequent
39 such refusal within three years of a prior refusal.

40 (4) Any vapor products distributor who: (i) sells vapor products to a
41 vapor products dealer that does not possess a valid registration under
42 section eleven hundred eighty-three of this article, or whose registra-
43 tion is revoked; (ii) manufactures, sells, imports, or causes to be
44 imported, into this state any contraband vapor products; or (iii) sells
45 contraband vapor products in this state shall be subject to a civil
46 penalty of up to four thousand dollars for the first such violation, and
47 up to eight thousand dollars for a second or any subsequent violation
48 within three years.

49 (5) Any vapor products dealer who sells contraband vapor products in
50 this state shall be liable for a civil penalty of up to four thousand
51 dollars for a first violation and up to eight thousand dollars for a
52 second or any subsequent violation within three years following a prior
53 violation. The possession by a vapor products dealer of more than one
54 hundred units of any vapor products in a retail location shall be
55 presumptive evidence that such vapor products are possessed for the
56 purpose of a sale.

1 (6) Any vapor products dealer who purchases vapor products from any
2 vapor products distributor who does not possess a valid registration
3 under section eleven hundred eighty-three of this article, or whose
4 registration is revoked, shall be subject to a civil penalty of up to
5 four thousand dollars for the first such sale, and up to eight thousand
6 dollars for a second or any subsequent sale within three years.

7 (d) Forfeiture and seizure. (1) The commissioner, or their duly
8 authorized representative, shall seize any contraband vapor products
9 found in any place of business or vehicle where such products are
10 placed, stored, sold or offered for sale. Such seized contraband vapor
11 products shall be forfeited to the state. Following notice and opportu-
12 nity to be heard, a determination by the commissioner that such products
13 are contraband vapor products and such contraband vapor products are not
14 the subject of a criminal referral, such contraband vapor products shall
15 be turned over to the commissioner of health for destruction.

16 (2) Contraband vapor products that have been seized pursuant to this
17 subdivision that are the subject of a criminal referral shall be held in
18 the custody of either the commissioner or the prosecutor until such time
19 as the related criminal action has concluded.

20 § 7. The tax law is amended by adding a new section 1187 to read as
21 follows:

22 § 1187. Vapor products registry. (a) The commissioner shall maintain a
23 publicly available vapor products registry that lists all vapor products
24 the commissioner has authorized to be sold in this state. Such registry
25 shall be updated at least monthly.

26 (b) Every manufacturer of vapor products whose vapor products are sold
27 in this state shall certify to the commissioner each calendar year, or
28 earlier as necessary, on a form and in a manner prescribed by the
29 commissioner, that: (1) the manufacturer has received a marketing
30 authorization or similar order for each such vapor product from the
31 United States food and drug administration pursuant to section three
32 hundred eighty-seven-j of the federal food, drug, and cosmetic act; or
33 (2) each vapor product was marketed in the United States as of August
34 eighth, two thousand sixteen, a pre-market tobacco product application
35 was submitted for the vapor product to the United States food and drug
36 administration pursuant to section three hundred eighty-seven-j of the
37 federal food, drug, and cosmetic act on or before September ninth, two
38 thousand twenty, and either the application remains under review by the
39 United States food and drug administration or a final decision on the
40 application has not taken effect.

41 (c)(1) A vapor products manufacturer must file an application for
42 certification to the commissioner or for an amended certification to add
43 additional vapor products to the vapor products registry if the vapor
44 product satisfies the requirements provided in this section. Such
45 certification shall be effective for the calendar year in which it is
46 issued; provided, however, that any vapor products approved by the
47 commissioner for inclusion on the vapor products registry shall only be
48 listed on the registry and sold in this state until the end of the
49 calendar year, at which time, a manufacturer that intends to continue to
50 sell such vapor products in this state shall reapply to the commissioner
51 for such products to remain on the registry for the next calendar year.
52 The application shall include a schedule, in the manner prescribed by
53 the commissioner, that separately lists each of the vapor products
54 intended for sale in the state. The manufacturer shall submit with the
55 application a non-refundable fee equal to one thousand five hundred

1 dollars per individual vapor product to be listed on the registry for
2 each calendar year.

3 (2) For each vapor product to be listed on the registry, the applica-
4 tion to the commissioner shall include a copy of the marketing authori-
5 zation or similar order for the vapor product issued by the United
6 States food and drug administration pursuant to section three hundred
7 eighty-seven-j of the federal food, drug, and cosmetic act, as provided
8 under paragraph one of subdivision (b) of this section, or evidence that
9 the pre-market tobacco product application for the vapor product was
10 submitted to the United States food and drug administration, as provided
11 under paragraph two of subdivision (b) of this section and a final deci-
12 sion on the application has not taken effect. Other information, includ-
13 ing but not limited to, the twelve-digit universal product code, a
14 picture of the product label, a picture of the product to be listed on
15 the registry, the manufacturer contact information, and any other infor-
16 mation as prescribed by the commissioner, shall be included with the
17 application.

18 (d) A manufacturer shall notify the commissioner within thirty days of
19 any material change to the information contained in its application,
20 including any order or action by the United States food and drug admin-
21 istration that affects the ability of the vapor product to be introduced
22 or delivered into interstate commerce for commercial distribution in the
23 United States.

24 (e) Any vapor products that cannot be lawfully sold or possessed in
25 this state shall not be listed on the vapor products registry. Vapor
26 products distributors and vapor products dealers shall not purchase or
27 sell any vapor products that are not listed on the vapor products regis-
28 try.

29 (f) (1) The commissioner shall provide a vapor products manufacturer
30 with notice and an opportunity to cure deficiencies before removing a
31 vapor product from the registry. The commissioner may remove a vapor
32 product from the registry no sooner than ten business days after the
33 date on which the commissioner provides such notice to the manufacturer
34 by electronic mail to the address provided on the vapor product manufac-
35 turer's most recent application for inclusion on the vapor products
36 registry submitted pursuant to this section.

37 (2) A determination by the commissioner to refuse inclusion of or to
38 remove a vapor product from the registry shall not be subject to review
39 in the division of tax appeals, but may be reviewed pursuant to article
40 seventy-eight of the civil practice law and rules, by a proceeding
41 commenced in the county where the commissioner has their principal
42 office.

43 (g) (1) When a vapor product is removed from the registry pursuant to
44 this section, the commissioner shall publish on the vapor products
45 registry website the name of the vapor product removed, the manufacturer
46 of such vapor product, the date of the removal of the vapor product from
47 such registry, and any additional information the commissioner
48 prescribes.

49 (2) Each vapor products distributor and vapor products dealer that
50 possesses in its inventory a vapor product that has been removed from
51 the vapor products registry shall: (i) be notified of such removal by
52 the manufacturer; and (ii) allow the manufacturer to retrieve the vapor
53 product from its inventory no later than ten business days after the
54 date the vapor product has been removed from the registry. After ten
55 days following removal of a vapor product from the registry, any such
56 removed vapor product shall be deemed contraband vapor products and

1 subject to seizure, forfeiture, and destruction pursuant to section
2 eleven hundred eighty-five of this article and shall not be purchased,
3 sold, or transferred in this state.

4 § 8. Paragraph 6 of subdivision (a) of section 1801 of the tax law, as
5 amended by section 4 of part F of chapter 25 of the laws of 2009, is
6 amended to read as follows:

7 (6) fails to collect any tax required to be collected under articles
8 twelve-A, eighteen, twenty, twenty-two, twenty-eight [~~or~~],
9 twenty-eight-A, or twenty-eight-C of this chapter, or pursuant to the
10 authority of article twenty-nine of this chapter;

11 § 9. The tax law is amended by adding a new section 1814-b to read as
12 follows:

13 § 1814-b. Vapor products taxes. (a) Any person who, while not regis-
14 tered as a vapor products distributor pursuant to the provisions of
15 article twenty-eight-C of this chapter, sells more than fifty units of
16 vapor products to a vapor products dealer for sale within the state,
17 after due notice and an opportunity for a hearing, liable for a civil
18 penalty of up to ten thousand dollars for a first violation and up
19 to twenty-five thousand dollars for a second or subsequent violation
20 within three years following a prior finding.

21 (b) Any person who, while not registered as a vapor products dealer
22 pursuant to the provisions of article twenty-eight-C of this chapter,
23 purchases or possesses with the intent to sell within this state, more
24 than fifty units of vapor products shall be, after due notice and an
25 opportunity for a hearing, liable for a civil penalty of up to ten thou-
26 sand dollars for a first violation and up to twenty-five thousand
27 dollars for a second or subsequent violation within three years follow-
28 ing a prior finding.

29 § 10. Subdivision 3 of section 1399-ff of the public health law, as
30 amended by chapter 405 of the laws of 2000, is amended to read as
31 follows:

32 3. The enforcement officer shall promptly notify the commissioner of
33 taxation and finance and the director of the division of the lottery of
34 any determination, made after a hearing and any appeals therefrom have
35 been concluded, that a violation of this article has occurred together
36 with a direction to such commissioner and director with respect to any
37 action to be taken concerning registration under [~~section~~] sections four
38 hundred eighty-a and eleven hundred eighty-three of the tax law and
39 licensing under section sixteen hundred seven of the tax law.

40 § 11. Notwithstanding any other provision of law to the contrary, the
41 vapor products distributor tax due on vapor products that were first
42 imported or manufactured and are currently possessed in New York state
43 as of 11:59 pm eastern standard time on August 31, 2026, by any person
44 in possession for sale shall be subject to tax pursuant to subdivision
45 (a) of section 1181 of the tax law, as amended by section three of this
46 act, and shall be paid on or before September 20, 2026, in the form and
47 manner prescribed by the commissioner of taxation and finance. It shall
48 be presumed that the vapor products distributor tax imposed by article
49 28-C of the tax law has not been paid and is owing on all inventory in
50 the possession and control of a vapor products dealer.

51 § 12. This act shall take effect immediately; provided, however, that
52 sections three, six, eight and nine of this act shall take effect
53 September 1, 2026.

1 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of
2 subdivision (b) of section 1402 of the tax law, as amended by section 1
3 of part U of chapter 59 of the laws of 2023, is amended to read as
4 follows:

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

16 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section
17 1201 of the tax law, as amended by section 2 of part U of chapter 59 of
18 the laws of 2023, is amended to read as follows:

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

32 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section
33 11-2102 of the administrative code of the city of New York, as amended
34 by section 3 of part U of chapter 59 of the laws of 2023, is amended to
35 read as follows:

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

49 § 4. This act shall take effect immediately.

50

PART N

51 Section 1. Notwithstanding any provision of law to the contrary, the
52 commissioner of taxation and finance is hereby directed to institute a
53 reregistration program in accordance with this section, to be completed
54 by December 31, 2030. Such commissioner shall issue a notice of expira-

1 tion to holders of current certificates of authority in an order and at
2 such times that such commissioner determines necessary for the proper
3 administration of such reregistration program and to ensure the integri-
4 ty and qualifications of registrants pursuant to this section. Such
5 notice of expiration shall be issued to the holder of such certificate
6 of authority at least 180 days prior to the date of expiration indicated
7 therein and shall be mailed by certified mail in accordance with the
8 provisions in subdivision (a) of section 1147 of the tax law. A properly
9 completed certificate of registration for a new certificate of authority
10 must be filed with such commissioner at least 90 days prior to the date
11 of expiration of the current certificate of authority. The commissioner,
12 within 30 days of receipt of a certificate of registration for a new
13 certificate of authority pursuant to this section, shall either: issue,
14 without charge, to each registrant a certificate of authority empowering
15 such person to collect sales tax for a specified term of no less than
16 three years, and a duplicate thereof for each additional place of busi-
17 ness of such person; or, shall propose to refuse to issue a certificate
18 of authority for any of the circumstances described in subparagraph (B)
19 of paragraph 4 of subdivision (a) of section 1134 of the tax law. A
20 person who has received a notice of proposed refusal pursuant to this
21 section may seek review of such determination in accordance with para-
22 graph (h) of subdivision 3-a of section 170 and subdivision 2 of section
23 2008 of the tax law; provided, however, the division of tax appeals must
24 schedule an expedited hearing within 30 days of receipt of a petition by
25 a person who has received a notice of proposed refusal pursuant to this
26 section.

27 § 2. (a) Notwithstanding any provision of law to the contrary, the
28 commissioner of taxation and finance shall administer a sales and use
29 tax penalty and interest discount program for all eligible taxpayers
30 with eligible tax liabilities as described in this section.

31 (b) For purposes of this sales and use tax penalty and interest
32 discount program, an eligible taxpayer is any person who is a holder of
33 a current certificate of authority subject to the reregistration program
34 authorized by section one of this act who has an eligible tax liability,
35 and who meets the conditions of this section. A person convicted of a
36 crime under the tax law, or a person convicted under the penal law who
37 is subject to a court order to pay a tax liability as result of such
38 conviction, is not eligible to participate in this program.

39 (c) For purposes of this section, an eligible tax liability is a
40 liability for sales and use taxes imposed by article 28 of the tax law
41 or pursuant to the authority of article 29 of such law, including any
42 interest or penalty thereon, that is fixed and final on or before
43 September 1, 2026, such that the taxpayer no longer has any right to an
44 administrative or judicial review. An eligible tax liability shall not
45 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of
46 section 1145 of the tax law, or subdivisions (i) or (j) of such section
47 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of
48 the laws of 2009. An eligible tax liability shall not include any
49 assessment that was reduced by a written agreement with the commission-
50 er, a liability that was compromised pursuant to subdivision eigh-
51 teenth-a of section 171 of the tax law, or a liability reduced pursuant
52 to subdivision 3 of section 1700 of the tax law.

53 (d) The discounted amount due under the sales and use tax penalty and
54 interest discount program for an eligible taxpayer with an eligible tax
55 liability shall be the sales or use tax liability plus fifty percent of
56 the interest accrued thereon, through December 31, 2026.

1 (e) The commissioner of taxation and finance shall identify the eligi-
 2 ble taxpayers with eligible tax liabilities for purposes of this
 3 section, shall compute the discounted amount due on such eligible tax
 4 liabilities, and shall notify eligible taxpayers of such discounted
 5 amount due. The discount authorized by this section shall not be granted
 6 to any eligible taxpayer for any eligible tax liability unless the
 7 eligible taxpayer pays the discounted amount due in full on or before
 8 December 31, 2026. Payment pursuant to this program shall be made by
 9 eligible taxpayers with eligible tax liabilities in a form and manner as
 10 prescribed by the commissioner of taxation and finance.

11 (f) No refund will be granted or subsequent credit allowed with
 12 respect to any penalty or interest paid with respect to an eligible tax
 13 liability prior to the time the eligible taxpayer participates in the
 14 sales and use tax penalty and interest discount program.

15 (g) No refund will be granted or subsequent credit allowed with
 16 respect to any amount paid under the sales and use tax penalty and
 17 interest discount program.

18 (h) If an eligible taxpayer has entered into an installment payment
 19 agreement that applies to an eligible tax liability, the taxpayer may
 20 participate in the sales and use tax penalty and interest discount
 21 program with respect to that liability if the taxpayer pays the
 22 discounted amount due under such program in full by December 31, 2026.

23 § 3. This act shall take effect immediately.

24

PART O

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

27 (mm) The following shall be exempt from tax under this article: (1)
 28 Receipts from the retail sale of electricity by means of a commercial
 29 electric vehicle charging station. For purposes of this subdivision, a
 30 "commercial electric vehicle charging station" shall mean a device that
 31 supplies electricity to charge the battery of an electric vehicle and
 32 that accepts payment for such electricity at the time such charging
 33 takes place.

34 (2) The purchase of electricity for sale by means of a commercial
 35 electric vehicle charging station shall be deemed a retail sale subject
 36 to tax under subdivision (b) of section eleven hundred five of this
 37 article.

38 § 2. This act shall take effect on the first day of a sales tax quar-
 39 terly period next commencing at least 90 days after this act shall have
 40 become a law.

41

PART P

42 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of
 43 section 1115 of the tax law, as amended by section 1 of part AA of chap-
 44 ter 59 of the laws of 2025, is amended to read as follows:

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

1 § 2. This act shall take effect immediately.

2 PART Q

3 Section 1. Section 2 of part PP of chapter 58 of the laws of 2024
4 amending the tax law relating to establishing a sales tax exemption for
5 residential energy storage, is amended to read as follows:

6 § 2. This act shall take effect June 1, 2024 and shall expire and be
7 deemed repealed June 1, [~~2026~~] 2028.

8 § 2. This act shall take effect immediately.

9 PART R

10 Section 1. Subdivision (a) of section 308 of the tax law, as amended
11 by chapter 2 of the laws of 1995, is amended to read as follows:

12 (a) General.--Every petroleum business subject to tax under this arti-
13 cle shall monthly, on or before the twentieth day following the close of
14 its taxable month, file a return which shall state (i) the number of
15 gallons of motor fuel imported or caused to be imported into this state
16 for use, distribution, storage or sale in the state or produced,
17 refined, manufactured or compounded in the state during the preceding
18 calendar month, (ii) the number of gallons of diesel motor fuel sold or
19 used or, with respect to gallonage which prior thereto has not been
20 included in the measure of the tax imposed by this article, delivered by
21 the petroleum business to a filling station or into the fuel tank
22 connecting with the engine of a motor vehicle for use in the operation
23 thereof during the preceding calendar month, (iii) the number of gallons
24 of, and the resultant product produced, manufactured or blended, using
25 diesel motor fuel as a component of such resultant product and the sales
26 of such resultant product, and (iv) the number of gallons of residual
27 petroleum product sold or used in this state and the sales of such resi-
28 dual petroleum product, for the period covered by such return. A resi-
29 dual petroleum business shall include in its reports the number of
30 gallons of residual petroleum product imported into the state or
31 purchased in this state, the number of gallons of diesel motor fuel
32 purchased in this state and the number of gallons of, and the resultant
33 product produced, manufactured or blended by such petroleum business,
34 using diesel motor fuel as a component of such resultant product. The
35 commissioner of taxation and finance may permit the filing of a return
36 on a quarterly basis in the case of a petroleum business which only
37 makes sales of diesel motor fuel solely for residential heating purposes
38 and which is registered under article twelve-A of this chapter as a
39 diesel motor fuel distributor under a limited registration applicable
40 only to the importation, sale and distribution of diesel motor fuel for
41 the purposes described in subparagraph (i) of paragraph (b) of subdivi-
42 sion three of section two hundred eighty-two-a of this chapter or in the
43 case of a petroleum business registered as a "distributor of kero-jet
44 fuel only" pursuant to the provisions of subdivision two of section two
45 hundred eighty-two-a of this chapter. In the case of such returns
46 permitted to be filed on a quarterly basis, the adjustments to the rates
47 of tax then in effect, as provided for in sections three hundred one-a
48 and three hundred one-e of this article, which take effect on the first
49 day of January of each year shall, with respect to such quarterly
50 return, take effect on the first day of the next succeeding March.
51 Returns shall be filed with the commissioner [~~in~~] on a form prescribed
52 by the commissioner, setting forth such other information as the commis-

1 sioner may prescribe. Every petroleum business shall also transmit such
2 other returns and such facts and information as the commissioner may
3 require in the administration of this article. Every petroleum business
4 which is a corporation subject to tax under this article and which ceas-
5 es to exercise its franchise or to be subject to the tax imposed by this
6 article shall transmit to the commissioner a return on the date of such
7 cessation, or at such other time as the commissioner may require, cover-
8 ing each month or period for which no return was theretofore filed. The
9 commissioner may, if the commissioner deems it necessary in order to
10 insure the payment of the tax imposed by this article, require returns
11 to be made at such times and covering such periods as the commissioner
12 may deem necessary. Notwithstanding the foregoing provisions of this
13 subdivision, the commissioner may require any corporation or unincorpo-
14 rated business [~~which~~] that engages in transactions involving petroleum
15 or similar products, including aviation fuels, to file a monthly return,
16 which shall contain [~~any data specified by him~~] such information as the
17 commissioner prescribes, regardless of whether such corporation or unin-
18 corporated business is subject to tax under this article. Notwithstand-
19 ing the provisions of this subdivision, every petroleum business that
20 operates a "commercial vessel", as defined in subdivision (b) of section
21 eleven hundred one of this chapter, shall annually file the returns
22 required under this section, on a form and containing such information
23 as the commissioner prescribes. Such "commercial vessel" returns shall
24 be filed annually on or before March twentieth and shall cover the four
25 sales tax quarterly periods described in subdivision (b) of section
26 eleven hundred thirty-six of this chapter immediately preceding such
27 date.

28 § 2. This act shall take effect on the first day of the month next
29 commencing at least ninety days after this act shall have become a law;
30 provided, however, that a petroleum business that is required to file an
31 annual return pursuant to section one of this act shall be required to
32 file monthly returns for periods ending on or before such effective
33 date; and provided further, however, that such petroleum business shall
34 file an annual return for the remainder of the annual period of March 1,
35 2026 through February 28, 2027, on or before March 20, 2027, and shall
36 be required to file annual returns thereafter.

37

PART S

38 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006
39 amending the tax law and other laws relating to providing exemptions,
40 reimbursements and credits from various taxes for certain alternative
41 fuels, as amended by section 1 of part EE of chapter 59 of the laws of
42 2021, is amended to read as follows:

43 § 19. This act shall take effect immediately; provided, however, that
44 sections one through thirteen of this act shall take effect September 1,
45 2006 and shall be deemed repealed on September 1, [~~2026~~] 2031 and such
46 repeal shall apply in accordance with the applicable transitional
47 provisions of sections 1106 and 1217 of the tax law, and shall apply to
48 sales made, fuel compounded or manufactured, and uses occurring on or
49 after such date, and with respect to sections seven through eleven of
50 this act, in accordance with applicable transitional provisions of
51 sections 1106 and 1217 of the tax law; provided, however, that the
52 commissioner of taxation and finance shall be authorized on and after
53 the date this act shall have become a law to adopt and amend any rules
54 or regulations and to take any steps necessary to implement the

1 provisions of this act; provided further that sections fourteen through
2 sixteen of this act shall take effect immediately and shall apply to
3 taxable years beginning on or after January 1, 2006.

4 § 2. This act shall take effect immediately.

5 PART T

6 Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real
7 property tax law, as amended by section 1 of subpart A of part Z of
8 chapter 59 of the laws of 2022, is amended to read as follows:

9 (a-2) Notwithstanding any provision of law to the contrary, [~~where an~~
10 ~~application for the "enhanced" STAR exemption authorized by subdivision~~
11 ~~four of this section has not been filed on or before the taxable status~~
12 ~~date, and the owner believes that good cause existed for the failure to~~
13 ~~file the application by that date,~~] when a property owner of a property
14 with a basic STAR exemption believes they have become eligible for the
15 enhanced STAR exemption but their basic STAR exemption has not been
16 changed to an enhanced STAR exemption pursuant to the provisions of
17 paragraph (b) of subdivision four-b of this section, the owner may, no
18 later than the last day for paying school taxes without incurring inter-
19 est or penalty, submit a [~~written~~] request to the commissioner asking
20 [~~him or her to extend the filing deadline and~~] the commissioner to grant
21 the exemption. Such request shall be in a form prescribed by the commis-
22 sioner and shall contain an explanation of why the [~~deadline was missed,~~
23 ~~and shall be accompanied by an application, reflecting the facts and~~
24 ~~circumstances as they existed on the taxable status date~~] property owner
25 believes they have become eligible for the enhanced STAR exemption.
26 After consulting with the assessor, the commissioner may [~~extend the~~
27 ~~filing deadline and~~] grant the exemption if the commissioner is satis-
28 fied that [~~(i) good cause existed for the failure to file the applica-~~
29 ~~tion by the taxable status date, and that (ii)~~] the applicant is [~~other-~~
30 ~~wise~~] entitled to the exemption. The commissioner shall mail notice of
31 [~~his or her~~] such determination to such owner and the assessor. If the
32 determination states that the commissioner has granted the exemption,
33 the assessor shall thereupon be authorized and directed to correct the
34 assessment roll accordingly, or, if another person has custody or
35 control of the assessment roll, to direct that person to make the appro-
36 priate corrections. Provided, however, that if the assessment roll
37 cannot be corrected in time for the exemption to appear on the appli-
38 cant's school tax bill, the commissioner shall be authorized to remit
39 directly to the applicant the tax savings that the STAR exemption would
40 have yielded if it had appeared on the applicant's tax bill. The amounts
41 so payable shall be paid from the account established for the payment of
42 STAR benefits to late registrants pursuant to subparagraph (iii) of
43 paragraph (a) of subdivision fourteen of this section.

44 § 2. Paragraphs (c) and (d) of subdivision 14 of section 425 of the
45 real property tax law are REPEALED and a new paragraph (c) is added to
46 read as follows:

47 (c) When the commissioner determines that a property is ineligible for
48 a STAR exemption, notice of such determination and an opportunity for
49 review thereof shall be provided in the manner set forth in subdivision
50 four-b of this section.

51 § 3. Subparagraphs (ii) and (iii) of paragraph (b) of subdivision 15
52 of section 425 of the real property tax law are REPEALED and a new
53 subparagraph (ii) is added to read as follows:

1 (ii) When the commissioner determines that a property is ineligible
2 for a STAR exemption, notice of such determination and an opportunity
3 for review thereof shall be provided in the manner set forth in subdivi-
4 sion four-b of this section.

5 § 4. Subparagraph (A) of paragraph 1 of subsection (eee) of section
6 606 of the tax law, as amended by section 8 of part A of chapter 73 of
7 the laws of 2016, is amended to read as follows:

8 (A) "Qualified taxpayer" means a resident individual of the state, who
9 maintained [~~his or her~~] their primary residence in this state on [~~Decem-~~
10 ~~ber thirty-first~~] July first of the taxable year, and who was an owner
11 of that property on that date, provided however:

12 (i) A taxpayer whose primary residence received a STAR exemption for
13 the associated fiscal year shall not be considered a qualified taxpayer
14 for purposes of this subsection.

15 (ii) An individual may be considered a qualified taxpayer with respect
16 to no more than one primary residence during any given taxable year.

17 [~~(iii) If a resident individual was an owner of the property during~~
18 ~~the taxable year but did not own it on December thirty first of the~~
19 ~~taxable year, he or she shall be considered a qualified taxpayer if the~~
20 ~~property was his or her primary residence during the taxable year and he~~
21 ~~or she paid qualifying taxes on that property while he or she was still~~
22 ~~an owner of that property.~~

23 [~~(iv) If a resident individual has acquired ownership of property~~
24 ~~during a taxable year, such resident individual shall not be considered~~
25 ~~a qualified taxpayer for that taxable year to the extent that an advance~~
26 ~~payment of the credit for that taxable year has been issued to the prior~~
27 ~~owner with respect to the same property, unless such resident individual~~
28 ~~can demonstrate that he or she paid qualifying taxes on such property~~
29 ~~during the taxable year, and that the prior owner did not.~~]

30 § 5. Subsection (eee) of section 606 of the tax law is amended by
31 adding a new paragraph 2 to read as follows:

32 (2) Allowance of credit. A qualified taxpayer shall be allowed a cred-
33 it as provided in paragraph three or four of this subsection, whichever
34 is applicable, against the taxes imposed by this article reduced by the
35 credits permitted by this article, provided that the requirements set
36 forth in the applicable subsection are satisfied. If the credit exceeds
37 the tax as so reduced for such year under this article, the excess shall
38 be treated as an overpayment, to be credited or refunded, without inter-
39 est. If a qualified taxpayer is not required to file a return pursuant
40 to section six hundred fifty-one of this article, a qualified taxpayer
41 may nevertheless receive the full amount of the credit to be credited or
42 repaid as an overpayment, without interest thereon.

43 § 6. The opening paragraph of subparagraph (A) of paragraph 4 of
44 subsection (eee) of section 606 of the tax law, as amended by section 11
45 of part O of chapter 59 of the laws of 2025, is amended to read as
46 follows:

47 Beginning with taxable years after two thousand [~~twenty-four~~] twenty-
48 five, an enhanced STAR credit shall be available to a qualified taxpayer
49 where both of the following conditions are satisfied:

50 § 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section
51 606 of the tax law, as added by section 1 of part TT of chapter 59 of
52 the laws of 2017, is amended to read as follows:

53 (C) If the commissioner determines that a taxpayer received a prelimi-
54 nary advance payment that is above or below the advance payment to which
55 he or she was entitled under this subsection, the commissioner shall
56 provide notice to such taxpayer that the next advance payment due to

1 such taxpayer under this subsection shall be adjusted to reconcile such
 2 underpayment or overpayment[~~, provided, however, the commissioner shall~~
 3 ~~permit a taxpayer to request that such adjustment be made on an~~
 4 ~~originally filed timely income tax return for the tax year in which such~~
 5 ~~overpayment or underpayment occurred, provided such return is filed on~~
 6 ~~or before the due date for such return, determined without regard to~~
 7 ~~extensions~~].

8 § 8. This act shall take effect immediately; provided, however, that
 9 section six of this act shall be deemed to have been in full force and
 10 effect on and after January 1, 2026.

11 PART U

12 Section 1. Section 4 of chapter 475 of the laws of 2013 amending the
 13 real property tax law relating to assessment ceilings for local public
 14 utility mass real property, as amended by section 1 of part Y of chapter
 15 59 of the laws of 2022, is amended to read as follows:

16 § 4. This act shall take effect on the first of January of the second
 17 calendar year commencing after this act shall have become a law and
 18 shall apply to assessment rolls with taxable status dates on or after
 19 such date; provided, however, that this act shall expire and be deemed
 20 repealed [~~twelve~~] sixteen years after such effective date; and provided,
 21 further, that no assessment of local public utility mass real property
 22 appearing on the municipal assessment roll with a taxable status date
 23 occurring in the first calendar year after this act shall have become a
 24 law shall be less than ninety percent or more than one hundred ten
 25 percent of the assessment of the same property on the date this act
 26 shall have become a law.

27 § 2. This act shall take effect immediately.

28 PART V

29 Intentionally Omitted

30 PART W

31 Section 1. Subdivisions 2, 4 and 5 of section 136 of the racing,
 32 pari-mutuel wagering and breeding law, as added by section 1 of subpart
 33 A of part FF of chapter 59 of the laws of 2025, are amended to read as
 34 follows:

35 2. Beginning with state fiscal year two thousand twenty-six, the
 36 aggregate amount of the pari-mutuel wagering tax paid by a harness track
 37 pursuant to [~~paragraph (b) of~~] subdivision one of this section in a
 38 state fiscal year shall not exceed the pari-mutuel wagering tax attrib-
 39 utable to live racing handle paid by such harness track in state fiscal
 40 year two thousand twenty-four.

41 4. Breaks[~~, as defined in sections two hundred thirty-six, two hundred~~
 42 ~~thirty-eight, three hundred eighteen, and four hundred eighteen of this~~
 43 ~~chapter~~] are not permitted, unless required by another jurisdiction
 44 pursuant to section nine hundred five of this chapter. All distributions
 45 to the holders of winning tickets shall be calculated to the nearest
 46 penny.

47 5. Notwithstanding subdivision four of this section, a racetrack may
 48 round to the nearest nickel for bets made at the facility[~~, however the~~
 49 only if such breaks [~~must be~~] are directed to the retired and rescued

1 thoroughbred horse aftercare fund pursuant to section two hundred nine-n
2 of the tax law if the bet was made on a thoroughbred race, and to the
3 retired and rescued standardbred horse aftercare fund pursuant to
4 section two hundred nine-o of the tax law if the bet was made on a
5 [~~standardbred~~] harness race.

6 § 2. Section 236 of the racing, pari-mutuel wagering and breeding law,
7 as amended by chapter 18 of the laws of 2008, subdivisions 1, 2, and 3
8 as amended by chapter 243 of the laws of 2020, is amended to read as
9 follows:

10 § 236. Disposition of pari-mutuel pools; percentage payable to state
11 as a tax; authority of counties or certain cities to impose a tax. 1.
12 Every corporation authorized under this chapter to conduct pari-mutuel
13 betting at a race meeting on races run thereat, except as provided in
14 section two hundred thirty-eight of this article with respect to the
15 franchised corporation, shall distribute all sums deposited in any pari-
16 mutuel pool to the holders of winning tickets therein, providing such
17 tickets be presented for payment before April first of the year follow-
18 ing the year of their purchase, less an amount that shall be established
19 and retained by such racing corporation of between fourteen to twenty
20 percent of the total deposits in pools resulting from regular on-track
21 bets and less sixteen to twenty-two percent of the total deposits in
22 pools resulting from multiple on-track bets and less twenty to thirty
23 percent of the total deposits in pools resulting from exotic on-track
24 bets and less twenty to thirty-six percent of the total pools resulting
25 from super exotic on-track bets[~~, plus the breaks~~]. The retention rate
26 to be established is subject to the prior approval of the commission.
27 Such rate may not be changed more than once per calendar quarter to be
28 effective on the first day of the calendar quarter. "Exotic bets" and
29 "multiple bets" shall have the meanings set forth in section five
30 hundred nineteen of this chapter [~~and breaks are hereby defined as the~~
31 ~~odd cents over any multiple of five for payoffs greater than one dollar~~
32 ~~five cents but less than five dollars, over any multiple of ten for~~
33 ~~payoffs greater than five dollars but less than twenty-five dollars,~~
34 ~~over any multiple of twenty-five for payoffs greater than twenty-five~~
35 ~~dollars but less than two hundred fifty dollars, or over any multiple of~~
36 ~~fifty for payoffs over two hundred fifty dollars~~]. "Super exotic bets"
37 shall have the meaning set forth in section three hundred one of this
38 chapter. Of the amount so retained there shall be paid by such corpo-
39 ration to the department of taxation and finance as a reasonable tax by
40 the state for the privilege of conducting pari-mutuel betting on the
41 races run at the race meeting held by such corporation, which tax is
42 hereby levied, [~~the following percentages of the total pool, plus~~
43 ~~fifty-five percent of the breaks, the applicable rates for regular and~~
44 ~~multiple bets shall be one and one-half percent, the applicable rates~~
45 ~~for exotic bets shall be six and three-quarter percent and the applica-~~
46 ~~ble rate for super exotic bets shall be seven and three-quarter percent.~~
47 ~~Effective on and after September first, nineteen hundred ninety-four,~~
48 ~~the applicable tax rate shall be one percent of all wagers, provided~~
49 ~~that, an amount equal to one-half the difference between the taxation~~
50 ~~rate for on-track regular, multiple and exotic bets as of December thir-~~
51 ~~ty-first, nineteen hundred ninety-three and the rates on such on-track~~
52 ~~wagers as herein provided shall be used exclusively for purses.~~
53 ~~Provided, however, that~~] in the applicable percentage set forth in
54 subdivision one of section one hundred thirty-six of this chapter. Any
55 such racing corporation shall, for any twelve-month period beginning on
56 April first in nineteen hundred ninety and any year thereafter, [~~each of~~

~~the applicable rates set forth above shall be increased by one quarter of one percent on all on-track bets of any such racing corporation that did not~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section two hundred thirty-seven of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations [~~as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year,~~] and five special events at each track in each calendar year, not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the prior approval of the commission for purposes of this subdivision. In the determination of the amounts expended for such enhancements, the commission may consider the immediately preceding twelve-month calendar period or the average of the two immediately preceding twelve-month calendar periods. Provided further, however, that of the portion of the increased amounts retained by such corporation above those amounts retained in nineteen hundred eighty-four, an amount of such increase shall be distributed to purses in the same proportion as commissions and purses were distributed during nineteen hundred eighty-four as certified by the commission. [~~Such corporation in the second zone shall receive a credit against the daily tax imposed by this subdivision in an amount equal to four-tenths of one percent of total daily pools resulting from the simulcast of such corporation's races to licensed facilities operated by regional off-track betting corporations in accordance with section one thousand eight of this chapter, provided however, that sixty percent of the amount of such credit shall be used exclusively to increase purses for overnight races conducted by such corporation; and, provided further, that in no event shall such total daily credit exceed four-tenths of one percent of the total daily pool of such corporation.~~]

Such corporation shall pay to the New York state thoroughbred breeding and development fund one-half of one percent of the total daily on-track pari-mutuel pools from regular, multiple and exotic bets, and three percent of super exotic bets. [~~The corporation shall receive credit as a reduction of the tax by the state for the privilege of conducting pari-mutuel betting for the amounts, except amounts paid from super exotic betting pools, paid to the New York state thoroughbred breeding and development fund after January first, nineteen hundred seventy-eight.~~]

Such corporation shall distribute to purses an amount equal to fifty percent of any compensation it receives from simulcasting or from wagering conducted outside the United States. Such corporation shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of the total daily on-track pari-mutuel pools of such corporation.

2. The balance of the retained percentage of such pool [~~and of the breaks~~] shall be held by such corporation for its own use and purposes, except that in addition to any payments to purses provided for in subdivision one of this section, an amount equal to two and one-half percent of the total pools resulting from on-track regular bets and exotic bets and an amount equal to three and one-half percent of the total pools resulting from on-track multiple bets and an amount equal to twelve percent of on-track super exotic bets shall be used exclusively for the purpose of increasing purses (including stakes, premiums and prizes) awarded to horses in races conducted by such corporation. Such two and

1 one-half percent and three and one-half percent shall be in addition to
2 (i) four and one-half percent of such total pools resulting from regular
3 and multiple wagers and five and one-half percent of such total pools
4 resulting from exotic wagers, or (ii) the percentage of such total pools
5 used for purses (including stakes, premiums and prizes) during the year
6 nineteen hundred eighty-two, whichever is larger. Such percentage of the
7 total pools mentioned in this subdivision shall be used for purses
8 (including stakes, premiums and prizes) in races hereafter conducted by
9 such corporation, and any portion not so used during any year shall be
10 so used during the following year[~~, failing which such portion shall be~~
11 ~~payable to the commissioner of taxation and finance as additional tax~~].
12 The commission shall report annually, on or before July first, to the
13 director of the budget, the chair of the senate finance committee and
14 the chair of the assembly ways and means committee the extent to which
15 such corporation used and retained percentages [~~and breakage~~] for oper-
16 ations, maintenance, capital improvements, advertising and promotion,
17 administration and general overhead and evaluate the effectiveness and
18 make recommendations with respect to the application of the [~~reduced~~]
19 rates of taxation [~~as provided for in subdivision one of this section in~~
20 ~~accomplishing the objectives stated therein~~]. Such report shall also
21 specify the amount of such retained percentages [~~and breakage~~] used for
22 investments not directly related to racing activities and such amounts
23 used to declare dividends or other profit distributions, additions to
24 capital stock, its sale and transfer and additions to retained earnings.
25 Such reports shall also include an analysis of any such agreements or
26 proposals to conduct or otherwise expand wagers authorized under article
27 ten of this chapter and present its conclusions with respect to the
28 conduct of such wagering, the nature of such proposals and agreements,
29 and recommendations to ensure the future maintenance of the intent of
30 this article.

31 3. [~~Tax rates in event of a failure to maintain~~] Maintenance of pari-
32 mutuel racing activity. [~~a. Notwithstanding any other provision of this~~
33 ~~section to the contrary, for~~] For any calendar year commencing on or
34 after January first, nineteen hundred eighty-nine, [~~in which~~] a racing
35 corporation in zone two [~~does~~] shall not conduct [~~a minimum number of~~]
36 fewer pari-mutuel programs and pari-mutuel races at its facilities
37 [~~equal to at least~~] than ninety percent of the programs and races so
38 conducted during nineteen hundred eighty-five or during nineteen hundred
39 eighty-six, whichever is less, [~~in lieu of the tax rates set forth in~~
40 ~~subdivision one of this section the applicable pari mutuel tax rates for~~
41 ~~such corporation with respect to on track pari mutuel betting pools~~
42 ~~during such year shall be increased by one percent of regular, multiple~~
43 ~~and exotic betting pools. Notwithstanding the foregoing, no increase~~
44 ~~shall be proposed unless such corporation has been afforded notice and~~
45 ~~opportunity to be heard. The commission shall promulgate rules and regu-~~
46 ~~lations to implement the provisions relating to notice and hearing.~~

47 b. ~~The provisions of this subdivision shall not apply to a corporation~~
48 ~~for any calendar year for which the commission certifies to the commis-~~
49 ~~sioner of taxation and finance.~~

50 ~~(i) by December fifteenth of the year immediately preceding such year,~~
51 ~~that such corporation has been assigned for such year, from the programs~~
52 ~~and races it requested, at least the minimum number of programs and~~
53 ~~races prescribed in paragraph a of this subdivision, or, if fewer than~~
54 ~~such number were assigned for such year, that the assignment of such~~
55 ~~lesser number was for~~] unless such corporation demonstrates to the
56 satisfaction of the commission good cause due to factors beyond the

1 control of such corporation or because the commission [~~found~~] finds that
2 it would be uneconomical or impractical for such corporation to be
3 assigned or conduct the prescribed number[~~, and~~

4 ~~(ii) by January thirty-first of the year immediately subsequent to~~
5 ~~such year, that such corporation did conduct such number of programs and~~
6 ~~raises as were certified pursuant to subparagraph (i) of this paragraph,~~
7 ~~or if it failed to conduct such number that such failure was for good~~
8 ~~cause due to factors beyond its control or because the commission found~~
9 ~~it uneconomical or impractical for such corporation to conduct such a~~
10 ~~number.~~

11 ~~e. For any calendar year for which the commission does not certify~~
12 ~~pursuant to the provisions of subparagraph (i) of paragraph b of this~~
13 ~~subdivision with respect to a corporation, the tax imposed by this~~
14 ~~section shall be computed by substituting the provisions of paragraph a~~
15 ~~of this subdivision for the provisions of subdivision one of this~~
16 ~~section and shall pay the tax so computed to the commissioner of taxa-~~
17 ~~tion and finance. In such computation and payment, all other provisions~~
18 ~~of this section shall apply as if the provisions of this paragraph and~~
19 ~~of paragraph a of this subdivision had been incorporated in whole in~~
20 ~~subdivision one of this section.~~

21 ~~d. For any calendar year for which the commission does not certify~~
22 ~~pursuant to the provisions of subparagraph (ii) of paragraph b of this~~
23 ~~subdivision with respect to a corporation, the tax required to be paid~~
24 ~~hereunder for such year shall be equal to the difference between the tax~~
25 ~~imposed pursuant to paragraph a of this subdivision and the tax imposed~~
26 ~~pursuant to the provisions of subdivision one of this section less one-~~
27 ~~half of such difference in recognition of purses that were required to~~
28 ~~be paid, plus an additional amount equal to ten percent of such tax in~~
29 ~~the event of a willful failure to comply with the provisions of subpara-~~
30 ~~graph (ii) of paragraph b of this subdivision, and such corporation~~
31 ~~shall pay the tax so computed to the commissioner of taxation and~~
32 ~~finance on or before March fifteenth of the following year. Notwith-~~
33 ~~standing the provisions of this subdivision, in the event that upon~~
34 ~~appeal from the determination of the commission that the certification~~
35 ~~provided in paragraph b of this subdivision will not be made, it is~~
36 ~~finally determined that the commission erred in failing to so certify~~
37 ~~and that any moneys received by the commissioner of taxation and finance~~
38 ~~under paragraph e of this subdivision were paid in error, the same shall~~
39 ~~be refunded at the rate of interest of six percent per annum. Payment of~~
40 ~~such balance of tax due, or the anticipation of such payment, shall not~~
41 ~~affect the determination of purses in the year in which such tax arises~~
42 ~~or in the year in which such payment is made nor shall such payment in~~
43 ~~any other manner be considered in any statutory or contractual calcu-~~
44 ~~lation of purse obligations.~~

45 ~~e. Written notice of the certification of the commission pursuant to~~
46 ~~the provisions of paragraph b of this subdivision shall be given by the~~
47 ~~commission to the applicable corporation by the dates therein specified.~~
48 ~~In like manner, written notice that such certification will not be made~~
49 ~~shall be given by the commission to the commissioner of taxation and~~
50 ~~finance and the applicable corporation by such dates].~~

51 4. The payment of the state tax imposed by this section shall be made
52 to the commissioner of taxation and finance on the last business day of
53 each month and shall cover taxes due for the period from the sixteenth
54 day of the preceding month through the fifteenth day of the current
55 month provided, however, that such payments required to be made on March
56 thirty-first shall include all taxes due and accruing through the last

1 full week of racing in March of the current year or as otherwise deter-
2 mined by the commissioner of taxation and finance, and shall be accompa-
3 nished by a report under oath, showing the total of all such contrib-
4 utions, together with such other information as the commissioner of
5 taxation and finance may require. A penalty of five [~~per centum~~] percent
6 and interest at the rate of one [~~per centum~~] percent per month from the
7 date the report is required to be filed to the date of payment of the
8 tax shall be payable in case any tax imposed by this section is not paid
9 when due. If the commissioner of taxation and finance determines that
10 any moneys received under this subdivision were paid in error, the
11 commissioner of taxation and finance may cause the same to be refunded
12 without interest out of any moneys collected thereunder, provided an
13 application therefor is filed with the commissioner of taxation and
14 finance within one year from the time the erroneous payment was made.
15 Such taxes, interest and penalties when collected, after the deduction
16 of refunds of taxes erroneously paid, shall be paid by the commissioner
17 of taxation and finance into the general fund of the state treasury.

18 5. No county, city, town, village or other political subdivision of
19 the state may impose, levy or collect a tax on admission fees or tickets
20 of admission, on wagers made by patrons, in the form of purchases of
21 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on
22 breaks, on dividends or payments made to winning bettors, or on that
23 part of the pari-mutuel pools [~~or breaks~~] to be retained by racing
24 corporations under this section, except as otherwise provided in this
25 chapter.

26 § 3. Section 238 of the racing, pari-mutuel wagering and breeding law,
27 as amended by chapter 18 of the laws of 2008, subdivision 1 as amended
28 by chapter 243 of the laws of 2020, paragraph (a) of subdivision 1 as
29 amended by section 9 of subpart B of part FF of chapter 59 of the laws
30 of 2025, and paragraph c of subdivision 2 as amended by chapter 367 of
31 the laws of 2021, is amended to read as follows:

32 § 238. Disposition of pari-mutuel pools of the franchised corporation;
33 percentage payable to state as a tax; authority of counties or certain
34 cities to impose a tax. 1. (a) The franchised corporation authorized
35 under this chapter to conduct pari-mutuel betting at a race meeting or
36 races run thereat shall distribute all sums deposited in any pari-mutuel
37 pool to the holders of winning tickets therein, provided such tickets
38 are presented for payment before April first of the year following the
39 year of their purchase, less an amount that shall be established and
40 retained by such franchised corporation of between twelve to seventeen
41 percent of the total deposits in pools resulting from on-track regular
42 bets, and fourteen to twenty-one percent of the total deposits in pools
43 resulting from on-track multiple bets and fifteen to twenty-five percent
44 of the total deposits in pools resulting from on-track exotic bets and
45 fifteen to thirty-six percent of the total deposits in pools resulting
46 from on-track super exotic bets [~~, plus the breaks~~]. The retention rate
47 to be established is subject to the prior approval of the commission.

48 Such rate may not be changed more than once per calendar quarter to be
49 effective on the first day of the calendar quarter. "Exotic bets" and
50 "multiple bets" shall have the meanings set forth in section five
51 hundred nineteen of this chapter. "Super exotic bets" shall have the
52 meaning set forth in section three hundred one of this chapter. For
53 purposes of this section, a "pick six bet" shall mean a single bet or
54 wager on the outcomes of six races. [~~The breaks are hereby defined as~~
55 ~~the odd cents over any multiple of five for payoffs greater than one~~
56 ~~dollar five cents but less than five dollars, over any multiple of ten~~

~~1 for payoffs greater than five dollars but less than twenty five dollars,
2 over any multiple of twenty five for payoffs greater than twenty five
3 dollars but less than two hundred fifty dollars, or over any multiple of
4 fifty for payoffs over two hundred fifty dollars.]~~ Out of the amount so

5 retained there shall be paid by such franchised corporation to the
6 commissioner of taxation and finance, as a reasonable tax by the state
7 for the privilege of conducting pari-mutuel betting on the races run at
8 the race meetings held by such franchised corporation, which tax is
9 hereby levied, in the [~~following percentages of the total pool for regu-
10 lar and multiple bets five percent of regular bets and four percent of
11 multiple bets plus twenty percent of the breaks, for exotic wagers seven
12 and one half percent plus twenty percent of the breaks, and for super
13 exotic bets seven and one half percent plus fifty percent of the breaks.~~

14 ~~For the period April first, two thousand one through December thirty-
15 first, two thousand twenty-six, such tax on all wagers shall be one and
16 six tenths percent, plus, in each such period, twenty percent of the
17 breaks]~~ applicable percentage set forth in subdivision one of section
18 one hundred thirty-six of this chapter. Payment to the New York state
19 thoroughbred breeding and development fund by such franchised corpo-
20 ration shall be one-half of one percent of total daily on-track pari-mu-
21 tuel pools resulting from regular, multiple and exotic bets and three
22 percent of super exotic bets and for the period April first, two thou-
23 sand one through December thirty-first, two thousand twenty-six, such
24 payment shall be seven-tenths of one percent of regular, multiple and
25 exotic pools.

26 (b) An amount equal to fifty percent of any compensation received by a
27 franchised corporation from simulcasting or from wagering conducted
28 outside the United States or outside New York state and within the
29 United States shall be distributed to purses, except with respect to
30 such compensation received from Connecticut which shall be computed as a
31 percentage of wagering handle in a manner approved by the commission.

32 (c) An amount equal to fifty percent of any compensation received by
33 the franchised corporation from simulcasting or from wagering conducted
34 outside the United States shall be distributed to purses.

35 (d) (i) [~~The pari-mutuel tax rate authorized by paragraph (a) of this
36 subdivision shall be effective so long as a franchised corporation noti-
37 fies the commission by August fifteenth of each year that such pari mu-
38 tuel tax rate is effective of its intent to]~~ The franchised corporation
39 shall conduct a race meeting at Aqueduct racetrack during the months of
40 December, January, February, March and April. For purposes of this para-
41 graph such race meeting shall consist of not less than ninety-five days
42 of racing unless otherwise agreed to in writing by the New York
43 Thoroughbred Breeders Inc., the New York thoroughbred horsemen's associ-
44 ation (or such other entity as is certified and approved pursuant to
45 section two hundred twenty-eight of this article) and approved by the
46 commission. Not later than May first of each year [~~that such pari-mutuel
47 tax rate is effective~~], the commission shall determine whether a race
48 meeting at Aqueduct racetrack consisted of the number of days as
49 required by this [~~paragraph~~] subparagraph. In determining the number of
50 race days, cancellation of a race day because of an act of God that the
51 commission approves or because of weather conditions that are unsafe or
52 hazardous that the commission approves shall not be construed as a fail-
53 ure to conduct a race day. Additionally, cancellation of a race day
54 because of circumstances beyond the control of such franchised corpo-
55 ration for which the commission gives approval shall not be construed as
56 a failure to conduct a race day. [~~If the commission determines that the~~

~~1 number of days of racing as required by this paragraph have not occurred
2 then the pari-mutuel tax rate in paragraph (a) of this subdivision shall
3 revert to the pari-mutuel tax rates in effect prior to January first,
4 nineteen hundred ninety-five.]~~

5 (ii) Such franchised corporation shall pay to the commission as a
6 regulatory fee, which fee is hereby levied, six-tenths of one percent of
7 the total daily on-track pari-mutuel pools of such franchised corpo-
8 ration.

9 2. a. Subject to the provisions of this section the payment of such
10 state tax shall be made to the commissioner of taxation and finance on
11 the last business day of each month and shall cover taxes due for the
12 period from the sixteenth day of the preceding month through the
13 fifteenth day of the current month provided, however, that such payments
14 required to be made on March thirty-first shall include all taxes due
15 and accruing through the last full week of racing in March of the
16 current year or as otherwise determined by the commissioner, and shall
17 be accompanied by a report under oath, showing such information as the
18 commissioner may require. A penalty of five [~~per centum~~] percent and
19 interest at the rate of one [~~per centum~~] percent per month from the date
20 the report is required to be filed to the date of the payment of the tax
21 shall be payable in case any tax imposed by this section is not paid
22 when due. If the commissioner determines that any moneys received by the
23 commissioner under this section were paid in error, the commissioner may
24 cause the same to be refunded without interest out of any moneys
25 collected thereunder, provided an application therefor is filed with the
26 commissioner within one year from the time the erroneous payment was
27 made. Such taxes, interest and penalties when collected, after the
28 deduction of refunds of taxes erroneously paid, shall be paid by the
29 commissioner into the general fund of the state treasury.

30 b. The balance of the retained percentage of such pool [~~and of the~~
31 ~~breaks~~] shall be held by such franchised corporation for its corporate
32 purposes, except as provided in paragraph c of this subdivision.

33 c. An amount equal to five and ninety-four hundredths percent of the
34 total pools resulting from on-track regular bets and an amount equal to
35 five and ninety-four hundredths percent of the total pools resulting
36 from on-track multiple and exotic bets, and twelve percent of the total
37 pools resulting from super exotic bets shall be used exclusively for
38 purses (including stakes, premiums and prizes) awarded in races
39 conducted by such franchised corporation. Any portion of such percent
40 not so used during any year shall be so used during the following year[~~r~~
41 ~~failing which such portion shall be payable to the commissioner as addi-~~
42 ~~tional tax. Such additional tax shall be payable on or before April~~
43 ~~first in the year following the year in which such portion is not so~~
44 ~~used and the provisions of paragraph a of this subdivision shall be~~
45 ~~applicable thereto except as to the time of payment].~~

46 3. No county, city, town, village or other political subdivision of
47 the state may impose, levy or collect a tax on admission fees or tickets
48 of admission, on wagers made by patrons in the form of purchases of
49 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on
50 breaks, on dividends or payments made to winning bettors, or on revenue
51 retained by the franchised corporation, except as provided in former
52 article two-B of the general city law, and as otherwise provided in this
53 chapter.

54 [~~4. Notwithstanding any inconsistent provision of this chapter, when-~~
55 ~~ever the franchised corporation operates the Breeder's Cup Meet at one~~
56 ~~of its racing facilities, such franchised corporation shall not be~~

~~required to pay to the department of taxation and finance pursuant to this section the pari-mutuel tax on the pari-mutuel pools of such franchised corporation's races during the Breeder's Cup Meet. For the purposes of this subdivision, the Breeder's Cup Meet shall consist of three days: the day on which the Breeder's Cup races are conducted, the day preceding such races and the day subsequent to such races.]~~

§ 4. Subdivisions 1, 4 and 5 of section 318 of the racing, pari-mutuel wagering and breeding law, subdivisions 1 and 5 as amended by chapter 243 of the laws of 2020, and subdivision 4 as amended by chapter 261 of the laws of 1988, are amended to read as follows:

1. Except as otherwise provided by law, every association or corporation authorized under this article to conduct pari-mutuel betting at a harness horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount that shall be established and retained by such racing association or corporation of between fourteen and twenty percent of the total deposits in pools resulting from regular bets, less sixteen to twenty-two percent of the total deposits in pools resulting from multiple bets, less twenty to thirty percent of the total deposits in pools resulting from exotic bets, and less twenty to thirty-six percent of the total betting deposits in pools resulting from 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~~]. "Super exotic bets" shall have the meaning set forth in subdivision four of section three hundred one of this article [~~and "the breaks" are hereby defined as the odd cents over any multiple of ten for regular and multiple bets, or for exotic bets, over any multiple of fifty, or for super exotic bets, over any multiple of one hundred calculated on the basis of one dollar and otherwise payable to a patron, provided however, that effective after October fifteenth, nineteen hundred ninety-four 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~~].

a. Of the sum so retained from on-track pari-mutuel betting pools, such association or corporation authorized to operate in Westchester or Nassau county: (i) shall pay to the commissioner of taxation and finance as a reasonable tax for the privilege of conducting pari-mutuel betting at races run at race meetings held by such corporation or association, a tax, which is hereby levied, [~~at the rate of one half of one percent of all wagers from total daily on-track pools. Such association or corporation shall receive credit as a reduction of the daily tax by the state for the privilege of conducting pari-mutuel betting of amounts equal to four-tenths percent of total daily pools resulting from the simulcast of such association's or corporation's races to licensed facilities operated by regional off-track betting corporations in accordance with section one thousand eight of this chapter, provided, however, that in no event shall total daily credit exceed four-tenths percent of the total daily pool of such association or corporation. An amount equal to~~

~~fifty percent of such credit shall be used to increase purses, provided, however, that~~ in the applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter as limited by subdivision two of section one hundred thirty-six of this chapter. Any such association or corporation shall, for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, ~~each of the applicable rates set forth above shall be increased by one half of one percent on all on-track bets of any such racing association or corporation that did not~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section three hundred nineteen of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations, ~~as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year,~~ and five special events at each track in each calendar year, not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the approval of the commission for purposes of this subdivision. In the determination of the amounts expended for such enhancements, the commission shall consider the average of the two immediately preceding twelve-month calendar periods. ~~Notwithstanding the foregoing no increase shall be imposed unless such corporation or association has been afforded notice and opportunity to be heard. The commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.~~

(ii) except as otherwise provided in this paragraph an amount equal to six and eight-tenths percent of the total pool resulting from on-track regular bets, an amount equal to seven and ninety-five one hundredths percent of the total pool resulting from on-track multiple bets, an amount equal to ten and one-half percent of the total pool resulting from on-track exotic bets, an amount equal to fifteen and one-half percent of the total daily pool resulting from on-track super exotic bets shall be used exclusively for purses, of which an amount of not less than ninety percent shall be used exclusively for purses for overnight races conducted by such association or corporation. Such amounts may be reduced upon an application approved by the commission and an agreement between the licensed harness racing corporation or association and the representative horsemen's organization as a condition to reduce the amounts of retained percentages as provided for in this section. However, of the total amount available for purses, an amount as determined by contractual obligations between an organization representing at least fifty-one percent of the owners and trainers using the facilities of such association or corporation for racing, training or stabling purposes and the association or corporation, shall be used for the administrative purposes of said organization and for such welfare and medical plans for regularly employed backstretch employees principally employed at the facilities of such corporation or association as provided by said organization, provided, however, that eligibility for benefits in such plans shall not be conditioned upon membership in such organization by any employee or employer thereof, and any denial of eligibility for benefits in such plans which, upon investigation and review by the commission, is determined to have resulted from a person, firm, association, corporation or organization knowingly aiding in or permitting eligibility for benefits being conditioned upon membership in

1 such organization shall subject such organization to the penalties
2 imposed under sections three hundred ten and three hundred twenty-one of
3 this article but the ratio between the amounts actually expended for
4 such welfare and medical plans and the cost actually incurred in admin-
5 istering such welfare and medical plans for fiscal years of such corpo-
6 ration or association, on or after July twenty-fourth, nineteen hundred
7 eighty-one, shall not be less than the ratio between such amounts actu-
8 ally expended and such costs actually incurred for the fiscal year imme-
9 diately prior to such date. Such organization shall annually on or
10 before July first certify to the commission that it represents at least
11 fifty-one percent of such owners and trainers and provide copies of such
12 certification to such association or corporation. Any other organization
13 claiming to represent at least fifty-one percent of such owners and
14 trainers may file a challenge with the commission within fifteen days of
15 such original certification. The commission shall examine such claim and
16 may undertake studies and conduct hearings to determine the validity of
17 such claim. Within sixty days of receiving such challenge and based
18 upon the findings of such studies and hearings, the commission shall
19 render a decision on the validity of such claim and advise such organ-
20 izations and association or corporation of its determination. Upon
21 receipt of such original certification by such organization, the associ-
22 ation or corporation shall make such payments to said organization and,
23 in the event of a challenge brought to any other organization, such
24 payments shall continue to be made until such time as the commission
25 renders its decision on such challenge; and

26 (iii) the balance of the retained percentage of such pools [~~and the~~
27 ~~balance of the breaks~~] may be held by such association or corporation
28 for its own use and purposes except as provided in paragraph c of this
29 subdivision and in subdivision four of section three hundred one of this
30 article, provided, however, that the commission shall report annually,
31 on or before July first, to the director of the budget, the chair of the
32 senate finance committee and the chair of the assembly ways and means
33 committee the extent to which such corporations and associations used
34 such retained percentages [~~and breakage~~] for operations, maintenance,
35 capital improvements, advertising and promotion, administration and
36 general overhead and evaluate the effectiveness and make recommendations
37 with respect to the application of the [~~reduced~~] rates of taxation as
38 provided for in subparagraph (i) of this paragraph in accomplishing the
39 objectives stated therein. Such report shall also specify the amounts of
40 such retained percentages [~~and breakage~~] used for investments not
41 directly related to racing activities and such amounts used to declare
42 dividends or other profit distributions, additions to capital stock, its
43 sale and transfer and additions to retained earnings. Such reports shall
44 also include an analysis of any such agreements or proposals to conduct
45 or otherwise expand wagers authorized under article ten of this chapter
46 and present its conclusions with respect to the conduct of such wager-
47 ing, the nature of such proposals and agreements, and recommendations to
48 ensure the future maintenance of the intent of this article and article
49 ten of this chapter.

50 b. (i) Of the sums retained by any other licensed harness racing asso-
51 ciation or corporation other than those described in paragraph a of this
52 subdivision, such association or corporation shall pay to the commis-
53 sioner of taxation and finance as a reasonable tax for the privilege of
54 conducting pari-mutuel betting at races run at race meetings held by
55 such corporation or association, a tax, which is hereby levied, in
56 applicable [~~tax rates for regular bets shall be six-tenths of one~~

~~percent, for multiple bets shall be one and one tenth percent, for exotic bets shall be five and six tenths percent and for super exotic bets shall be seven percent, plus fifty percent of the breaks. Effective September first, nineteen hundred ninety four, for all licensed harness racing associations and corporations that have entered into a contract with their representative horsemen's association on and after such date, such tax shall be one half of one percent of all wagers, plus fifty percent of the breaks.~~

Provided, however, that] percentage set forth in subdivision one of section one hundred thirty-six of this chapter, as limited by subdivision two of section one hundred thirty-six of this chapter. Any such racing association or corporation shall for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, ~~[each of the applicable rates set forth above shall be increased by one quarter of one percent on all on-track bets of any such racing association or corporation that did not]~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section three hundred nineteen of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations, ~~[as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year, and five special events at each track in each calendar year,]~~ not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the approval of the commission for purposes of this subdivision. In this regard, expenditures by a county agricultural society pursuant to section three hundred nineteen of this article shall be credited to the applicable harness racing association or corporation for this purpose. In the determination of the amounts expended for such enhancements, the commission may consider the immediately preceding twelve-month calendar period or the average of the two immediately preceding twelve-month calendar periods. ~~[Notwithstanding the foregoing no increase shall be imposed unless such corporation or association has been afforded a notice and opportunity to be heard. The commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.~~

~~Such associations or corporations shall receive credit as a reduction of the daily tax by the state for the privilege of conducting pari-mutuel betting of amounts equal to four tenths percent of total daily pools resulting from the simulcast of such association's or corporation's races to licensed facilities operated by regional off track betting corporations in accordance with section one thousand eight of this chapter, provided however, that in no event shall the total daily credit exceed four tenths percent of the total daily pool of such association or corporation which tax is hereby levied and shall be paid to the commissioner of taxation and finance as a reasonable tax imposed by the state for the privilege of conducting pari-mutuel betting at races run at race meetings held by such association or corporation.]~~ The commission shall report annually, before July first, to the director of the budget, the chair of the senate finance committee and the chair of the assembly ways and means committee the extent to which such corporations and associations used such retained percentages ~~[and breakage]~~ for operations, maintenance, capital improvements, advertising and promotion, administration and general overhead and evaluate the effectiveness and

1 make recommendations with respect to the application of the [~~reduced~~]
2 rates of taxation as provided for in this subparagraph in accomplishing
3 the objectives stated therein. Such report shall also specify the
4 amounts of such retained percentages [~~and breakage~~] used for investments
5 not directly related to racing activities and such amounts used to
6 declare dividends or other profit distributions, additions to capital
7 stock, its sale and transfer and additions to retained earnings. Such
8 reports shall also include an analysis of any such agreements or
9 proposals to conduct or otherwise expand wagers authorized under article
10 ten of this chapter and present its conclusions with respect to the
11 conduct of such wagering, the nature of such proposals and agreements,
12 and recommendations to ensure the future maintenance of the intent of
13 this article.

14 (ii) Of the sums retained by such association or corporation, an
15 amount equal to one and three-quarters percent of the total pool result-
16 ing from on-track regular, multiple and exotic bets shall be used exclu-
17 sively for the purpose of increasing purses awarded in overnight races
18 conducted by such association or corporation. Such amounts shall be in
19 addition to purse moneys otherwise provided pursuant to existing
20 contractual obligations. In this regard an amount equal to twelve
21 percent of the total bets in super exotic pools shall be used for purses
22 in lieu of any such contractual obligations that might otherwise apply
23 to purses to be awarded on super exotic bets. Any portion of such amount
24 not so used during any year shall be so used during the following year[~~7~~
25 ~~failing which such portion shall be payable to the commissioner of taxa-~~
26 ~~tion and finance as additional tax]. In addition to the amounts~~
27 required in this paragraph, fifty percent of all additional sums
28 retained, as a result of tax reductions provided in this section after
29 September first, nineteen hundred ninety-four to qualified licensed
30 harness racing associations, shall be used exclusively for purposes of
31 increasing purses awarded in overnight races conducted by such associ-
32 ation or corporation, provided that such association or corporation has
33 entered into a written agreement with its representative horsemen's
34 organization on and after September first, nineteen hundred ninety-four.
35 Notwithstanding anything contained herein to the contrary, in a harness
36 special betting district the amount to be used for purses or the method-
37 ology for calculating the amount to be used for purses may be specified
38 in a written contract between a harness racing association or corpo-
39 ration and its representative horsemen's association. The balance of the
40 retained percentage of such pool may be held by such corporation or
41 association for its own use and purposes.

42 (iii) [~~Of the amount of the breaks from on-track regular, multiple,~~
43 ~~exotic and super exotic bets such association or corporation shall pay~~
44 ~~fifty percent to the commissioner of taxation and finance. The balance~~
45 ~~of such breaks may be held by such association or corporation for its~~
46 ~~own use and purposes.~~

47 (~~iv~~)] The commission shall as a condition of racing require an associ-
48 ation authorized to operate in areas other than Westchester or Nassau
49 county to withhold one percent of all purses and to pay such sum to the
50 horsemen's organization representing the owners and trainers using the
51 facilities of such association [~~which~~] that had a contract with the
52 association governing the conditions of racing on January first, nine-
53 teen hundred ninety-two, as determined by the commission.

54 Any other horsemen's organization may apply to the commission to be
55 approved as the qualified organization to receive payment of the one
56 percent of all purses by submitting to the commission proof of both,

1 that (i) such organization represents more than fifty-one percent of all
2 the owners and trainers using the same facilities and (ii) the
3 horsemen's organization previously approved as qualified by the commis-
4 sion does not represent fifty-one percent of all the owners and trainers
5 using the same facilities. If the commission is satisfied that the
6 documentation submitted with the application of any other horsemen's
7 organization is conclusive with respect to subparagraphs (i) and (ii) of
8 this paragraph, the commission may approve the applicant as the quali-
9 fied recipient organization.

10 In the best interests of racing, upon receipt of such an application,
11 the commission may direct the payments to the previously qualified
12 horsemen's organization to continue uninterrupted, or it may direct the
13 payments to be withheld and placed in interest-bearing accounts for a
14 period not to exceed ninety days, during which time the commission shall
15 review and approve or disapprove the application. Funds held in such
16 manner shall be paid to the organization approved by the commission. In
17 no event shall the commission accept more than one such application in
18 any calendar year from the same horsemen's organization.

19 The funds authorized to be paid by the commission are to be used
20 exclusively for the benefit of those horsemen racing in New York state
21 through the administrative purposes of such qualified organization,
22 benevolent activities on behalf of backstretch employees, and for the
23 promotion of equine research.

24 c. Of the sums retained by any harness racing association or corpo-
25 ration, an amount equal to one percent of the total pools resulting from
26 on-track regular, multiple and exotic bets and an amount equal to three
27 percent of the total pools resulting from on-track super exotic bets
28 shall be paid to the agriculture and New York state horse breeding
29 development fund.

30 d. Every harness racing association or corporation shall pay to the
31 commission as a regulatory fee, which fee is hereby levied, six-tenths
32 of one percent of the total daily on-track pari-mutuel pools of such
33 association or corporation.

34 4. Notwithstanding any other provisions of this chapter, there shall
35 be no pari-mutuel tax imposed upon the compensation received by any
36 harness racing association or corporation in consideration for (a)
37 permission to have wagering conducted outside this state on races run by
38 such association or corporation, and (b) the simulcasting outside this
39 state of races run by such association or corporation, except for such
40 permission or such simulcasting as may be granted to an off-track
41 betting operator in the state of Connecticut by a harness racing associ-
42 ation or corporation located in Nassau or Westchester county. Any such
43 association or corporation so simulcasting to an off-track betting oper-
44 ator in the state of Connecticut shall pay to the New York commissioner
45 of taxation and finance a reasonable tax for such permission and privi-
46 lege for such simulcasting, which is hereby levied, at the following
47 rates: one and one-tenth [~~per centum~~] percent of total daily regular and
48 multiple bets; three and one-tenth [~~per centum~~] percent of total daily
49 exotic bets; and three and one-half [~~per centum~~] percent of total daily
50 super exotic bets.

51 5. [~~Tax rates in event of failure to maintain~~] Maintenance of pari-mu-
52 tuel racing activity. [~~a. Notwithstanding any other provision of this~~
53 ~~section to the contrary, for~~] For any calendar year commencing on or
54 after January first, nineteen hundred eighty-nine, [~~in which~~] a harness
55 racing association or corporation [~~does~~] shall not conduct [~~a minimum~~
56 ~~number of~~] fewer pari-mutuel programs and pari-mutuel races at its

1 facilities [~~equal to at least~~] than ninety percent of the programs and
2 races so conducted during nineteen hundred eighty-five or during nine-
3 teen hundred eighty-six, whichever is less, [~~in lieu of the tax rates~~
4 ~~set forth in subdivision one of this section the applicable pari-mutuel~~
5 ~~tax rates for such association or corporation with respect to on-track~~
6 ~~pari-mutuel betting pools during such year shall be as follows:~~

7 ~~(i) For such an association or corporation authorized to operate in~~
8 ~~Westchester or Nassau county: of total daily on-track pools resulting~~
9 ~~from regular bets, three and seventy-five hundredths percent of the~~
10 ~~first five hundred thousand dollars comprising such pools and five and~~
11 ~~twenty-five hundredths percent of the amount in excess of five hundred~~
12 ~~thousand dollars, plus fifty percent of the breaks; of total daily~~
13 ~~on-track pools resulting from multiple bets, four and seventy-five~~
14 ~~hundredths percent of the first three hundred thousand dollars compris-~~
15 ~~ing such pools and six and twenty-five hundredths percent of the amount~~
16 ~~in excess of three hundred thousand dollars, plus fifty percent of the~~
17 ~~breaks; of total daily on-track pools resulting from exotic bets, eight~~
18 ~~and seventy-five hundredths percent of the first two hundred thousand~~
19 ~~dollars comprising such pools, and ten and twenty-five hundredths~~
20 ~~percent of the amount in excess of two hundred thousand dollars, plus~~
21 ~~fifty percent of the breaks; and of total daily on-track pools resulting~~
22 ~~from super exotic bets, seven percent, plus fifty percent of the breaks;~~
23 ~~and~~

24 ~~(ii) For any harness racing association or corporation other than one~~
25 ~~described in subparagraph (i) of this paragraph: of total daily on-track~~
26 ~~pools resulting from regular bets, one and one-half percent, plus fifty~~
27 ~~percent of the breaks; of total daily on-track pools resulting from~~
28 ~~multiple bets, two percent, plus fifty percent of the breaks; of total~~
29 ~~daily on-track pools resulting from exotic bets, six and one-half~~
30 ~~percent, plus fifty percent of the breaks; and of total daily on-track~~
31 ~~pools resulting from super exotic bets, seven percent, plus fifty~~
32 ~~percent of the breaks.~~

33 ~~b. The provisions of this subdivision shall not apply to an associ-~~
34 ~~ation or corporation for any calendar year for which the commission~~
35 ~~certifies to the commissioner of taxation and finance:~~

36 ~~(i) by December fifteenth of the year immediately preceding such year,~~
37 ~~that such association or corporation has been assigned for such year,~~
38 ~~from the programs and races it requested, at least the minimum number of~~
39 ~~programs and races prescribed in paragraph a of this subdivision, or, if~~
40 ~~fewer than such number were assigned for such year, that the assignment~~
41 ~~of such lesser number was for] unless such association or corporation
42 demonstrates to the satisfaction of the commission good cause due to
43 factors beyond the control of such association or corporation or because
44 the commission [~~found~~] finds that it would be uneconomical or impracti-
45 cal for such association or corporation to be assigned or conduct the
46 prescribed number[~~, and~~~~

47 ~~(ii) by January thirty-first of the year immediately subsequent to~~
48 ~~such year, that such association or corporation did conduct such number~~
49 ~~of programs and races as were certified pursuant to subparagraph (i) of~~
50 ~~this paragraph, or if it failed to conduct such number that such failure~~
51 ~~was for good cause due to factors beyond its control or because the~~
52 ~~commission found it uneconomical or impractical for such association or~~
53 ~~corporation to conduct such a number.~~

54 ~~c. For any calendar year for which the commission does not certify~~
55 ~~pursuant to the provisions of subparagraph (i) of paragraph b of this~~
56 ~~subdivision with respect to an association or corporation, the tax~~

~~imposed by this section shall be computed by substituting the provisions of paragraph a of this subdivision for the provisions of paragraph a or b, whichever is applicable, of subdivision one of this section and shall pay the tax so computed to the commissioner of taxation and finance. In such computation and payment, all other provisions of this section shall apply as if the provisions of this paragraph and of paragraph a of this subdivision had been incorporated in whole in paragraph a or b, whichever is applicable, of subdivision one of this section.~~

~~d. For any calendar year for which the commission does not certify pursuant to the provisions of subparagraph (ii) of paragraph b of this subdivision with respect to an association or corporation, the tax required to be paid hereunder for such year shall be equal to the difference between the tax imposed pursuant to the provisions of paragraph a of this subdivision and the tax imposed pursuant to the provisions of paragraph a or b, whichever is applicable, of subdivision one of this section, less one half of such difference in recognition of purses that were required to be paid, plus an additional amount equal to ten percent of such tax in the event of a willful failure to comply with the provisions of subparagraph (ii) of paragraph b of this subdivision and such association or corporation shall pay the tax so computed to the commissioner of taxation and finance on or before March fifteenth of the following year. Notwithstanding the provisions of this subdivision, in the event that upon appeal from the determination of the commission that the certification provided in paragraph b of this subdivision will not be made, it is finally determined that the commission erred in failing to so certify and that any moneys received by the commissioner of taxation and finance under paragraph c of this subdivision were paid in error, the same shall be refunded at the rate of interest of six percent per annum. Payment of such tax due, or the anticipation of such payment, shall not affect the determination of purses in the year in which such tax arises or in the year in which such payment is made nor shall such payment in any other manner be considered in any statutory or contractual calculation of purse obligations.~~

~~e. Written notice of the certification of the commission pursuant to the provisions of paragraph b of this subdivision shall be given by the commission to the applicable association or corporation by the dates therein specified. In like manner, written notice that such certification will not be made shall be given by the commission to the commissioner of taxation and finance and the applicable association or corporation by such dates].~~

§ 5. Subdivision 1 of section 418 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. Every association or corporation authorized under [~~sections two hundred twenty-two through seven~~] section four hundred five of this [~~chapter~~] article to conduct pari-mutuel betting at a quarter horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein provided such tickets be presented for payment before April first of the year following the year of their purchase, less seventeen percent of the total deposits in pools resulting from regular on-track bets and less nineteen percent of the total deposits in pools resulting from multiple bets and less twenty-five percent of the total deposits in pools resulting from exotic on-track bets[~~, plus the breaks~~]. "Multiple bet" or "multiple wager" shall mean a single bet or wager on two horses, evidenced by a single ticket and representing an interest in a single betting pool.

1 "Exotic bet" or "exotic wager" shall mean a single bet or wager on three
2 or more horses, evidenced by a single ticket and representing an inter-
3 est in a single betting pool. [~~The breaks for regular bets and multiple~~
4 ~~bets are hereby defined as the odd cents over any multiple of ten or for~~
5 ~~exotic bets, over any multiple of fifty calculated on the basis of one~~
6 ~~dollar and otherwise payable to a patron.~~] Of the sum so retained [~~the~~
7 ~~applicable tax rates for regular bets shall be three percent, the appli-~~
8 ~~cable tax rates for multiple bets shall be three and one-half percent,~~
9 ~~the applicable tax rates for exotic bets~~] there shall be eight percent,
10 plus sixty-five percent of the amount of the breaks from on-track regu-
11 lar, multiple and exotic bets shall be paid by such corporation or asso-
12 ciation to the department of taxation and finance as a reasonable tax by
13 the state for the privilege of conducting pari-mutuel betting on the
14 races run at the quarter horse race meetings held by such corporation or
15 association, which tax is hereby levied, [~~and the balance of the~~
16 ~~retained percentage of such pool and of the breaks may be held by such~~
17 ~~corporation or association for its own use and purposes~~] in the applica-
18 ble percentage set forth in subdivision one of section one hundred thir-
19 ty-six of this chapter. The payment of such state tax shall be made to
20 the department of taxation and finance at such regular intervals as the
21 department of taxation and finance may require, and shall be accompanied
22 by a report under oath showing the total of all such contributions
23 together with such other information as the department of taxation and
24 finance may require. A penalty of five percent and interest at the rate
25 of one percent per month from the date the report is required to be
26 filed to the date of payment of the tax shall be payable in case any tax
27 imposed by this section is not paid when due. If the department of taxa-
28 tion and finance determines that any moneys received under this section
29 were paid in error, it may cause the same to be refunded without inter-
30 est out of any moneys collected thereunder, provided an application
31 therefor is filed with it within one year from the time the erroneous
32 payment was made. Such taxes, interest and penalties when collected,
33 after the deduction of refunds of taxes erroneously paid, shall be paid
34 by the department of taxation and finance into the general fund of the
35 state treasury. [~~Ten percent of the breaks shall be paid to the New York~~
36 ~~state quarter horse breeding and development fund.~~]

37 § 6. Subdivisions 1, 5, 7 and 8 of section 527 of the racing, pari-mu-
38 tuel wagering and breeding law, as amended by chapter 18 of the laws of
39 2008, the opening paragraph of subdivision 1 and subdivision 5 as
40 amended by chapter 243 of the laws of 2020, are amended to read as
41 follows:

42 1. The disposition of the retained commission from pools resulting
43 from regular, multiple or exotic bets, as the case may be, whether
44 placed on races run within a region or outside a region, conducted by
45 racing corporations, harness racing associations or corporations, quar-
46 ter horse racing associations or corporations or races run outside the
47 state shall be governed by the tables in paragraphs a and b of this
48 subdivision. [~~The rate denominated "state tax"~~] There shall [~~represent~~
49 ~~the rate of~~] be paid by each regional corporation conducting off-track
50 betting, as a reasonable tax imposed upon the retained commission for
51 the privilege of conducting off-track pari-mutuel betting, which tax is
52 hereby levied [~~and~~], a percentage of all money wagered on live races
53 through such corporation, which shall be payable in the manner set forth
54 in this section and in subdivision one of section one hundred thirty-six
55 of this chapter. Each off-track betting corporation shall pay to the
56 commission as a regulatory fee, which fee is hereby levied, six-tenths

1 of one percent of the total daily pools of such corporation. Each corpo-
 2 ration shall also pay twenty percent of the breaks derived from bets on
 3 out-of-state harness races and fifty percent of the breaks derived from
 4 bets on all other out-of-state races to the agriculture and New York
 5 State horse breeding and development fund and to the thoroughbred breed-
 6 ing and development fund, the total of such payments to be apportioned
 7 fifty percent to each such fund. For the purposes of this section, the
 8 New York city, Suffolk, Nassau, and the Catskill regions shall consti-
 9 tute a single region and any thoroughbred track located within the Capi-
 10 tal District region shall be deemed to be within such single region. A
 11 "regional meeting" shall refer to either harness or thoroughbred meet-
 12 ings, or both, except that a franchised corporation shall not be a
 13 regional track for the purpose of receiving distributions from bets on
 14 thoroughbred races conducted by a thoroughbred track in the Catskill
 15 region conducting a mixed meeting. With the exception of a harness
 16 racing association or corporation first licensed to conduct pari-mutuel
 17 wagering at a track located in Tioga, Saratoga or Westchester county
 18 after January first, two thousand five, racing corporations first
 19 licensed to conduct pari-mutuel racing after January first, nineteen
 20 hundred eighty-six or a harness racing association or corporation first
 21 licensed to conduct pari-mutuel wagering at a track located in Genesee
 22 County after January first, two thousand five, and quarter horse tracks
 23 shall not be "regional tracks"; if there is more than one harness track
 24 within a region, such tracks shall evenly divide payments made pursuant
 25 to the tables in paragraphs a and b of this subdivision when neither
 26 track is running. In the event a track elects to reduce its retained
 27 percentage from any or all of its pari-mutuel pools, the payments to the
 28 track holding the race and the regional track required by paragraphs a
 29 and b of this subdivision shall be reduced in proportion to such
 30 reduction. Nothing in this section shall be construed to authorize the
 31 conduct of off-track betting contrary to the provisions of section five
 32 hundred twenty-three of this article.

33 a. Regular and multiple bets:

	Track holding race	Regional track	[State] [tax]
37 Pools on races run by:			
38 Franchised corporations:			
39 in region;.....	3.50	N/A	[-.30]
40 out-region, during a regional 41 meeting;.....	1.00	2.50	[-.30]
42 out-region, no regional 43 meeting;.....	1.75	1.75	[-.30]
44 Racing corporations			
45 in special			
46 betting district:			
47 in-special betting district;...	3.80	N/A	[1.00]
48 out-district, during a regional 49 meeting;.....	1.00	2.80	[1.00]
50 out-district, no regional 51 meeting;.....	1.90	1.90	[1.00]
52 Harness racing associations or			
53 corporations within Suffolk,			
54 Nassau, or Catskill regions:			

1	in region;.....	4.00	N/A	[.70]
2	out-region, during a regional			
3	meeting;.....	1.00	3.00	[.70]
4	out-region, no regional			
5	meeting;.....	2.00	2.00	[.70]
6	Harness racing associations or			
7	corporations:			
8	in-special betting			
9	district;.....	4.00	N/A	[.50]
10	out-district, during a			
11	regional meeting;.....	1.00	3.00	[.50]
12	out-district, no regional			
13	meeting;.....	2.00	2.00	[.50]
14	Other harness racing associations			
15	or corporations:			
16	in region;.....	4.00	N/A	[.50]
17	out-region, during a regional			
18	meeting;.....	1.00	3.00	[.50]
19	out-region, no regional			
20	meeting;.....	2.00	2.00	[.50]
21	Quarter horse racing associations			
22	or corporations;.....	3.50	N/A	[1.10]
23	Out-of-state tracks:.....	3.50 divided		[1.10]
24		pursuant to		
25		paragraph		
26		g of this		
27		subdivision		
28	b. Exotic bets:			
29		Track		
30		holding	Regional	[State]
31		race	track	[tax]
32	Pools on races run by:			
33	Franchised corporations:			
34	in region;.....	6.50	N/A	[1.30]
35	out-region, during a regional			
36	meeting;.....	2.00	4.50	[1.30]
37	out-region, no regional			
38	meeting;.....	3.25	3.25	[1.30]
39	Racing corporations			
40	in special			
41	betting district:			
42	in-special betting districts;..	6.80	N/A	[3.00]
43	out-district, during a regional			
44	meeting;.....	2.00	4.80	[3.00]
45	out-district, no regional			
46	meeting;.....	3.40	3.40	[3.00]
47	Harness racing associations or			
48	corporations within Suffolk,			
49	Nassau, or Catskill			
50	regions:			
51	in region;.....	7.00	N/A	[2.70]
52	out-region, during a regional			
53	meeting;.....	2.00	5.00	[2.70]

1	out-region, no regional			
2	meeting;.....	3.50	3.50	[2.70]
3	Harness racing associations			
4	or corporations:			
5	in-special betting			
6	district;.....	7.00	N/A	[2.50]
7	out-district, during a			
8	regional meeting;.....	2.00	5.00	[2.50]
9	out-district, no regional			
10	meeting;.....	3.50	3.50	[2.50]
11	Other harness racing associa-			
12	tions or corporations:			
13	in-region;.....	7.00	N/A	[2.50]
14	out-region, during a			
15	regional meeting;.....	2.00	5.00	[2.50]
16	out-region, no regional			
17	meeting;.....	3.50	3.50	[2.50]
18	Quarter horse racing associa-			
19	tions or corporations;.....	6.50	N/A	[3.10]
20	Out-of-state tracks:.....	6.50 divided		[3.10]
21		pursuant to		
22		paragraph		
23		g of this		
24		subdivision		
25	c. Super Exotic Bets:			
26		Track		
27		holding	Regional	[State]
28		race	track	[tax]
29	Pools on races run by:			
30	Franchised corporations:			
31	in region;.....	12.00	N/A	[3.50]
32	out-region, during a regional			
33	meeting;.....	3.00	10.00	[2.50]
34	out-region, no regional			
35	meeting;.....	6.00	6.00	[3.50]
36	Racing corporations			
37	in special			
38	betting district:			
39	in-special betting districts;..	12.00	N/A	[3.50]
40	out-district, during a regional			
41	meeting;.....	3.00	10.00	[2.50]
42	out-district, no regional			
43	meeting;.....	6.00	6.00	[3.50]
44	Harness racing associations or			
45	corporations within Suffolk,			
46	Nassau, or Catskill regions:			
47	in-region;.....	12.00	N/A	[3.50]
48	out-region, during a regional			
49	meeting;.....	3.00	10.00	[2.50]
50	out-region, no regional			
51	meeting;.....	6.00	6.00	[3.50]
52	Harness racing associations			
53	or corporations:			
54	in-special betting			

1	district;.....	12.00	N/A	[3.50]
2	out-district, during a			
3	regional meeting;.....	3.00	10.00	[2.50]
4	out-district, no regional			
5	meeting;.....	6.00	6.00	[3.50]
6	Other harness racing associations			
7	or corporations:			
8	in-region;.....	12.00	N/A	[3.50]
9	out-region, during a			
10	regional meeting;.....	3.00	10.00	[2.50]
11	out-region, no regional			
12	meeting;.....	6.00	6.00	[3.50]

13 d. For the portion of the Western region included within a thorough-
 14 bred special betting district and not within a harness special betting
 15 district, when no thoroughbred race meeting is conducted by a racing
 16 corporation located within such thoroughbred special district, the
 17 distribution of the retained commission to "regional tracks" by such
 18 regional corporation derived from wagers placed within such special
 19 betting district shall be divided as follows:

20 (i) when a harness corporation located in such district is conducting
 21 a meet the full amount to such harness corporation; and when a harness
 22 corporation in the region but not located in such district is conducting
 23 a meet, forty percent to the thoroughbred racing corporation and sixty
 24 percent to the harness corporation conducting a meet;

25 (ii) when no racing is being conducted, forty [~~per centum~~] percent to
 26 the thoroughbred racing corporation and the balance divided equally
 27 between the harness racing corporations located in such region; and

28 (iii) when no racing is being conducted and no more than one harness
 29 racing association is licensed during the calendar year to conduct a
 30 race meeting, fifty [~~per centum~~] percent to the thoroughbred racing
 31 corporation and fifty [~~per centum~~] percent to the harness racing associ-
 32 ation located in such region.

33 e. For the portions of the Capital District, Catskill, Central and
 34 Western regions included within a harness racing special betting
 35 district, except those portions described in paragraph e of this subdivi-
 36 sion, the harness track located in such special district shall be the
 37 "regional track" for the purposes of the distributions made pursuant to
 38 paragraphs a and b of this subdivision.

39 f. For the portions of the Catskill, Central and Western regions
 40 included in both a thoroughbred special betting district and a harness
 41 special betting district, the distribution of the retained commission to
 42 "regional tracks" by such regional corporations derived from wagers
 43 placed within such portions of such regions shall be divided as follows:

44 (i) when a harness corporation located in the harness special betting
 45 district is conducting a meet and no thoroughbred race meeting is being
 46 conducted by a racing corporation located in the thoroughbred special
 47 betting district, the full amount to such harness association;

48 (ii) when a thoroughbred corporation located in the thoroughbred
 49 special betting district is conducting a meet and no harness race meet-
 50 ing is being conducted by a harness association located in the harness
 51 special betting district, the full amount to such thoroughbred corpo-
 52 ration;

53 (iii) when no racing is being conducted the amount to be divided even-
 54 ly between the thoroughbred track located in such thoroughbred special

1 betting district and the harness track located in such harness special
2 betting district.

3 g. With respect to the amounts payable to track operators from the
4 retained commission on pools resulting from thoroughbred or harness
5 races outside this state, the regional corporation shall first pay any
6 contractual obligation owed to the out-of-state track operator, or to
7 another state or entity thereof, as the case may be. The balance of such
8 amounts shall be divided as follows:

9 (i) for the betting region composed of the New York city, Suffolk and
10 Nassau regions and the portion of the Catskill region outside a special
11 betting district: when both harness and thoroughbred meets are in
12 progress in such betting region, the balance to the association or
13 corporation holding the same type of meet as the out-of-state race; when
14 only a harness meet is in progress in such betting region, the balance
15 to the harness track operator; when only a thoroughbred meet is in
16 progress in such betting region, the balance to the thoroughbred track
17 operator; when no meet is in progress, fifty [~~per centum~~] percent of the
18 balance to the franchised corporation and the remainder divided among
19 harness racing corporations or associations within such betting region;

20 (ii) for the Capital District region and the portion of the Western
21 region outside a special betting district: when a harness meet is in
22 progress in such region and a thoroughbred meet is in progress outside a
23 special betting district, the balance to whichever operator is conduct-
24 ing the same type of meet as the out-of-state race; when no harness meet
25 is in progress, the balance to the racing association outside a special
26 betting district; and when no meet is in progress within such region and
27 no thoroughbred meet is in progress outside a special betting district,
28 fifty [~~per centum~~] percent of the balance to the racing association
29 outside a special betting district and the remainder to the licensed
30 harness racing corporations or associations within such region;

31 (iii) for the portion of the Western region within a thoroughbred
32 special betting district but not within a harness special betting
33 district: when a harness meet and a thoroughbred meet are in progress
34 within such region and the district, the balance to the association or
35 corporation conducting the same type of meet as the out-of-state or
36 out-of-region race; when a harness meet is in progress in such region
37 but no thoroughbred meet is in progress in the special betting district,
38 the balance to the harness track operator within such region; when only
39 a thoroughbred meet is in progress in such betting region, the balance
40 to the thoroughbred track operator; and when no meet is in progress
41 within such region the balance is divided, forty [~~per centum~~] percent to
42 the thoroughbred racing corporation within the district and the remain-
43 der divided between the harness racing associations or corporations
44 within the region provided, however, that if no more than one harness
45 racing association or corporation is licensed to conduct a race meeting,
46 fifty [~~per centum~~] percent to the thoroughbred racing corporation within
47 the district and fifty [~~per centum~~] percent to the licensed harness
48 racing association within the region;

49 (iv) for the portions of the Capital District, Catskill, Central and
50 Western regions included in a harness special betting district: when a
51 harness meeting is in progress in such harness special betting district
52 and a thoroughbred meeting is in progress outside the thoroughbred
53 special betting district, the balance to the association or corporation
54 holding the same kind of race; when no harness meet is in progress, the
55 balance to the racing corporation holding a thoroughbred race meeting
56 outside the thoroughbred special betting district; when a harness meet-

1 ing is in progress in the harness special betting district and no
2 thoroughbred meeting is in progress outside the thoroughbred special
3 betting district, the balance to the harness track operating in such
4 harness special betting district; when no harness meet is being held
5 within such harness special betting district and no thoroughbred meet is
6 being held outside the thoroughbred special betting district, fifty [~~per~~
7 ~~centum~~] percent of such amount to the harness racing corporation in such
8 harness special betting district and fifty [~~per-centum~~] percent to the
9 thoroughbred track operator outside the thoroughbred special betting
10 district;

11 (v) for the portions of the Catskill and Western regions included in
12 both a thoroughbred special betting district and a harness special
13 betting district: when a harness meet and a thoroughbred meet are in
14 progress within both such districts the balance to the association or
15 corporation conducting the same type of meet as the out-of-state race;
16 when a harness meet is in progress but no thoroughbred meet the balance
17 to the harness track operator within such district; when a thoroughbred
18 meet is in progress but no harness meet the balance to the thoroughbred
19 track operator in the district; and when no meet is in progress the
20 balance to be divided evenly between the harness track operator in the
21 harness special betting district and the thoroughbred operator located
22 within the thoroughbred special betting district;

23 (vi) notwithstanding any contrary provision contained in this section,
24 the portion of retained commissions from off-track pools distributable
25 to the track holding the race shall be for regular and multiple bets:
26 five and three-quarters [~~per-centum~~] percent and for exotic bets: seven
27 and three-quarters [~~per-centum~~] percent for the three races commonly
28 referred to as the Triple Crown consisting of the Kentucky Derby, the
29 Preakness and the Belmont Stakes, run respectively at Churchill Downs,
30 Kentucky, at Pimlico, Maryland and at Belmont Park, New York; addi-
31 tionally the same commissions shall apply to the series of races known
32 as the Breeders' Cup and the portion distributable from retained commis-
33 sions shall be paid to the Breeders' Cup, ltd. irrespective of whether
34 the races are held at a track within or without the state; provided,
35 however, that as a condition precedent to the obligation of a regional
36 corporation to make the foregoing distributions as required in this
37 subparagraph with respect to wagers on the Belmont Stakes, such regional
38 corporation shall have accepted wagers on at least one or both of the
39 immediately preceding Kentucky Derby and Preakness races; and provided
40 further that the distributable portion of such retained commissions with
41 respect to the Belmont Stakes shall be deemed to include the additional
42 amounts payable pursuant to the provisions of paragraph b of subdivision
43 three of this section; and provided further, notwithstanding the forego-
44 ing provisions of this subparagraph, that of the retained commissions
45 resulting from off-track wagers placed in a special betting district on
46 the Belmont Stakes, the track holding the race shall receive one per
47 centum from regular and multiple bets and two [~~per-centum~~] percent from
48 exotic bets, and the thoroughbred track conducting racing within such
49 district shall receive four and three-quarters [~~per-centum~~] percent from
50 regular and multiple bets, and five and three-quarters [~~per-centum~~]
51 percent from exotic bets.

52 5. a. One percent of daily pools derived from bets on harness races
53 shall be paid to the agriculture and New York state breeding and devel-
54 opment fund except that for super exotic betting pools such amount shall
55 be three percent of such bets.

1 b. An amount equal to one-half of one percent of total daily off-track
2 pari-mutuel pools resulting from regular, multiple and exotic bets and
3 three percent of super exotic bets on thoroughbred or steeplechase races
4 shall be paid to the New York state thoroughbred breeding and develop-
5 ment fund.

6 c. From the total breaks retained by a regional corporation, an amount
7 equal to ten percent of the breaks derived from bets on out-of-state
8 quarter horse races shall be paid to the New York state quarter horse
9 breeding and development fund.

10 7. In addition to any other amount required by this section, of the
11 portion of commissions retained by a regional corporation, an amount
12 equal to one [~~per centum~~ percent] of multiple pools derived from wagers
13 on races conducted by a thoroughbred racing corporation, licensed by the
14 board, other than a franchised corporation, shall be paid to such
15 thoroughbred racing corporation and held by such corporation for its own
16 use and purposes, except that an amount equal to one-half [~~per centum~~
17 percent] shall be used exclusively for the purpose of increasing purses,
18 including stakes, premiums and prizes, awarded to horses in races
19 conducted by such corporation. Any portion of said amount not so used
20 during any year shall be used during the following year, failing which
21 it shall be returned to the regional corporation on or before April
22 first in the year following the year in which it is not so used to be
23 distributed to the participating local governments.

24 8. From the nineteen [~~per centum~~ percent] of the total deposits in
25 pools resulting from multiple bets on thoroughbred races outside this
26 state, two [~~per centum~~ percent] shall be paid to a franchised corpo-
27 ration to be used exclusively for the purpose of increasing purses,
28 including stakes, premiums and prizes. Any portion of said amount not so
29 used during any year shall be used during the following year, failing
30 which it shall be returned to the regional corporation on or before
31 April first in the year following the year in which it is not so used to
32 be distributed to the participating local governments. Notwithstanding
33 the provisions of section fifteen of chapter three hundred sixty-three
34 of the laws of nineteen hundred eighty-four, the provisions of this
35 subdivision shall not expire.

36 § 7. Subdivisions 1, 3, 3-a and 6 of section 532 of the racing, pari-
37 mutuel wagering and breeding law, subdivisions 1 and 3 as amended by
38 chapter 243 of the laws of 2020, subparagraph (vi) of paragraph b of
39 subdivision 3 as amended by chapter 526 of the laws of 2022, and subdivi-
40 sions 3-a and 6 as added by chapter 346 of the laws of 1990, are
41 amended to read as follows:

42 1. Notwithstanding any other provision of law, each regional off-track
43 betting corporation, or off-track betting operator, including the New
44 York city off-track betting corporation, conducting off-track betting
45 shall impose a surcharge of five percent on the portion of pari-mutuel
46 wagering pools distributable to persons having placed bets at off-track
47 betting facilities located within such region. The revenues derived from
48 such surcharge [~~, plus the breaks,~~] shall be held separate and apart from
49 any amounts otherwise authorized to be retained from pari-mutuel pools.
50 Such surcharge is hereby levied subject to the conditions set forth in
51 this subdivision and article ten of this chapter.

52 3. The revenues received from any surcharge imposed by subdivision one
53 of this section [~~, plus the breaks,~~] shall be distributed monthly, as
54 follows:

55 a. fifty percent to such city, or to the counties and cities entitled
56 to receive revenues from the regional corporation pursuant to section

1 five hundred sixteen of this chapter and in the same proportion as
2 provided therein, or to an off-track betting operator; and

3 b. the balance as follows:

4 (i) where the track conducting the race on which the bet was placed is
5 located within a city with a population in excess of one hundred thou-
6 sand, to such city;

7 (ii) where the track conducting the race on which the bet was placed
8 is not located within a city with a population in excess of one hundred
9 thousand, to the county in which such track is located;

10 (iii) where the track conducting the race on which the bet was placed
11 is located partially within a city with a population in excess of one
12 million and partially within a county, twenty-five percent of such
13 balance to the city and the remainder to the county;

14 (iv) where the track conducting the race on which the bet was placed
15 is located outside the state, in the same manner as described in para-
16 graph a of this subdivision;

17 (v) where the track conducting the race is located in a thoroughbred
18 special betting district and is simulcasting pursuant to section one
19 thousand eight of this chapter outside such special betting district,
20 ninety percent to the off-track betting operator and ten percent to the
21 county in which such track is located; and

22 (vi) for the period of September first, two thousand twenty-two until
23 August thirty-first, two thousand twenty-seven and where the track
24 conducting the race on which the bet was placed is a harness track
25 located in the county of Erie, to such track.

26 3-a. Such five [~~per centum~~] percent surcharge herein provided is here-
27 by increased by a supplemental one [~~per centum~~] percent surcharge on the
28 portion of pari-mutuel wagering pools of multiple, exotic and super
29 exotic bets distributable to persons having placed bets at off-track
30 betting facilities to be distributed in accordance with the provisions
31 of section five hundred nine-a or six hundred nine-a of this chapter,
32 whichever may be applicable to the corporation with which such bets
33 originated.

34 6. Notwithstanding any provision herein or in section one thousand
35 nine of this chapter to the contrary where the track conducting the race
36 is a thoroughbred track located in the Catskill region conducting a
37 mixed meeting such surcharge shall be collected on all wagers placed in
38 branch offices or simulcast theaters of a regional off-track betting
39 corporation. The revenues received from any such surcharge imposed in
40 accordance with this section [~~plus the breaks~~] shall be distributed
41 monthly as follows:

42 a. one-fifth to the county in which such track is located;

43 b. three-fifths to a regional track located in the region in which the
44 bet is placed in accordance with provisions of section five hundred
45 twenty-seven of this article, one-half thereof to be used for purses at
46 such regional track, except that in any region containing two or more
47 regional tracks such tracks shall be entitled to an equal share;

48 c. one-fifth to be retained by the off-track betting operator with
49 whom such bet originated as operating revenues.

50 § 8. Paragraph c of subdivision 1 of section 904 of the racing, pari-
51 mutuel wagering and breeding law, as amended by chapter 243 of the laws
52 of 2020, is amended to read as follows:

53 c. Every association and corporation shall distribute all sums depos-
54 ited in any pari-mutuel pool to the holders of winning tickets therein,
55 providing such tickets be presented for payment before April first of
56 the year following the year of their purchase, less an amount that it

1 shall retain at the same rate established by the sending track [~~plus the~~
2 ~~breaks~~].

3 § 9. Paragraph c of subdivision 2 and subdivision 4 of section 905 of
4 the racing, pari-mutuel wagering and breeding law, paragraph c of subdivi-
5 sion 2 as amended by chapter 243 of the laws of 2020, subdivision 4 as
6 amended by section 15 of part F3 of chapter 62 of the laws of 2003 and
7 such section as renumbered by chapter 18 of the laws of 2008, are
8 amended to read as follows:

9 c. If different retention or breakage rates than those prevailing at
10 the site of the New York interface are prescribed by the laws governing
11 such out-of-state or foreign betting operator, and the commission is
12 satisfied that it would not be contrary to the public interest to accept
13 such wagers for combination with New York wagers, calculations of the
14 current odds and final pay-off prices shall be made as follows:

15 (i) All New York state and out-of-state and foreign wagers of the same
16 type shall be combined into single pools for calculation.

17 (ii) As many tentative payout prices as there are different retention
18 and breakage rates applicable (including the prevailing New York
19 retention rate) shall be calculated on the basis of returning the appro-
20 priate rate of return, less breaks after imposition of each such rate of
21 retention and breaks.

22 (iii) To each such out-of-state or foreign operator shall be allocated
23 an amount sufficient for it to pay the appropriate pay-off to holders of
24 winning wagers placed with it together with the applicable retention
25 amount on its total wagers.

26 (iv) To each New York operator shall be allocated an amount sufficient
27 for it to pay the appropriate pay-off to holders of winning wagers
28 placed with it together with the applicable New York retention amount on
29 its total wagers.

30 (v) The total amount of the combined pool less the combined total of
31 all allocations as determined in subparagraphs (iii) and (iv) of this
32 paragraph shall be credited to a special breakage account. The amount in
33 such account giving appropriate weight to rates established for breakage
34 shall be allocated as breaks among all operators in the combined pool in
35 accordance with the rules and regulations of the commission. Should a
36 minus pool eventuate in which the total combined pool is insufficient to
37 reimburse each operator for the allocation due to it then the allocation
38 due to each such operator shall be reduced as may be appropriate and
39 such operator shall be responsible for satisfying its liability from its
40 own operating capital.

41 4. In those instances in which the retention rates of the out-of-state
42 track are different from the retention rates authorized in this section,
43 distribution to each of the entities entitled to receive payment under
44 section five hundred twenty-seven or article ten of this chapter after
45 payment of state taxes and regulatory fees shall be adjusted proportion-
46 ately in an appropriate manner to account for higher or lower retention
47 rates. For purposes of determining payment on out-of-state wagers the
48 retention rate shall be the amount sufficient to pay holders of winning
49 wagers plus any payments required to be made to the out-of-state track
50 which exceeds two [~~per centum~~] percent of handle.

51 § 10. Paragraph a of subdivision 3 of section 1007 of the racing,
52 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
53 laws of 2020, is amended to read as follows:

54 a. Of the sums retained by the receiving track from simulcast pools
55 the pari-mutuel tax shall be levied at the [~~lower of the pari-mutuel~~
56 ~~tax~~] rate [~~in effect on December thirty first, nineteen hundred ninety-~~

1 ~~three at the receiving track, plus ten percent of the breaks or the~~
2 ~~following rates: two percent of simulcast pools generated by regular~~
3 ~~wagers, two and one-half percent of simulcast pools generated by multi-~~
4 ~~ple wagers, and seven percent of simulcast pools generated by exotic and~~
5 ~~super exotic wagers, plus ten percent of the breaks] set forth in subdivi-~~

6 vision one of section one hundred thirty-six of this chapter.
7 § 11. Paragraph a of subdivision 4 of section 1009 of the racing,
8 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
9 laws of 2020, is amended to read as follows:

10 a. Of the sums retained by the operator as provided in this subdivi-
11 sion, the pari-mutuel tax shall be levied at the [~~following rates plus~~
12 ~~twenty percent of the breaks: from wagers on thoroughbred races, eight-~~
13 ~~tenths of one percent of pools generated from regular wagers; one and~~
14 ~~three-tenths percent of pools generated from multiple wagers; two and~~
15 ~~eight-tenths percent of pools generated from exotic wagers; and three~~
16 ~~and one-half percent of pools generated from super exotic wagers; and~~
17 ~~from wagers on harness races, one-half of one percent of pools generated~~
18 ~~from regular wagers; one percent of pools generated from multiple~~
19 ~~wagers; two and one-half percent of pools generated from exotic wagers~~
20 ~~and three percent of pools generated from super exotic wagers] rate set~~

21 forth in subdivision one of section one hundred thirty-six of this chap-
22 ter.
23 § 12. Paragraph i of subdivision 1 of section 1014 of the racing,
24 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
25 laws of 2020, is amended to read as follows:

26 i. Any facility authorized to accept wagers on out-of-state tracks
27 shall distribute all sums deposited in any pari-mutuel pool to the hold-
28 ers of winning tickets therein, provided such tickets are presented for
29 payment prior to April first of the year following the year of their
30 purchase less eighteen percent of the total deposits in pools resulting
31 from regular bets, less twenty-one percent of the total deposits in
32 pools resulting from multiple bets, less twenty-six percent of the total
33 deposits in pools resulting from exotic bets, less thirty-six percent of
34 the total deposits in pools resulting from super exotic bets [~~plus the~~
35 ~~breaks as defined in section two hundred thirty-six of this chapter]~~
36 except that the retention rates and breaks shall be as prescribed by
37 another state or country if such wagers are combined with those in the
38 other state or country pursuant to section nine hundred five of this
39 chapter.

40 (1) Of the sum so retained, the applicable tax rate shall be [~~one and~~
41 ~~one-half percent of all such wagers plus fifty percent of the breaks,~~
42 ~~provided, however, fifty percent of the breaks accruing from off track~~
43 ~~betting corporations licensed in accordance with section one thousand~~
44 ~~eight of this article and from simulcast theaters licensed in accordance~~
45 ~~with section one thousand nine of this article, shall be paid to the~~
46 ~~agriculture and New York state horse breeding and development fund and~~
47 ~~to the thoroughbred breeding and development fund, the total of such~~
48 ~~payments to be apportioned fifty percent to each such fund] rate set~~

49 forth in subdivision one of section one hundred thirty-six of this chap-
50 ter.
51 (2) Of the sums so retained, one-half of one percent of all wagers
52 shall be paid to the New York state thoroughbred breeding and develop-
53 ment fund, except that of the sums so retained on such wagers at
54 licensed harness tracks, one-half of one percent shall be paid to the
55 agricultural and New York State horse breeding and development fund.

1 (3) Of the sum so retained, two percent of all wagers shall be paid to
2 a franchised corporation to be used exclusively for the purpose of
3 increasing purses, including stakes, premiums and prizes, provided
4 further that such amount shall not exceed the amount paid to such non-
5 profit racing association in nineteen hundred ninety-three from wagers
6 placed on out-of-state tracks on a day when no racing was being
7 conducted by the non-profit racing association and a racing program was
8 being conducted by a thoroughbred racing corporation located in the
9 state. The excess, if any, shall be paid to a thoroughbred racing corpo-
10 ration located in the state until August thirty-first, nineteen hundred
11 ninety-five and on and after July nineteen, nineteen hundred ninety-six
12 to be used exclusively for the purpose of increasing purses, including
13 stakes, premiums and prizes.

14 (4) Any thoroughbred racing corporation or harness racing association
15 or corporation or off-track betting corporation authorized pursuant to
16 this section shall pay to the commission as a regulatory fee, which fee
17 is hereby levied, six-tenths of one percent of all wagering pools.

18 § 13. The opening paragraph of subdivision 3 of section 1015 of the
19 racing, pari-mutuel wagering and breeding law, as amended by chapter 243
20 of the laws of 2020, is amended to read as follows:

21 Any facility authorized to accept wagers on out-of-state tracks shall
22 distribute all sums deposited in any pari-mutuel pool to the holders of
23 any tickets therein provided such tickets are presented for payment
24 prior to April first of the year following the year of their purchase
25 less nineteen percent of total deposits in pools resulting from regular
26 bets, less twenty-one percent of total deposits of pools resulting from
27 multiple bets, less twenty-seven percent of total deposits of pools
28 resulting from exotic bets, less thirty-six percent of total deposits of
29 pools resulting from super exotic bets [~~plus the breaks as defined in~~
30 ~~section three hundred eighteen of this chapter~~] except that the
31 retention rates and breaks shall be as prescribed by another state or
32 country if such wagers are combined with those in the other state or
33 country pursuant to section nine hundred five of this chapter.

34 § 14. Paragraph a, the opening paragraph of paragraph b, subparagraph
35 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b,
36 clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B)
37 and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of
38 subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the
39 racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A)
40 and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subpar-
41 agraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of
42 paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as
43 amended by chapter 18 of the laws of 2008, the opening paragraph and
44 subparagraph 1 of paragraph b as amended by chapter 243 of the laws of
45 2020, are amended to read as follows:

46 a. Each off-track betting branch office accepting wagers on an out-of-
47 state track shall accept wagers on races run at all in-state thorough-
48 bred tracks [~~which~~ that are conducting racing programs and every simul-
49 casting facility licensed in accordance with sections one thousand eight
50 and one thousand nine of this article [~~which~~ that is accepting wagers
51 and displaying the simulcast signal from an out-of-state track shall
52 similarly accept wagers and display the signal from all in-state
53 thoroughbred tracks conducting racing programs.

54 Any facility authorized to accept wagers on out-of-state tracks shall
55 distribute all sums deposited in any pari-mutuel pool to the holders of
56 winning tickets therein, provided such tickets are presented for payment

1 prior to April first of the year following the year of their purchase
 2 less eighteen percent of the total deposits in pools resulting from
 3 regular bets, less twenty-one percent of the total deposits in pools
 4 resulting from multiple bets, less twenty-six percent of the total
 5 deposits in pools resulting from exotic bets, and less twenty-seven
 6 percent of the total deposits in pools resulting from super exotic bets,
 7 ~~[plus the breaks as defined in section two hundred thirty-six of this~~
 8 ~~chapter] may be required by another jurisdiction except that the
 9 retention rates and breaks shall be as prescribed by another state or
 10 country if such wagers are combined with those in the other state or
 11 country pursuant to section nine hundred five of this chapter.~~

12 (1) Of the sums so retained, the applicable tax rates shall be as
 13 ~~[governed by clauses (A) and (B) of subparagraphs three, four, five and~~
 14 ~~six of this paragraph plus fifty percent of the breaks; provided, howev-~~
 15 ~~er, fifty percent of the breaks accruing from off-track betting corpo-~~
 16 ~~rations licensed in accordance with section one thousand eight of this~~
 17 ~~article and from simulcast theaters licensed in accordance with section~~
 18 ~~one thousand nine of this article, shall be paid to the agriculture and~~
 19 ~~New York State horse breeding and development fund and to the thorough-~~
 20 ~~bred breeding and development fund, the total of such payments to be~~
 21 ~~apportioned fifty percent to each such fund] as set forth in subdivision
 22 one of section one hundred thirty-six of this chapter.~~

23 (A) Of the sums so retained on days when a franchised corporation is
 24 not conducting a race meeting within the state and a thoroughbred racing
 25 corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
29 [State Tax	1.50	1.50	1.50	1.50
30 Non-franchised				
31 Thoroughbred Racing				
32 corporation	0.50	0.50	0.50	0.50
33 Non-franchised				
34 Thoroughbred Racing				
35 corporation payments to purses	1.50	2.00	1.50	2.00
36 Franchised corporation	0.50	0.50	0.50	0.50
37 Franchised corporation				
38 payments to purses	2.00	2.00	2.50	4.00

39 (B) Of the sums so retained on days when a franchised corporation is
 40 conducting a race meeting within the state

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
44 [State Tax	1.00	1.00	1.00	1.00
45 Non-franchised				
46 Thoroughbred Racing				
47 corporation	0.50	0.50	0.50	0.00

1	Non-franchised				
2	Thoroughbred Racing				
3	corporation payments to purses	0.50	0.50	0.50	0.50
4	Franchised corporation	2.00	1.50	1.50	2.00
5	Franchised corporation				
6	payments to purses	2.00	3.00	3.00	5.00
7	(A) Of the sums so retained on days when a franchised corporation is				
8	not conducting a race meeting within the state and a thoroughbred racing				
9	corporation is conducting a race meeting				
10					Super-
11		Regular	Multiple	Exotic	exotic
12		bets	bets	bets	bets
13	[State Tax	1.00	1.00	1.00	1.00]
14	Non-franchised				
15	Thoroughbred Racing	2.00	2.00	2.00	2.50
16	corporation payments to purses				
17	Franchised corporation	1.00	1.00	1.00	1.00
18	Franchised corporation				
19	payments to purses	2.00	2.00	2.50	4.00
20	(B) Of the sums so retained on days when a franchised corporation is				
21	conducting a race meeting within the state				
22					Super-
23		Regular	Multiple	Exotic	exotic
24		bets	bets	bets	bets
25	[State Tax	0.50	0.50	0.50	0.50]
26	Non-franchised				
27	Thoroughbred racing	0.50	0.25	0.50	0.50
28	corporation				
29	Non-franchised				
30	Thoroughbred racing	0.50	0.25	0.50	0.50
31	corporation payments to purses				
32	Franchised corporation	2.25	2.25	2.00	2.50
33	Franchised corporation				
34	payments to purses	2.25	3.25	3.00	4.50
35	(A) Of the sums so retained on days when a franchised corporation is				
36	not conducting a race meeting within the state and a thoroughbred racing				
37	corporation is conducting a race meeting				
38					Super-
39		Regular	Multiple	Exotic	exotic
40		bets	bets	bets	bets
41	[State Tax	1.50	1.50	1.50	1.50]

1	Non-franchised				
2	Thoroughbred racing	0.25	0.25	0.25	0.50
3	corporation				
4	Non-franchised				
5	Thoroughbred racing	0.75	1.00	0.75	1.00
6	corporation payments to purses				
7	Franchised corporation	0.25	0.25	0.25	0.25
8	Franchised corporation				
9	payments to purses	1.00	1.00	2.25	2.00

10 (B) Of the sums so retained on days when a franchised corporation is
 11 conducting a race meeting within the state

12					Super-
13		Regular	Multiple	Exotic	exotic
14		bets	bets	bets	bets

15 [~~State Tax 1.00 1.00 1.00 1.00~~]

16	Non-franchised				
17	Thoroughbred racing				
18	corporation	0.25	0.25	0.25	0.25
19	Non-franchised				
20	Thoroughbred racing				
21	corporation payments to purses	0.25	0.25	0.25	0.25
22	Franchised corporation	1.00	0.75	0.75	1.00
23	Franchised corporation				
24	payments to purses	1.00	1.50	1.50	2.50

25 (D) For wagers placed at a thoroughbred racing corporation the state
 26 tax shall be the amounts specified in [~~clauses (A) and (B) of this~~
 27 ~~subparagraph~~ subdivision one of section one hundred thirty-six of this
 28 chapter and retention thereafter shall be identical to sums retained for
 29 each type of on-track wager.

30 (A) Of the sums so retained on days when a franchised corporation is
 31 not conducting a race meeting within the state and a thoroughbred racing
 32 corporation is conducting a race meeting

33					Super-
34		Regular	Multiple	Exotic	exotic
35		bets	bets	bets	bets

36 [~~State Tax 1.00 1.00 1.00 1.00~~]

37	Non-franchised				
38	Thoroughbred Racing				
39	corporation payments to purses	1.00	1.00	1.00	1.25
40	Franchised corporation	0.50	0.50	0.50	0.50
41	Franchised corporation				
42	payments to purses	1.00	1.00	1.25	2.00

1 (B) Of the sums so retained on days when a franchised corporation is
2 conducting a race meeting within the state

3				
4		Regular	Multiple	Exotic
5		bets	bets	bets
				Super-
				exotic
				bets

6 [~~State Tax~~ ~~0.50~~ ~~0.50~~ ~~0.50~~ ~~0.50~~]

7	Non-franchised				
8	Thoroughbred Racing				
9	corporation	0.25	0.25	0.25	0.25

10	Non-franchised				
11	Thoroughbred Racing				
12	corporation payments to purses	0.25	0.25	0.25	0.25

13	Franchised corporation	1.25	1.25	1.00	1.25
----	------------------------	------	------	------	------

14	Franchised corporation				
15	payments to purses	1.25	2.00	1.50	2.25

16 § 15. Subdivision 1 of section 1018 of the racing, pari-mutuel wager-
17 ing and breeding law, as amended by chapter 18 of the laws of 2008, is
18 amended to read as follows:

19 1. Of the sums so retained, the applicable tax rates shall be as set
20 forth in [~~this paragraph plus fifty percent of the breaks, provided,~~
21 ~~however, fifty percent of the breaks accruing from an off track betting~~
22 ~~corporation licensed in accordance with section one thousand eight of~~
23 ~~this article and from simulcast theatres licensed in accordance with~~
24 ~~section one thousand nine of this article, shall be paid to the agricul-~~
25 ~~ture and New York state horse breeding and development fund] subdivision
26 one of section one hundred thirty-six of this chapter.~~

27 § 16. This act shall take effect immediately.

28 PART X

29 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
30 wagering and breeding law, as amended by section 1 of part HH of chapter
31 59 of the laws of 2025, is amended to read as follows:

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

42 b. Notwithstanding any other provision of law or regulation to the
43 contrary, from April first, two thousand twenty-two to March thirty-
44 first, two thousand twenty-three, twenty-three percent of the funds, not
45 to exceed two and one-half million dollars, in the Catskill off-track
46 betting corporation's capital acquisition fund established pursuant to
47 this section, and twenty-three percent of the funds, not to exceed four
48 hundred forty thousand dollars, in the Capital off-track betting corpo-

1 ration's capital acquisition fund established pursuant to this section,
2 shall be available to such off-track betting corporations for the
3 purposes of statutory obligations, payroll, and expenditures necessary
4 to accept authorized wagers.

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

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

39 e. Notwithstanding any other provision of law or regulation to the
40 contrary, from April first, two thousand twenty-five to March thirty-
41 first, two thousand twenty-six, one million dollars in the Capital off-
42 track betting corporation's capital acquisition fund established pursu-
43 ant to this section shall be available to such off-track betting
44 corporation for the purposes of expenditures necessary to accept author-
45 ized wagers; past due statutory obligations to New York licensed or
46 franchised racing corporations or associations; past due contractual
47 obligations due to other racing associations or organizations for the
48 cost of acquiring a simulcast signal; past due statutory payment obli-
49 gations due to the New York state thoroughbred breeding and development
50 fund corporation, agriculture and New York state horse breeding develop-
51 ment fund, and the Harry M. Zweig memorial fund for equine research; and
52 past due obligations due the state.

53 f. Notwithstanding any other provision of law or regulation to the
54 contrary, from April first, two thousand twenty-six to March thirty-
55 first, two thousand twenty-seven, one million dollars in the Capital
56 off-track betting corporation's capital acquisition fund established

1 pursuant to this section, shall be available to such off-track betting
2 corporation for the purposes of expenditures necessary to accept author-
3 ized wagers; past due statutory obligations to New York licensed or
4 franchised racing corporations or associations; past due contractual
5 obligations due to other racing associations or organizations for the
6 cost of acquiring a simulcast signal; past due statutory payment obli-
7 gations due to the New York state thoroughbred breeding and development
8 fund corporation, agriculture and New York state horse breeding develop-
9 ment fund, and the Harry M. Zweig memorial fund for equine research; and
10 past due obligations due the state.

11 g. Prior to a corporation being able to utilize the funds authorized
12 by paragraph c, d [~~e~~], e or f of this subdivision, the corporation must
13 attest that the surcharge monies from section five hundred thirty-two of
14 this chapter are being held separate and apart from any amounts other-
15 wise authorized to be retained from pari-mutuel pools and all surcharge
16 monies have been and will continue to be paid to the localities as
17 prescribed in law. Once this condition is satisfied, the corporation
18 must submit an expenditure plan to the gaming commission for review.
19 Such plan shall include the corporation's outstanding liabilities,
20 projected revenue for the upcoming year, a detailed explanation of how
21 the funds will be used, and any other information necessary to detail
22 such plan as determined by the commission. Upon review, the commission
23 shall make a determination as to whether the requirements of this para-
24 graph have been satisfied and notify the corporation of expenditure plan
25 approval. In the event the commission determines the requirements of
26 this paragraph have not been satisfied, the commission shall notify the
27 corporation of all deficiencies necessary for approval. As a condition
28 of such expenditure plan approval, the corporation shall provide a
29 report to the commission no later than the last day of the calendar year
30 for which the funds are requested, which shall include an accounting of
31 the use of such funds. At such time, the commission may cause an inde-
32 pendent audit to be conducted of the corporation's books to ensure that
33 all moneys were spent as indicated in such approved plan. The audit
34 shall be paid for from money in the fund established by this section. If
35 the audit determines that a corporation used the money authorized under
36 this section for a purpose other than one listed in their expenditure
37 plan, then the corporation shall reimburse the capital acquisition fund
38 for the unauthorized amount.

39 § 2. This act shall take effect immediately.

40 PART Y

41 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
42 racing, pari-mutuel wagering and breeding law, as amended by section 1
43 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
44 read as follows:

45 (a) Any racing association or corporation or regional off-track
46 betting corporation, authorized to conduct pari-mutuel wagering under
47 this chapter, desiring to display the simulcast of horse races on which
48 pari-mutuel betting shall be permitted in the manner and subject to the
49 conditions provided for in this article may apply to the commission for
50 a license so to do. Applications for licenses shall be in such form as
51 may be prescribed by the commission and shall contain such information
52 or other material or evidence as the commission may require. No license
53 shall be issued by the commission authorizing the simulcast transmission
54 of thoroughbred races from a track located in Suffolk county. The fee

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

45 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
46 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
47 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is
48 amended to read as follows:

49 (iii) Of the sums retained by a receiving track located in Westchester
50 county on races received from a franchised corporation, for the period
51 commencing January first, two thousand eight and continuing through June
52 thirtieth, two thousand ~~[twenty-six]~~ twenty-seven, the amount used
53 exclusively for purses to be awarded at races conducted by such receiv-
54 ing track shall be computed as follows: of the sums so retained, two and
55 one-half percent of the total pools. Such amount shall be increased or
56 decreased in the amount of fifty percent of the difference in total

1 commissions determined by comparing the total commissions available
2 after July twenty-first, nineteen hundred ninety-five to the total
3 commissions that would have been available to such track prior to July
4 twenty-first, nineteen hundred ninety-five.

5 § 3. The opening paragraph of subdivision 1 of section 1014 of the
6 racing, pari-mutuel wagering and breeding law, as amended by section 3
7 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
8 read as follows:

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

27 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
28 and breeding law, as amended by section 4 of subpart B of part FF of
29 chapter 59 of the laws of 2025, is amended to read as follows:

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

35 § 5. The opening paragraph of subdivision 1 of section 1016 of the
36 racing, pari-mutuel wagering and breeding law, as amended by section 5
37 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
38 read as follows:

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

1 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
2 wagering and breeding law, as amended by section 6 of subpart B of part
3 FF of chapter 59 of the laws of 2025, is amended to read as follows:

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

20 § 7. Section 54 of chapter 346 of the laws of 1990, amending the
21 racing, pari-mutuel wagering and breeding law and other laws relating to
22 simulcasting and the imposition of certain taxes, as amended by section
23 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended
24 to read as follows:

25 § 54. This act shall take effect immediately; provided, however,
26 sections three through twelve of this act shall take effect [~~on~~] January
27 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
28 ing law, as added by section thirty-eight of this act, shall expire and
29 be deemed repealed on July 1, [~~2026~~] ~~2027~~; and section eighteen of this
30 act shall take effect [~~on~~] July 1, 2008 and sections fifty-one and
31 fifty-two of this act shall take effect as of the same date as chapter
32 772 of the laws of 1989 took effect.

33 § 8. Paragraph (a) of subdivision 1 of section 238 of the racing,
34 pari-mutuel wagering and breeding law, as amended by section 9 of
35 subpart B of part FF of chapter 59 of the laws of 2025, is amended to
36 read as follows:

37 (a) The franchised corporation authorized under this chapter to
38 conduct pari-mutuel betting at a race meeting or races run thereat shall
39 distribute all sums deposited in any pari-mutuel pool to the holders of
40 winning tickets therein, provided such tickets are presented for payment
41 before April first of the year following the year of their purchase,
42 less an amount that shall be established and retained by such franchised
43 corporation of between twelve to seventeen percent of the total deposits
44 in pools resulting from on-track regular bets, and fourteen to twenty-
45 one percent of the total deposits in pools resulting from on-track
46 multiple bets and fifteen to twenty-five percent of the total deposits
47 in pools resulting from on-track exotic bets and fifteen to thirty-six
48 percent of the total deposits in pools resulting from on-track super
49 exotic bets [~~, plus the breaks~~]. The retention rate to be established is
50 subject to the prior approval of the commission. Such rate may not be
51 changed more than once per calendar quarter to be effective on the first
52 day of the calendar quarter. "Exotic bets" and "multiple bets" shall
53 have the meanings set forth in section five hundred nineteen of this
54 chapter. "Super exotic bets" shall have the meaning set forth in section
55 three hundred one of this chapter. For purposes of this section, a "pick
56 six bet" shall mean a single bet or wager on the outcomes of six races.

1 [~~The breaks are hereby defined as the odd cents over any multiple of~~
2 ~~five for payoffs greater than one dollar five cents but less than five~~
3 ~~dollars, over any multiple of ten for payoffs greater than five dollars~~
4 ~~but less than twenty-five dollars, over any multiple of twenty-five for~~
5 ~~payoffs greater than twenty-five dollars but less than two hundred fifty~~
6 ~~dollars, or over any multiple of fifty for payoffs over two hundred~~
7 ~~fifty dollars.~~] Out of the amount so retained there shall be paid by
8 such franchised corporation to the commissioner of taxation and finance,
9 as a reasonable tax by the state for the privilege of conducting pari-
10 mutuel betting on the races run at the race meetings held by such fran-
11 chised corporation, the following percentages of the total pool for
12 regular and multiple bets five percent of regular bets and four percent
13 of multiple bets plus twenty percent of the breaks; for exotic wagers
14 seven and one-half percent plus twenty percent of the breaks, and for
15 super exotic bets seven and one-half percent plus fifty percent of the
16 breaks.

17 For the period April first, two thousand one through December thirty-
18 first, two thousand [~~twenty-six~~] twenty-seven, such tax on all wagers
19 shall be one and six-tenths percent, plus, in each such period, twenty
20 percent of the breaks. Payment to the New York state thoroughbred breed-
21 ing and development fund by such franchised corporation shall be one-
22 half of one percent of total daily on-track pari-mutuel pools resulting
23 from regular, multiple and exotic bets and three percent of super exotic
24 bets and for the period commencing April first, two thousand one through
25 December thirty-first, two thousand [~~twenty-six~~] twenty-seven, such
26 payment shall be seven-tenths of one percent of regular, multiple and
27 exotic pools.

28 § 9. This act shall take effect immediately.

29 PART Z

30 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel
31 wagering and breeding law, as amended by section 2 of part NN of chapter
32 59 of the laws of 2025, is amended to read as follows:

33 1. For the purpose of maintaining a proper control over race meetings
34 conducted pursuant to sections two hundred five and two hundred six of
35 this article, the commission shall license owners, which term shall be
36 deemed to include part-owners and lessees, trainers, assistant trainers
37 and jockeys, jockey agents, stable employees, non-publicly appointed
38 members of the board of a franchised corporation, and such other persons
39 as the commission may by rule prescribe at running races and at steeple-
40 chases, provided, however, that no such license shall be required for
41 seasonal employees hired solely to work for no longer than six weeks
42 during the summer meet at Saratoga racetrack, and any such other times
43 as race dates historically assigned to Belmont Park are conducted at the
44 Saratoga racetrack in two thousand twenty-four [~~and~~], two thousand twen-
45 ty-five and two thousand twenty-six as approved in writing by the
46 commission. In the event that a proposed licensee is other than a
47 natural person, the commission shall require by regulation disclosure of
48 the names and addresses of all owners of an interest in such entity. The
49 commission may retain, employ or appoint such officers, employees and
50 agents, as it may deem necessary to receive, examine and make recommen-
51 dations, for the consideration of the commission, in respect of applica-
52 tions for such licenses; prescribe their duties in connection therewith,
53 and fix their compensation therefor within the limitations prescribed by
54 law. Each applicant for a license shall pay to the commission an annual

1 license fee as follows: owner's license, if a renewal, fifty dollars,
 2 and if an original application, one hundred dollars; trainer's license,
 3 thirty dollars; assistant trainer's license, thirty dollars; jockey's
 4 license, fifty dollars; jockey agent's license, twenty dollars; and
 5 stable employee's license, five dollars. Each applicant may apply for a
 6 two-year or three-year license by payment to the commission of the
 7 appropriate multiple of the annual fee. The commission may by rule fix
 8 the license fees to be paid by other persons required to be licensed by
 9 the rules of the commission, not to exceed thirty dollars per category.
 10 The application for the license shall be in writing in such form as the
 11 commission may prescribe, and contain such information as the commission
 12 may require. The commission shall henceforth cause all applicants for
 13 licenses to be photographed and fingerprinted and may issue identifica-
 14 tion cards to licensees. Such fingerprints shall be submitted to the
 15 division of criminal justice services for a state criminal history
 16 record check, as defined in subdivision one of section three thousand
 17 thirty-five of the education law, and may be submitted to the federal
 18 bureau of investigation for a national criminal history record check. A
 19 fee equal to the actual cost of issuance shall be charged for the
 20 initial issuance of such identification cards. Each such license unless
 21 revoked for cause shall be for the period of no more than one, two or
 22 three years, determined by rule of the commission, expiring on the
 23 applicant's birth date. Licenses of non-publicly appointed members of
 24 the board of a franchised corporation shall be issued without fee and
 25 remain in effect for the duration of their board service. Licenses
 26 current on the effective date of this provision shall not be reduced in
 27 duration by this provision. An applicant who applies for a license that,
 28 if issued, would take effect less than six months prior to the appli-
 29 cant's birth date may, by payment of a fifty percent higher fee, receive
 30 a license which shall not expire until the applicant's second succeeding
 31 birth date. All receipts of the commission derived from the operation of
 32 this section shall be paid by it into the state treasury on or before
 33 the tenth day of each month. All officials connected with the actual
 34 conduct of racing shall be subject to approval by the commission.

35 § 2. This act shall take effect immediately; provided, however, that
 36 the amendments to subdivision one of section 220 of the racing, pari-mu-
 37 tuel wagering and breeding law made by section one of this act shall not
 38 affect the expiration of such subdivision and shall expire and be deemed
 39 repealed therewith.

40

PART AA

41 Section 1. Clause (vii) of subparagraph (B) of paragraph 1 of
 42 subsection (a) of section 601 of the tax law, as amended by section 1 of
 43 part B of chapter 59 of the laws of 2025, is amended as follows:

44 (vii) For taxable years beginning after two thousand twenty-five and
 45 before two thousand [~~twenty-seven~~] thirty-three the following rates
 46 shall apply:

47 If the New York taxable income is:	The tax is:
48 Not over \$17,150	[3.90%] <u>3.75%</u> of the New York taxable income
49	
50 Over \$17,150 but not over \$23,600	[\$669] <u>\$643</u> plus [4.40%] 4% of excess over \$17,150
51	
52	
53 Over \$23,600 but not over \$27,900	[\$953] <u>\$901</u> plus [5.15%] 4.25% of excess over
54	

1		\$23,600
2	Over \$27,900 but not over \$161,550	[\$1,174] <u>\$1,084</u> plus
3		[5.40%] <u>4.50%</u> of excess over
4		\$27,900
5	Over \$161,550 but not over \$323,200	[\$8,391] <u>\$7,098</u> plus
6		[5.90%] <u>5%</u> of excess over
7		\$161,550
8	Over \$323,200 but not over	[\$17,928] <u>\$15,181</u> plus 6.85% of
9	\$2,155,350	excess over \$323,200
10	Over \$2,155,350 but not over	[\$143,430] <u>\$140,683</u> plus 9.65% of
11	\$5,000,000	excess over \$2,155,350
12	Over \$5,000,000 but not over	[\$417,939] <u>\$415,192</u> plus [10.30%]
13	[\$25,000,000] <u>\$10,000,000</u>	<u>10.50%</u> of excess over
14		\$5,000,000
15	<u>Over \$10,000,000 but not</u>	<u>\$940,192 plus 10.75% of excess</u>
16	<u>over \$25,000,000</u>	<u>over \$10,000,000</u>
17	Over \$25,000,000 <u>but not</u>	[\$2,477,939] <u>\$2,552,692</u> plus
18	<u>over \$100,000,000</u>	[10.90%] <u>11.75%</u> of
19		excess over \$25,000,000
20	<u>Over \$100,000,000</u>	<u>\$11,365,192 plus 12% of excess</u>
21		<u>over \$10,000,000</u>

22 § 2. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
 23 (a) of section 601 of the tax law is REPEALED and clause (ix) of such
 24 subparagraph, as added by section 2 of part B of chapter 59 of the laws
 25 of 2025, is renumbered clause (viii) and amended to read as follows:

26 (viii) For taxable years beginning after two thousand thirty-two the
 27 following rates shall apply:

28	If the New York taxable income is:	The tax is:
29	Not over \$17,150	[3.80%] <u>3.75%</u> of the New York
30		taxable income
31	Over \$17,150 but not over \$23,600	[\$652] <u>\$643</u> plus [4.30%]
32		<u>4%</u> of excess over \$17,150
33	Over \$23,600 but not over \$27,900	[\$929] <u>\$901</u> plus [5.05%]
34		<u>4.25%</u> of excess over \$23,600
35	Over \$27,900 but not over \$161,550	[\$1,146] <u>\$1,084</u> plus
36		[5.30%] <u>4.50%</u> of excess over \$27,900
37	Over \$161,550 but not over \$323,200	[\$9,229] <u>\$7,098</u> plus
38		[5.80%] <u>5%</u> of excess over
39		\$161,550
40	Over \$323,200 but not over	[\$17,605] <u>\$15,181</u> plus 6.85% of
41	\$2,155,350	excess over \$323,200
42	Over \$2,155,350	[\$143,107] <u>\$140,683</u> plus 8.82% of
43		excess over \$2,155,350

44 § 3. Clause (vii) of subparagraph (B) of paragraph 1 of subsection (b)
 45 of section 601 of the tax law, as amended by section 3 of part B of
 46 chapter 59 of the laws of 2025, is amended to read as follows:

47 (vii) For taxable years beginning after two thousand twenty-five and
 48 before two thousand [~~twenty-seven~~] thirty-three the following rates
 49 shall apply:

50	If the New York taxable income is:	The tax is:
51	Not over \$12,800	[3.90%] <u>3.75%</u> of the New York
52		taxable income
53	Over \$12,800 but not over	[\$499] <u>\$480</u> plus [4.40%]
54	\$17,650	<u>4%</u> of excess over \$12,800

1	Over \$17,650 but not over	[\$712 <u>\$674</u> plus [5.15%
2	\$20,900	<u>4.25%</u> of excess over \$17,650
3	Over \$20,900 but not over	[\$879 <u>\$812</u> plus [5.40%
4	\$107,650	<u>4.50%</u> of excess over \$20,900
5	Over \$107,650 but not over	[\$5,564 <u>\$4,716</u> plus [5.90%
6	\$269,300	<u>5%</u> of excess over \$107,650
7	Over \$269,300 but not over	[\$15,101 <u>\$12,798</u> plus 6.85%
8	\$1,616,450	of excess over \$269,300
9	Over \$1,616,450 but not over	[\$107,381 <u>\$105,078</u> plus 9.65%
10	\$5,000,000	of excess over \$1,616,450
11	Over \$5,000,000 but not over	[\$433,894 <u>\$431,591</u> plus
12	[\$25,000,000 <u>\$10,000,000</u>	[10.30% <u>10.50%</u> of excess
13		over \$5,000,000
14	<u>Over \$10,000,000 but not over</u>	<u>\$956,591 plus 10.75% of excess</u>
15	<u>\$25,000,000</u>	<u>over \$10,000,000</u>
16	Over \$25,000,000 <u>but not</u>	[\$2,493,894 <u>\$2,569,091</u>
17	<u>over \$100,000,000</u>	plus [10.90% <u>11.75%</u> of
18		excess over \$25,000,000
19	<u>Over \$100,000,000</u>	<u>\$11,381,591 plus 12% of excess</u>
20		<u>over \$10,000,000</u>

21 § 4. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
 22 (b) of section 601 of the tax law is REPEALED and clause (ix) of such
 23 subparagraph, as added by section 4 of part B of chapter 59 of the laws
 24 of 2025, is renumbered clause (viii) and amended to read as follows:

25 (viii) For taxable years beginning after two thousand thirty-two the
 26 following rates shall apply:

27	If the New York taxable income is:	The tax is:
28	Not over \$12,800	[3.80% <u>3.75%</u> of the New York
29		taxable income
30	Over \$12,800 but not over	[\$486 <u>\$480</u> plus [4.30%
31	\$17,650	<u>4%</u> of excess over \$12,800
32	Over \$17,650 but not over	[\$695 <u>\$674</u> plus [5.05%
33	\$20,900	<u>4.25%</u> of excess over \$17,650
34	Over \$20,900 but not over	[\$859 <u>\$812</u> plus [5.30%
35	\$107,650	<u>4.50%</u> of excess over \$20,900
36	Over \$107,650 but not over	[\$5,457 <u>\$4,716</u> plus [5.80%
37	\$269,300	<u>5%</u> of excess over \$107,650
38	Over \$269,300 but not over	[\$14,833 <u>\$12,798</u> plus
39	\$1,616,450	6.85% of excess over \$269,300
40	Over \$1,616,450	[\$107,113 <u>\$105,078</u> plus 8.82%
41		of excess over \$1,616,450

42 § 5. Clause (vii) of subparagraph (B) of paragraph 1 of subsection (c)
 43 of section 601 of the tax law, as amended by section 5 of part B of
 44 chapter 59 of the laws of 2025, is amended to read as follows:

45 (vii) For taxable years beginning after two thousand twenty-five and
 46 before two thousand [~~twenty-seven~~ thirty-three the following rates
 47 shall apply:

48	If the New York taxable income is:	The tax is:
49	Not over \$8,500	[3.90% <u>3.75%</u> of the New York
50		taxable income
51	Over \$8,500 but not over \$11,700	[\$332 <u>\$319</u> plus [4.40%
52		<u>4%</u> of excess over \$8,500
53	Over \$11,700 but not over \$13,900	[\$473 <u>\$447</u> plus [5.15%

1		<u>4.25%</u> of excess over \$11,700
2	Over \$13,900 but not over \$80,650	[\$586] <u>\$540</u> plus [5.40%]
3		<u>4.50%</u> of excess over \$13,900
4	Over \$80,650 but not over \$215,400	[\$4,191] <u>\$3,544</u> plus [5.90%]
5		<u>5%</u> of excess over \$80,650
6	Over \$215,400 but not over	[\$12,141] <u>\$10,282</u> plus 6.85%
7	\$1,077,550	of excess over \$215,400
8	Over \$1,077,550 but not over	[\$71,198] <u>\$69,339</u> plus 9.65%
9	\$5,000,000	of excess over \$1,077,550
10	Over \$5,000,000 but not over	[\$449,714] <u>\$447,855</u> plus [10.30%]
11	[\$25,000,000] <u>\$10,000,000</u>	<u>10.50%</u> of excess over \$5,000,000
12	<u>Over \$10,000,000 but</u>	<u>\$972,855 plus 10.75% of excess</u>
13	<u>not over \$25,000,000</u>	<u>over \$10,000,000</u>
14	Over \$25,000,000 <u>but</u>	[\$2,509,714] <u>\$2,585,355</u> plus
15	<u>not over \$100,000,000</u>	[10.90%] <u>11.75%</u> of excess
16		over \$25,000,000
17	<u>Over \$100,000,000</u>	<u>\$11,397,855 plus 12% of excess</u>
18		<u>over \$100,000,000</u>

19 § 6. Clause (viii) of subparagraph (B) of paragraph 1 of subsection
20 (c) of section 601 of the tax law is REPEALED and clause (ix) of such
21 subparagraph, as added by section 6 of part B of chapter 59 of the laws
22 of 2025, is renumbered clause (viii) and amended to read as follows:

23 (viii) For taxable years beginning after two thousand thirty-two the
24 following rates shall apply:

25	If the New York taxable income is:	The tax is:
26	Not over \$8,500	[3.80%] <u>3.75%</u> of the New York taxable income
27		
28	Over \$8,500 but not over \$11,700	[\$323] <u>\$319</u> plus [4.30%]
29		<u>4%</u> of excess over \$8,500
30	Over \$11,700 but not over \$13,900	[\$461] <u>\$447</u> plus [5.05%]
31		<u>4.25%</u> of excess over \$11,700
32	Over \$13,900 but not over \$80,650	[\$572] <u>\$540</u> plus [5.30%]
33		<u>4.50%</u> of excess over \$13,900
34	Over \$80,650 but not over \$215,400	[\$4,110] <u>\$3,544</u> plus [5.80%]
35		<u>5%</u> of excess over \$80,650
36	Over \$215,400 but not over	[\$11,926] <u>\$10,282</u> plus 6.85% of
37	\$1,077,550	excess over \$215,400
38	Over \$1,077,550	[\$70,983] <u>\$69,339</u> plus 8.82% of
39		excess over \$1,077,550

40 § 7. Subsection (d-6) of section 601 of the tax law is REPEALED and
41 subsection (d-7) is relettered subsection (d-6).

42 § 8. Subsections (d-5) and (d-6) of Section 601 of the tax law, as
43 added by section 8 of part B of chapter 59 of the laws of 2025, and
44 subsection (d-6) as relettered by section seven of this act, are amended
45 to read as follows:

46 (d-5) Alternative tax table benefit recapture. Notwithstanding the
47 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4)[~~7~~] or (d-6) [~~or~~
48 ~~(d-7)~~] of this section, for taxable years beginning on or after two
49 thousand twenty-six and before two thousand [~~twenty-seven~~] thirty-three,
50 there is hereby imposed a supplemental tax in addition to the tax
51 imposed under subsections (a), (b) and (c) of this section for the
52 purpose of recapturing the benefit of the tax tables contained in such
53 subsections. During these taxable years, any reference in this chapter

1 to subsection (d), (d-1), (d-2), (d-3), (d-4)[~~7~~] or (d-6) [~~ex-(d-7)~~] of
 2 this section shall be read as a reference to this subsection.

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

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

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

9 Greater than	Not over	Recapture Base	Incremental Benefit
10 \$27,900	\$161,550	\$0	[\$333] <u>\$172</u>
11 \$161,550	\$323,200	[\$333] <u>\$172</u>	\$807
12 \$323,200	\$2,155,350	[\$1,140] <u>\$979</u>	
			[\$3,071] <u>\$5,979</u>
14 \$2,155,350	\$5,000,000	[\$4,211] <u>\$6,959</u>	\$60,350
15 \$5,000,000	[\$25,000,000] <u>\$10,000,000</u>		
		[\$64,561] <u>\$67,308</u>	[\$32,500] <u>\$42,500</u>
17 <u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$109,808</u>	<u>\$25,000</u>

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

20 Greater than	Not over	Applicable Amount
21 \$27,900	\$161,550	New York adjusted gross income minus \$107,650
22 \$161,550	\$323,200	New York adjusted gross income minus \$161,550
23 \$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
24 \$2,155,350	\$5,000,000	New York adjusted gross income minus \$2,155,350
25 \$5,000,000	[\$25,000,000] <u>\$10,000,000</u>	New York adjusted gross income minus \$5,000,000
27 <u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus</u> <u>\$10,000,000</u>

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

32 (iv) the supplemental tax due shall equal the sum of the recapture
 33 base and the product of (i) the incremental benefit and (ii) the phase-
 34 in fraction. Provided, however, that if the New York taxable income of
 35 the taxpayer is less than twenty-seven thousand nine hundred dollars,
 36 the supplemental tax shall equal the difference between the product of
 37 ~~[5.40]~~ 4.50 percent and New York taxable income and the tax table compu-
 38 tation on the New York taxable income set forth in paragraph one of
 39 subsection (a) of this section, multiplied by a fraction, the numerator
 40 of which is the lesser of fifty thousand dollars or New York adjusted
 41 gross income minus one hundred seven thousand six hundred fifty dollars,
 42 and the denominator of which is fifty thousand dollars.

43 (B) If New York adjusted gross income is greater than twenty-five
 44 million dollars but less than or equal to one hundred million dollars,
 45 the supplemental tax due shall equal the difference between the product
 46 of ~~[10.90]~~ 11.75 percent and New York taxable income and the tax table
 47 computation on the New York taxable income set forth in paragraph one of
 48 subsection (a) of this section.

49 (C) If New York adjusted gross income is greater than one hundred
 50 million dollars, the supplemental tax due shall equal the difference
 51 between the product of twelve percent and New York taxable income and
 52 the tax table computation on the New York taxable income set forth in
 53 paragraph one of subsection (a) of this section.

54 (2) For resident heads of households:

55 (A) If New York adjusted gross income is greater than \$107,650, but
 56 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] <u>\$667</u>
\$269,300	\$1,616,450	[\$787] <u>\$667</u>	[\$2,559] <u>\$4,982</u>
\$1,616,450	\$5,000,000	[\$3,346] <u>\$5,649</u>	\$45,260
\$5,000,000	[\$25,000,000]	[\$48,606]	[\$32,500]
	<u>\$10,000,000</u>	<u>\$50,909</u>	<u>\$42,500</u>
<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$93,409</u>	<u>\$25,000</u>

(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
	<u>\$10,000,000</u>	
<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$10,000,000</u>

(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 [~~5.90~~] 5 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 but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of [~~10.90~~] 11.75 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.

(C) If New York adjusted gross income is greater than one hundred million dollars, the supplemental tax due shall equal the difference between the product of twelve 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	[\$567] <u>\$488</u>
\$215,400	\$1,077,550	[\$567] <u>\$488</u>	[\$2,047] <u>\$3,985</u>
\$1,077,550	\$5,000,000	[\$2,614] <u>\$4,473</u>	\$30,172
\$5,000,000	[\$25,000,000]	[\$32,786]	[\$32,500]

1		<u>\$10,000,000</u>	<u>\$34,645</u>	<u>\$42,500</u>
2	<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$77,145</u>	<u>\$25,000</u>
3	(ii) the applicable amount shall be determined by New York taxable			
4	income as follows:			
5	Greater than	Not over	Applicable Amount	
6	\$80,650	\$215,400	New York adjusted gross income minus \$107,650	
7	\$215,400	\$1,077,550	New York adjusted gross income minus \$215,400	
8	\$1,077,550	\$5,000,000	New York adjusted gross income minus \$1,077,550	
9	\$5,000,000	[\$25,000,000]	New York adjusted gross income minus \$5,000,000	
10		<u>\$10,000,000</u>		
11	<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus</u>	
12			<u>\$10,000,000</u>	

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

16 (iv) the supplemental tax due shall equal the sum of the recapture
 17 base and the product of (i) the incremental benefit and (ii) the phase-
 18 in fraction. Provided, however, that if the New York taxable income of
 19 the taxpayer is less than eighty thousand six hundred fifty dollars, the
 20 supplemental tax shall equal the difference between the product of
 21 ~~[5.90]~~ 5 percent and New York taxable income and the tax table computa-
 22 tion on the New York taxable income set forth in paragraph one of
 23 subsection (c) of this section, multiplied by a fraction, the numerator
 24 of which is the lesser of fifty thousand dollars or New York adjusted
 25 gross income minus one hundred seven thousand six hundred fifty dollars,
 26 and the denominator of which is fifty thousand dollars.

27 (B) If New York adjusted gross income is greater than twenty-five
 28 million dollars but less than or equal to one hundred million dollars,
 29 the supplemental tax due shall equal the difference between the product
 30 of ~~[10.90]~~ 11.75 percent and New York taxable income and the tax table
 31 computation on the New York taxable income set forth in paragraph one of
 32 subsection (c) of this section.

33 (C) If New York adjusted gross income is greater than one hundred
 34 million dollars, the supplemental tax due shall equal the difference
 35 between the product of twelve percent and New York taxable income and
 36 the tax table computation on the New York taxable income set forth in
 37 paragraph one of subsection (c) of this section.

38 (d-6) Alternative tax table benefit recapture. Notwithstanding the
 39 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4)~~[7]~~ or (d-5) ~~[ex~~
 40 ~~(d-6)]~~ of this section, for taxable years beginning on or after two
 41 thousand thirty-three, there is hereby imposed a supplemental tax in
 42 addition to the tax imposed under subsections (a), (b) and (c) of this
 43 section for the purpose of recapturing the benefit of the tax tables
 44 contained in such subsections. During these taxable years, any reference
 45 in this chapter to subsection (d), (d-1), (d-2), (d-3), (d-4)~~[7]~~ or
 46 (d-5) ~~[ex-(d-6)]~~ of this section shall be read as a reference to this
 47 subsection.

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

50 (A) If New York adjusted gross income is greater than \$107,650:

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

53	Greater than	Not over	Recapture Base	Incremental Benefit
54	\$27,900	\$161,550	\$0	[\$333] <u>\$172</u>
55	\$161,550	\$323,200	[\$333] <u>\$172</u>	\$808
56	\$323,200	\$2,155,350	[\$1,141] <u>\$979</u>	[\$3,393] <u>\$5,979</u>

1 \$2,155,350 [~~\$4,534~~] \$6,959 \$42,461

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

4 Greater than	Not over	Applicable Amount
5 \$27,900	\$161,550	New York adjusted gross income minus \$107,650
6 \$161,550	\$323,200	New York adjusted gross income minus \$161,550
7 \$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
8 \$2,155,350		New York adjusted gross income minus \$2,155,350

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

12 (iv) the supplemental tax due shall equal the sum of the recapture
13 base and the product of (i) the incremental benefit and (ii) the phase-
14 in fraction. Provided, however, that if the New York taxable income of
15 the taxpayer is less than twenty-seven thousand nine hundred dollars,
16 the supplemental tax shall equal the difference between the product of
17 [~~5.30~~] 4.50 percent and New York taxable income and the tax table compu-
18 tation on the New York taxable income set forth in paragraph one of
19 subsection (a) of this section, multiplied by a fraction, the numerator
20 of which is the lesser of fifty thousand dollars or New York adjusted
21 gross income minus one hundred seven thousand six hundred fifty dollars,
22 and the denominator of which is fifty thousand dollars.

23 (2) For resident heads of households:

24 (A) If New York adjusted gross income is greater than \$107,650:

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

27 Greater than	Not over	Recapture Base	Incremental Benefit
28 \$107,650	\$269,300	\$0	[\$787] <u>\$667</u>
29 \$269,300	\$1,616,450	[\$787] <u>\$667</u>	[\$2,827] <u>\$4,982</u>
30 \$1,616,450		[\$3,614] <u>\$5,649</u>	\$31,844

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

33 Greater than	Not over	Applicable Amount
34 \$107,650	\$269,300	New York adjusted gross income minus \$107,650
35 \$269,300	\$1,616,450	New York adjusted gross income minus \$269,300
36 \$1,616,450		New York adjusted gross income minus \$1,616,450

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

40 (iv) the supplemental tax due shall equal the sum of the recapture
41 base and the product of (i) the incremental benefit and (ii) the phase-
42 in fraction. Provided, however, that if the New York taxable income of
43 the taxpayer is less than one hundred seven thousand six hundred fifty
44 dollars, the supplemental tax shall equal the difference between the
45 product of [~~5.80~~] 5 percent and New York taxable income and the tax
46 table computation on the New York taxable income set forth in paragraph
47 one of subsection (b) of this section, multiplied by a fraction, the
48 numerator of which is the lesser of fifty thousand dollars or New York
49 adjusted gross income minus one hundred seven thousand six hundred fifty
50 dollars, and the denominator of which is fifty thousand dollars.

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

53 (A) If New York adjusted gross income is greater than \$107,650:

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

1	Greater than	Not over	Recapture Base	Incremental Benefit
2	\$80,650	\$215,400	\$0	[\$568] \$488
3	\$215,400	\$1,077,550	[\$568] \$488	[\$2,261] \$3,985
4	\$1,077,550		[\$2,829] \$4,473	\$21,228

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

7	Greater than	Not over	Applicable Amount
8	\$80,650	\$215,400	New York adjusted gross income minus \$107,650
9	\$215,400	\$1,077,550	New York adjusted gross income minus \$215,400
10	\$1,077,550		New York adjusted gross income minus \$1,077,550

(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 [~~5.80~~] 5 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.

§ 9. This act shall take effect immediately.

26

PART BB

27 Section 1. Short title. This act shall be known and may be cited as
28 the "protecting our wallets energy rebate (POWER) check program".

29 § 2. Legislative intent. In an effort to provide relief to the rising
30 cost of utility bills, this act will provide direct financial assistance
31 to residential utility ratepayers in the form of a rebate check to miti-
32 gate increased energy costs and promote affordability.

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

35 (uuu) Protecting our wallets energy rebate (POWER) credit. (1) Defi-
36 nitions. For the purpose of this subsection:

37 (a) "Department" means the New York state department of taxation and
38 finance.

39 (b) "Commission" means the New York state public service commission.

40 (c) "Commissioner" means the New York state commissioner of the
41 department of taxation and finance.

42 (d) "Electric corporation" shall have the same meaning as such term is
43 defined in section two of the public service law.

44 (e) "Combination gas and electric corporation" shall have the same
45 meaning as such term is defined in section two of the public service
46 law.

47 (f) "Municipality" shall have the same meaning as such term is defined
48 in section two of the public service law.

49 (g) "Residential utility ratepayer" means a natural person who was a
50 full-year resident in the state of New York in tax year two thousand
51 twenty-four, as determined by the department, and who is receiving resi-
52 dential electric service, as of January first, two thousand twenty-six,
53 from an electric corporation, combination gas and electric corporation,
54 municipality, or from the Long Island power authority or its service

1 provider; and who shall have had New York adjusted gross income of three
2 hundred thousand dollars or less in tax year two thousand twenty-four if
3 they filed a New York state resident income tax return, regardless of
4 filing status.

5 (h) "Taxpayer" shall mean residential utility ratepayer, for purposes
6 of this subsection only.

7 (2) A taxpayer who meets the eligibility standards in paragraph one of
8 this subsection shall be allowed a credit against the taxes imposed by
9 this article in the amount specified in paragraph three of this
10 subsection for tax year two thousand twenty-six. Notwithstanding any
11 other provision of law, rule or regulation to the contrary, the depart-
12 ment and the department of public service shall be required to work in
13 conjunction to develop and administer this credit, which shall be called
14 the "protecting our wallets energy rebate" credit program. Provided,
15 however, the department shall ultimately be responsible for issuing
16 credit pursuant to this subsection, with direct consultation from the
17 department of public service and the commission on eligibility and other
18 standards. Provided, further, the department, the department of public
19 service, and the commission, shall have the authority to promulgate any
20 rules and regulations to effectuate the purposes of this subsection.

21 (3) (a) For taxpayers who meet the eligibility standards in paragraph
22 one of this subsection who filed a New York state resident income tax
23 return, regardless of filing status with New York adjusted gross income
24 of greater than one hundred fifty thousand dollars but no greater than
25 three hundred thousand dollars in tax year two thousand twenty-four, the
26 credit amount shall be three hundred dollars.

27 (b) For taxpayers who meet the eligibility standards in paragraph one
28 of this subsection who filed a New York state resident income tax
29 return, regardless of filing status, with New York adjusted gross income
30 of no greater than one hundred fifty thousand dollars, the credit amount
31 shall be five hundred dollars. Provided, however, under no circumstance
32 shall an eligible taxpayer receive more than one credit under this
33 subsection.

34 (4) The amount of credit shall be treated as an overpayment of tax to
35 be credited or refunded in accordance with the provisions of section six
36 hundred eighty-six of this article, provided, however, that no interest
37 shall be paid thereon. The commissioner shall determine the taxpayer's
38 eligibility for this credit, pursuant to the provisions of paragraph one
39 of this subsection, utilizing the information available to the commis-
40 sioner pursuant to the provisions of paragraph five of this subsection.
41 For those taxpayers whom the commissioner has determined eligible for
42 this credit authorized by this subsection, in direct consultation with
43 the department of public service and the commission, the commissioner
44 shall advance a payment in the amount specified in paragraph three of
45 this subsection, which shall be delivered to eligible taxpayers on or
46 before the fifteenth of October of two thousand twenty-six. A taxpayer
47 who failed to receive an advance payment that they believe was due, or
48 who received an advance payment that they believe is less than the
49 amount that was due, may request payment of the claimed deficiency in a
50 manner prescribed by the commissioner.

51 (5) Notwithstanding any other provision of law, rule or regulation to
52 the contrary, employees and officers of an electric corporation, combi-
53 nation gas and electric corporation, municipality, or the Long Island
54 power authority or its service provider, shall be allowed and are
55 directed to share and exchange information required to identify residen-
56 tial utility ratepayers eligible for the credit allowed pursuant to this

subsection, with the department and the department of public service. Provided, however, any such information shared pursuant to this subsection shall remain confidential and shall be used only for the purposes of this subsection.

(6) Notwithstanding any other provision of law, rule or regulation to the contrary, any credit paid pursuant to this subsection, to the extent includible in gross income for federal income tax purposes, shall not be subject to state or local income tax.

§ 4. This act shall take effect immediately.

PART CC

Section 1. Section 606 of the tax law is amended by adding a new subsection (h-1) to read as follows:

(h-1) Credit for certain taxpayers with incomes below certain thresholds. (1) Notwithstanding any other provision of law to the contrary, for taxable years beginning on or after January first, two thousand twenty-six, a credit shall be allowed to a taxpayer against the tax imposed pursuant to the authority of this article in an amount equal to the tax otherwise due under this article for such taxable year, reduced by all the credits permitted by this article for such taxable year, if:

(A) such taxpayer is entitled to a deduction for such taxable year under subsection (c) of section one hundred fifty-one of the internal revenue code;

(B) such taxpayer meets the following income thresholds for such taxable year:

(i) for resident taxpayers who filed an income tax return as married taxpayers filing jointly or a qualified surviving spouse:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
<u>1</u>	<u>\$37,874</u>
<u>2</u>	<u>\$47,718</u>
<u>3</u>	<u>\$56,154</u>
<u>4</u>	<u>\$62,873</u>
<u>5</u>	<u>\$70,422</u>
<u>6</u>	<u>\$77,421</u>
<u>7 or more</u>	<u>\$94,613</u>

(ii) for resident taxpayers who filed an income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
<u>1</u>	<u>\$32,432</u>
<u>2</u>	<u>\$37,910</u>
<u>3</u>	<u>\$47,883</u>
<u>4</u>	<u>\$55,295</u>
<u>5</u>	<u>\$61,697</u>
<u>6</u>	<u>\$67,650</u>
<u>7</u>	<u>\$76,766</u>
<u>8 or more</u>	<u>\$90,968</u>

(iii) for any taxable year beginning on or after January first, two thousand twenty-seven, the commissioner shall multiply the amounts in this subparagraph by one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand twenty-five;

(C) such taxpayer is not allowed a credit pursuant to:

(i) subsection (a) of section eight hundred sixty-three of this chapter against the tax imposed pursuant to article twenty-two of this chapter; or

(ii) subsection (a) of section eight hundred seventy of this chapter against the tax imposed pursuant to the authority of article thirty of this chapter; and

(D) such taxpayer does not report disqualified income in excess of ten thousand dollars in the taxable year, as defined in subsection (i) of section thirty-two of the internal revenue code.

(2) Where the income of a taxpayer exceeds the amount indicated in subparagraph (B) of paragraph one of this subsection for such taxpayer by five thousand dollars or less, and such taxpayer satisfies subparagraph (A) and subparagraphs (C) and (D) of paragraph one of this subsection, a credit shall be allowed in the amount determined by multiplying: (A) the tax otherwise due under this article for such taxable year reduced by all the credits permitted by this article for such taxable year by (B) a fraction the numerator of which is five thousand dollars minus the amount by which such income exceeds the amount indicated in subparagraph (B) of paragraph one of this subsection and the denominator of which is five thousand dollars.

(3) For purposes of this subsection:

(A) "Consumer price index" means the most recent consumer price index for all urban consumers published by the United States department of labor. The consumer price index for any calendar year shall be the average of the consumer price index as of the close of the twelve-month period ending on August thirty-first of such calendar year.

(B) "Income" means federal adjusted gross income for the taxable year.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2026.

PART DD

Section 1. Short title. This act shall be known and may be cited as the "savings accounts for a variable economy (SAVE) for small businesses act".

§ 2. The tax law is amended by adding a new section 50 to read as follows:

§ 50. Small business savings accounts. (a) General. (1) The commissioner shall establish a program to administer small business savings accounts under this section.

(2) The commissioner shall establish minimum standards for small business savings accounts and shall establish accounts, or enter into agreements that meet these standards to administer such accounts. In establishing such standards and making such agreements the commissioner shall, to the extent practicable, seek to minimize fees, minimize risk of loss of principal, and ensure a range of investment risk options available to account beneficiaries. Any eligible small business may establish a small business savings account with respect to such business under terms which meet the requirements of this section.

1 (b) Definition. For the purposes of this section, the term "small
2 business savings account" means a tax preferred savings account which is
3 designated at the time of establishment of the plan as a small business
4 savings account. Such designation shall be made in such manner as the
5 commissioner may by regulation prescribe.

6 (c) Contributions. (1) There shall be allowed as a deduction an amount
7 equal to the contributions to a small business savings account for the
8 taxable year.

9 (2) The aggregate amount of contributions for any taxable year to all
10 small business savings accounts maintained for the benefit of an eligi-
11 ble small business shall not exceed an amount equal to ten percent of
12 the entire net income of greater than zero but less than two hundred
13 fifty thousand dollars for article nine-A taxpayers and ten percent of
14 the New York source gross income of greater than zero but less than two
15 hundred fifty thousand dollars for a limited liability company, partner-
16 ship, or New York S corporation.

17 (d) Distributions. (1) Any qualified distribution from a small busi-
18 ness savings account shall not be includible in gross income.

19 (2) Any amounts distributed out of a small business savings account
20 that are not qualified distributions shall be included in gross income
21 for the taxable year of the distribution.

22 (3) For purposes of this section:

23 (A) The term "qualified distribution" means any amount:

24 (i) distributed from a small business savings account during a speci-
25 fied period of economic hardship; and

26 (ii) the distribution of which is certified by the taxpayer as part of
27 a plan which provides for the reinvestment of such distribution for the
28 funding of worker hiring or financial stabilization for the purposes of
29 job retention or creation.

30 (B) The term "specified period of economic hardship" means:

31 (i) any one-year period beginning immediately after the end of any two
32 consecutive quarters during which the annual rate of real gross domestic
33 product (as determined by the Bureau of Economic Analysis of the Depart-
34 ment of Commerce) decreases, or

35 (ii) any period, in no event shorter than one year, specified by the
36 commissioner for purposes of this section.

37 (C) The commissioner may specify a period under clause (ii) of subpar-
38 agraph (B) of this paragraph with respect to a specified area in the
39 case of an area determined by the governor to warrant assistance from
40 the Federal Government under the Robert T. Stafford Disaster Relief and
41 Emergency Assistance Act.

42 (D) The commissioner shall, for each specified period of economic
43 hardship establish a distribution limitation for qualified distributions
44 from eligible small business accounts with respect to such period. The
45 aggregate qualified distributions for any such period from all accounts
46 with respect to an eligible small business shall not exceed such limita-
47 tion.

48 (E) Any distribution not used in the manner certified under subpara-
49 graph (A) of this paragraph shall be treated as a distribution other
50 than a qualified distribution in the taxable year of such distribution.

51 (F) Any amount contributed to a small business savings account (and
52 any earnings attributable thereto), once distributed, shall not be
53 treated as a qualified distribution unless such distribution is made not
54 later than eight years after the date of such contribution. For purposes
55 of this subparagraph, amounts (and the earnings attributable thereto)
56 shall be treated as distributed on a first-in first-out basis.

(e) Eligible small business. For purposes of this section:

(1) The term "eligible small business" means, with respect to any calendar year, any person if the annual average number of full-time employees employed by such person during the preceding calendar year was twenty-five or fewer and such person has an annual net income of less than two hundred fifty thousand dollars. For purposes of this paragraph, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

(2)(A) The term "full-time employee" means, with respect to any year, an employee who is employed on average at least forty hours of service per week.

(B) The commissioner shall prescribe such regulations, rules, and guidance as may be necessary to determine the hours of service of an employee, including rules for the application of this subdivision to employees who are not compensated on an hourly basis.

(f) Effect of pledging account as security. If, during any taxable year of the eligible small business for whose benefit an account is established, the account or any portion thereof is pledged as security for a loan, the portion so pledged shall be treated as distributed in a distribution other than a qualified distribution.

(g) Annual report. The commissioner shall prepare and deliver an annual report on the efficacy of small business savings accounts to the temporary president of the senate and the speaker of the assembly. Such report shall include, but not be limited to, an evaluation as to whether small business savings accounts contribute to financial stabilization of the small business during times of economic hardship, job retention or creation.

§ 3. Paragraph (a) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 24 to read as follows:

(24) For taxable years beginning on or after January first, two thousand twenty-six, contributions and qualified distributions by an eligible small business, as such term is defined pursuant to section fifty of this chapter.

§ 4. 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) For taxable years beginning on or after January first, two thousand twenty-six, any amounts of ineligible contributions and distributions described in section fifty of this chapter.

§ 5. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 48 to read as follows:

(48) For taxable years beginning on or after January first, two thousand twenty-six, contributions and qualified distributions by an eligible small business, as such term is defined pursuant to section fifty of this chapter.

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

(44) For taxable years beginning on or after January first, two thousand twenty-six, any amounts of ineligible contributions and distributions described in section fifty of this chapter.

§ 7. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2026.

1 Section 1. Subparagraph (A) of paragraph 39 of subsection (c) of
2 section 612 of the tax law, as amended by section 1 of part C of chapter
3 59 of the laws of 2022, is amended to read as follows:

4 (A) In the case of a taxpayer who is a small business or a taxpayer
5 who is a member, partner, or shareholder of a limited liability company,
6 partnership, or New York S corporation, respectively, that is a small
7 business, who or which has business income and/or farm income as defined
8 in the laws of the United States, an amount equal to [~~fifteen~~] twenty-
9 five percent of the net items of income, gain, loss and deduction
10 attributable to such business or farm entering into federal adjusted
11 gross income, but not less than zero.

12 § 2. This act shall take effect immediately and shall apply to taxable
13 years beginning on or after January 1, 2026.

14 PART FF

15 Section 1. Section 210-B of the tax law is amended by adding a new
16 subdivision 63 to read as follows:

17 63. Credit for certain food donations to qualified community-based
18 organizations. (a) Allowance of credit. (i) In the case of an eligible
19 taxpayer that is a food service establishment, there shall be allowed a
20 credit, to be computed as hereinafter provided against the tax imposed
21 by this article for taxable years beginning on and after January first,
22 two thousand twenty-six. The amount of the credit shall be fifty
23 percent of the fair market value of the taxpayer's qualified donations
24 up to seven dollars per qualified donation made to any eligible communi-
25 ty-based organization during the taxable year, not to exceed ten thou-
26 sand dollars total per taxable year. If the taxpayer is a partner in a
27 partnership, then the cap imposed by the preceding sentence shall be
28 applied at the entity level, so the aggregate credit allowed to all
29 partners of such entity in the taxable year does not exceed ten thousand
30 dollars.

31 (ii) In the case of an eligible taxpayer that is not a food service
32 establishment, there shall be allowed a credit, to be computed as here-
33 inafter provided against the tax imposed by this article for taxable
34 years beginning on and after January first, two thousand twenty-six. The
35 amount of the credit shall be fifty percent of the fair market value of
36 the taxpayer's qualified donations made to any eligible community-based
37 organization during the taxable year, not to exceed fifty thousand
38 dollars total per taxable year. If the taxpayer is a partner in a part-
39 nership, then the cap imposed by the preceding sentence shall be applied
40 at the entity level, so the aggregate credit allowed to all partners of
41 such entity in the taxable year does not exceed fifty thousand dollars.

42 (b) Definitions. For the purposes of this subdivision, the following
43 terms shall have the following meanings:

44 (i) "Eligible taxpayer" means a "food service establishment" or a
45 manufacturer, distributor, wholesaler, or retailer primarily engaged in
46 the sale, manufacture, or distribution of food within New York state.

47 (ii) "Food service establishment" means a taxpayer whose federal gross
48 income from prepared food sales for the taxable year is at least half of
49 such taxpayer's federal gross income.

50 (iii) "Qualified food donation" means any wholesome, edible food fit
51 for human consumption, including perishable or prepared foods, donated
52 to an eligible community-based organization in compliance with applica-
53 ble state and federal food safety laws. A qualified donation shall not
54 be transferred by the eligible taxpayer to the eligible community-based

1 organization in exchange for money, property, services, or any other
2 consideration.

3 (iv) "Eligible community-based organization" means any program operat-
4 ing within this state that accepts or distributes perishable or prepared
5 meals and has qualified for tax exemption under section 501(c)(3) of the
6 internal revenue code.

7 (c) Record of donation. (i) To claim a credit under this subdivision,
8 a taxpayer must get and keep a receipt from the eligible community-based
9 organization showing: (1) the name of the eligible community-based
10 organization; (2) the date and location of the qualified donation; and
11 (3) a reasonably detailed description of the qualified food donation, in
12 a manner to be prescribed by the commissioner.

13 (ii) A letter or other written communication from the eligible commu-
14 nity-based organization acknowledging receipt of the contribution and
15 containing the information in clauses one, two, and three of subpara-
16 graph (i) of this paragraph shall serve as a receipt.

17 (d) Refundability. If the amount of credit allowed under this subdivi-
18 vision for any taxable year reduces the tax due for such year to less
19 than the fixed dollar minimum amount prescribed in paragraph (d) of
20 subdivision one of section two hundred ten of this article or if the
21 taxpayer otherwise pays tax based on the fixed dollar minimum amount,
22 any amount of credit due in such taxable year shall be treated as an
23 overpayment of tax to be credited or refunded in accordance with the
24 provisions of section one thousand eighty-six of this chapter. Provided,
25 however, the provisions of subsection (c) of section one thousand eight-
26 y-eight of this chapter notwithstanding, no interest shall be paid ther-
27 eon.

28 (e) Allocation of credit. (i) The aggregate amount of tax credits
29 allowed under this subdivision in any taxable year for eligible taxpay-
30 ers that are food service establishments shall be ten million dollars.

31 (ii) The aggregate amount of tax credits allowed under this subdivision
32 in any taxable year for eligible taxpayers not considered a food service
33 establishment shall be fifteen million dollars. (iii) Such credit shall
34 be allocated by the department in order of priority based upon the date
35 of filing an application for allocation of credit for qualified food
36 donations to eligible community-based organizations with such depart-
37 ment. (iv) If the total amount of allocated credits applied for in any
38 particular year exceeds the aggregate amount of tax credits allowed for
39 such year under this subdivision, such excess shall be treated as having
40 been applied for on the first day of the subsequent taxable year. (v)
41 Provided, however, that for taxable years beginning on or after January
42 first, two thousand twenty-six, if the total amount of allocated credits
43 applied for in any particular year is less than the aggregate amount of
44 tax credits allowed for such year under this subdivision, any unused
45 portion may be carried over and added to the aggregate amount of credits
46 allowed in the next succeeding taxable year or years.

47 (f) Rules and regulations. The commissioner shall have the authority
48 to promulgate rules and regulations as may be necessary for the documen-
49 tation, certification, application procedures, and granting of tax cred-
50 its and refunds under this subdivision.

51 § 2. Section 606 of the tax law is amended by adding a new subsection
52 (www) to read as follows:

53 (www) Credit for certain food donations to qualified community-based
54 organizations. (a) Allowance of credit. (i) In the case of an eligible
55 taxpayer that is a food service establishment, there shall be allowed a
56 credit, to be computed as hereinafter provided against the tax imposed

1 by this article for taxable years beginning on and after January first,
2 two thousand twenty-six. The amount of the credit shall be fifty percent
3 of the fair market value of the taxpayers qualified donations up to
4 seven dollars per qualified donation made to any eligible community-
5 based organization during the taxable year, not to exceed ten thousand
6 dollars total per taxable year. If the taxpayer is a partner in a part-
7 nership or a shareholder of a New York S corporation, then the cap
8 imposed by the preceding sentence shall be applied at the entity level,
9 so the aggregate credit allowed to all partners or shareholders of such
10 entity in the taxable year does not exceed ten thousand dollars.

11 (ii) In the case of an eligible taxpayer that is not a food service
12 establishment, there shall be allowed a credit, to be computed as here-
13 inafter provided against the tax by this article for taxable years
14 beginning on and after January first, two thousand twenty-six. The
15 amount of the credit shall be fifty percent of the fair market value of
16 the taxpayer's qualified donations made to any eligible community-based
17 organization during the taxable year, not to exceed fifty thousand
18 dollars per taxable year. If the taxpayer is a partner in a partnership
19 or a shareholder of a New York S corporation, then the cap imposed by
20 the preceding sentence shall be applied at the entity level, so the
21 aggregate credit allowed to all partners or shareholders of such entity
22 in the taxable year does not exceed fifty thousand dollars.

23 (b) Definitions. For purposes of this subsection, the following terms
24 shall have the following meanings:

25 (i) "Eligible taxpayer" means a "food service establishment" or a
26 manufacturer, distributor, wholesaler, or retailer primarily engaged in
27 the sale, manufacture, or distribution of food within New York state.

28 (ii) "Food service establishment" means a taxpayer whose federal gross
29 income from prepared food sales for the taxable year is at least half of
30 such taxpayer's federal gross income.

31 (iii) "Qualified food donation" means any wholesome, edible food fit
32 for human consumption, including perishable or prepared foods, donated
33 to an eligible community-based organization in compliance with the
34 applicable state and federal food safety laws. A qualified donation
35 shall not be transferred by the eligible taxpayer to the eligible commu-
36 nity-based organization in exchange for money, property, services, or
37 any other consideration.

38 (iv) "Eligible community-based organization" means any program operat-
39 ing within this state that accepts or distributes perishable or prepared
40 meals and has qualified for the tax exemption under section 501(c)(3) of
41 the internal revenue code.

42 (c) Record of donation. (i) To claim a credit under this subsection, a
43 taxpayer shall obtain and keep a receipt from the eligible community-
44 based organization showing: (1) the name of the eligible community-based
45 organization; (2) the date and location of the qualified donation; and
46 (3) a reasonably detailed description of the qualified food donation, in
47 a manner to be prescribed by the commissioner.

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

54 (e) Allocation of credit. (i) The aggregate amount of tax credits
55 allowed under this subsection in any taxable year for eligible taxpayers
56 that are food service establishments shall be ten million dollars. (ii)

1 The aggregate amount of tax credits allowed under this subsection in any
 2 taxable year for eligible taxpayers not considered a food service estab-
 3 lishment shall be fifteen million dollars. (iii) Such credit shall be
 4 allocated by the department in order of priority based upon the date of
 5 filing an application for allocation of credit for qualified food
 6 donations to eligible community-based organizations with such depart-
 7 ment. (iv) If the total amount of allocated credits applied for in any
 8 particular year exceeds the aggregate amount of tax credits allowed for
 9 such year under this subsection, such excess shall be treated as having
 10 been applied for on the first day of the subsequent taxable year. (v)
 11 Provided, however, that for taxable years beginning on or after January
 12 first, two thousand twenty-six, if the total amount of allocated credits
 13 applied for in any particular year is less than the aggregate amount of
 14 tax credits allowed for such year under this subsection, any unused
 15 portion may be carried over and added to the aggregate amount of credits
 16 allowed in the next succeeding taxable year or years.

17 (f) Rules and regulations. The commissioner shall have the authority
 18 to promulgate rules and regulations as may be necessary for the documen-
 19 tation, certification, application procedures, and granting of tax cred-
 20 its and refunds under this subsection.

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

24 <u>(liii) Tax credit for certain</u>	<u>Amount of credit under</u>
25 <u>food donations to qualified</u>	<u>subdivision sixty-three</u>
26 <u>community-based organizations</u>	<u>of section two hundred</u>
27 <u>under subsection (www)</u>	<u>ten-B</u>

28 § 4. Authority to issue tax credit. Any city in this state having a
 29 population of one million or more inhabitants, acting through its local
 30 legislative body, is hereby authorized and empowered to adopt and amend
 31 local laws and rules offering a tax credit according to the provisions
 32 in this act for the city personal income tax under article thirty of the
 33 tax law.

34 § 5. This act shall take effect immediately, and shall apply to taxa-
 35 ble years beginning on or after January 1, 2026.

36 PART GG

37 Section 1. Paragraph (a) of subdivision 52 of section 210-B of the tax
 38 law, as added by section 4 of part DDD of chapter 59 of the laws of
 39 2017, is amended to read as follows:

40 (a) General. In the case of a taxpayer that is an eligible farmer,
 41 there shall be allowed a credit, to be computed as hereinafter provided
 42 against the tax imposed by this article for taxable years beginning on
 43 and after January first, two thousand eighteen and before January first,
 44 two thousand twenty-six. The amount of the credit shall be twenty-five
 45 percent of the fair market value of the taxpayer's qualified donations
 46 made to any eligible food pantry during the taxable year, not to exceed
 47 five thousand dollars per taxable year. If the taxpayer is a partner in
 48 a partnership, then the cap imposed by the preceding sentence shall be
 49 applied at the entity level, so that the aggregate credit allowed to all
 50 partners of such entity in the taxable year does not exceed five thou-
 51 sand dollars. Provided, however, that for taxable years beginning on and
 52 after January first, two thousand twenty-six the amount of the credit
 53 shall be fifty percent of the fair market value of the taxpayer's quali-
 54 fied donations made to any eligible food pantry during the taxable year,

1 not to exceed twenty thousand dollars per taxable year. If the taxpayer
2 is a partner in a partnership, then the cap imposed by the preceding
3 sentence shall be applied at the entity level, so that the aggregate
4 credit allowed to all partners of such entity in the taxable year does
5 not exceed twenty thousand dollars.

6 § 2. Paragraph 1 of subsection (n-2) of section 606 of the tax law, as
7 added by section 1 of part DDD of chapter 59 of the laws of 2017, is
8 amended to read as follows:

9 (1) General. In the case of a taxpayer who is an eligible farmer,
10 there shall be allowed a credit, to be computed as hereinafter provided,
11 against the tax imposed by this article for taxable years beginning on
12 and after January first, two thousand eighteen and before January first,
13 two thousand twenty-six. The amount of the credit shall be twenty-five
14 percent of the fair market value of the taxpayer's qualified donations
15 made to any eligible food pantry during the taxable year, not to exceed
16 five thousand dollars per taxable year. If the taxpayer is a partner in
17 a partnership or a shareholder of a New York S corporation, then the cap
18 imposed by the preceding sentence shall be applied at the entity level,
19 so that the aggregate credit allowed to all partners or shareholders of
20 such entity in the taxable year does not exceed five thousand dollars.
21 Provided, however, that for taxable years beginning on and after January
22 first, two thousand twenty-six the amount of the credit shall be fifty
23 percent of the fair market value of the taxpayer's qualified donations
24 made to any eligible food pantry during the taxable year, not to exceed
25 twenty thousand dollars per taxable year. If the taxpayer is a partner
26 in a partnership or a shareholder of a New York S corporation, then the
27 cap imposed by the preceding sentence shall be applied at the entity
28 level, so that the aggregate credit allowed to all partners or share-
29 holders of such entity in the taxable year does not exceed twenty thou-
30 sand dollars.

31 § 3. This act shall take effect immediately.

32 PART HH

33 Section 1. Paragraphs 2 and 3 of subsection (pp) of section 606 of the
34 tax law, paragraph 2 as amended by section 4 of part RR of chapter 59 of
35 the laws of 2018 and paragraph 3 as added by chapter 547 of the laws of
36 2006, are amended and a new paragraph 13 is added to read as follows:

37 (2) (A) With respect to any particular residence of a taxpayer, the
38 credit allowed under paragraph one of this subsection shall not exceed
39 fifty thousand dollars for taxable years beginning on or after January
40 first, two thousand ten and before January first, two thousand twenty-
41 five and twenty-five thousand dollars for taxable years beginning on or
42 after January first, two thousand twenty-five and before January first,
43 two thousand twenty-six. Provided, however, for taxable years beginning
44 on or after January first, two thousand twenty-six the credit allowed
45 under paragraph one of this subsection shall not exceed fifty thousand
46 dollars. In the case of a [~~husband and wife~~] married couple, the amount
47 of the credit shall be divided between them equally or in such other
48 manner as they may both elect. If a taxpayer incurs qualified rehabili-
49 tation expenditures in relation to more than one residence in the same
50 year, the total amount of credit allowed under paragraph one of this
51 subsection for all such expenditures shall not exceed fifty thousand
52 dollars for taxable years beginning on or after January first, two thou-
53 sand ten and before January first, two thousand twenty-five and twenty-
54 five thousand dollars for taxable years beginning on or after January

1 first, two thousand twenty-five and before January first, two thousand
2 twenty-six. Provided, however, for taxable years beginning on or after
3 January first, two thousand twenty-six the credit allowed under para-
4 graph one of this subsection for all such expenditures shall not exceed
5 fifty thousand dollars.

6 (B) For taxable years beginning on or after January first, two thou-
7 sand ten and before January first, two thousand twenty-five, if the
8 amount of credit allowable under this subsection shall exceed the
9 taxpayer's tax for such year, and the taxpayer's New York adjusted gross
10 income for such year does not exceed sixty thousand dollars, the excess
11 shall be treated as an overpayment of tax to be credited or refunded in
12 accordance with the provisions of section six hundred eighty-six of this
13 article, provided, however, that no interest shall be paid thereon. If
14 the taxpayer's New York adjusted gross income for such year exceeds
15 sixty thousand dollars, the excess credit [~~that~~] may be carried over to
16 the following year or years and may be deducted from the taxpayer's tax
17 for such year or years. For taxable years beginning on or after January
18 first, two thousand twenty-five and before January first, two thousand
19 twenty-six, if the amount of credit allowable under this subsection
20 shall exceed the taxpayer's tax for such year, the excess may be carried
21 over to the following year or years and may be deducted from the taxpay-
22 er's tax for such year or years. Provided, further, for taxable years
23 beginning on or after January first, two thousand twenty-six, if the
24 amount of credit allowable under this subsection shall exceed the
25 taxpayer's tax for such year, and the taxpayer's New York adjusted gross
26 income for such year does not exceed sixty thousand dollars, the excess
27 shall be treated as an overpayment of tax to be credited or refunded in
28 accordance with the provisions of section six hundred eighty-six of this
29 article, provided, however, that no interest shall be paid thereon.

30 (3)(A) The term "qualified rehabilitation expenditure" means, for
31 purposes of this subsection, any amount properly chargeable to a capital
32 account:

33 (i) in connection with the certified rehabilitation of a qualified
34 historic home, and

35 (ii) for property for which depreciation would be allowable under
36 section 168 of the internal revenue code if the qualified historic home
37 were used in a trade or business.

38 (B) Such term shall not include (i) the cost of acquiring any building
39 or interest therein, (ii) any expenditure attributable to the enlarge-
40 ment of an existing building, or (iii) any expenditure made prior to
41 January first, two thousand seven.

42 (C) [~~Such term shall not include any expenditure in connection with~~
43 ~~the rehabilitation of a qualified historic home unless at least five~~
44 ~~percent of the total expenditures made in the rehabilitation process are~~
45 ~~allocable to the rehabilitation of the exterior of such building.~~

46 ~~(D)]~~ If only a portion of a building is used as a residence of the
47 taxpayer, only qualified rehabilitation expenditures which are properly
48 allocable to such residential portion shall be taken into account under
49 this subsection.

50 (13) The commissioner shall report annually on or before the first day
51 of November, on the aggregate amount of credits claimed and awarded
52 pursuant to this subsection on returns filed during the preceding calen-
53 dar year. Such report shall be provided to the governor, temporary
54 president of the senate, speaker of the assembly, chair of the senate
55 finance committee and chair of the assembly ways and means committee,
56 shall be made publicly available on the department's website.

1 § 2. Section 14.05 of the parks, recreation and historic preservation
2 law is amended by adding a new subdivision 5 to read as follows:

3 5. The commissioner shall report annually on or before the first day
4 of November, on the tax credit projects applied for pursuant to
5 subsection (pp) of section six hundred six of the tax law on returns
6 filed during the preceding calendar year. Such report shall be provided
7 to the governor, temporary president of the senate, speaker of the
8 assembly, chair of the senate finance committee and chair of the assem-
9 bly ways and means committee, shall be made publicly available on the
10 office's website and shall include the following information:

11 (a) the number and value of tax credit projects applied for during the
12 state fiscal year, organized by municipality and county, and project
13 size;

14 (b) the number and value of tax credit projects certified by the
15 office during the state fiscal year, organized by municipality and coun-
16 ty, and project size;

17 (c) the total value of credits certified annually for each of the
18 taxable years beginning on or after January first, two thousand seven to
19 the present, by municipality and county;

20 (d) the number of housing units before and after rehabilitation; and

21 (e) the number of projects certified for state credits by the office.

22 § 3. This act shall take effect immediately and shall apply to taxable
23 years beginning on or after January 1, 2026.

24 PART II

25 Section 1. The tax law is amended by adding a new section 186-h to
26 read as follows:

27 § 186-h. Excise tax on energy used in digital asset mining using
28 proof-of-work authentication methods. 1. For the purposes of this
29 section, the following terms shall have the following meanings:

30 (a) "Affiliate" means, with respect to any specified entity, an entity
31 that directly, or indirectly through one or more intermediaries,
32 controls or is controlled by, or is under common control with, the enti-
33 ty specified.

34 (b) "Blockchain" means data that is:

35 (i) shared across a network to create a ledger of verified trans-
36 actions or information among network participants linked using cryptog-
37 raphy to maintain the integrity of the ledger and to execute other func-
38 tions; and

39 (ii) distributed among network participants in an automated fashion to
40 concurrently update network participants on the state of the ledger and
41 any other functions.

42 (c) "Control" (including the terms controlling, controlled by and
43 under common control with) means the possession, direct or indirect, of
44 the power to direct or cause the direction of the management and poli-
45 cies of an entity, whether through the ownership of voting securities,
46 by contract, or otherwise.

47 (d) "Controlled group" means two or more entities that are affiliates
48 of each other.

49 (e) "Digital asset" means an asset that is issued, transferred, or
50 both, using distributed ledger or blockchain technology, including, but
51 not limited to, digital currencies, digital coins, digital non-fungible
52 tokens or other similar assets.

1 (f) "Distributed ledger or blockchain technology" means a digital
2 system for recording, storing, and sharing data or transactions across
3 multiple computers or devices:

4 (i) in which each participant maintains an identical copy of the
5 ledger and updates are validated through a consensus mechanism among the
6 participants rather than by a single centralized authority; and

7 (ii) which employs cryptographic methods to ensure data integrity,
8 chronological ordering, and resistance to unauthorized alteration of
9 records.

10 (iii) may take the form of a blockchain network or other data struc-
11 tures that provide decentralized validation, transparency, and synchro-
12 nization of records among participants, whether permissioned or permis-
13 sionless, public or private.

14 (g) "Digital asset mining using proof-of-work authentication methods"
15 means the operation of specialized computer hardware or devices, includ-
16 ing but not limited to application-specific integrated circuits (ASICs)
17 or graphics processing units (GPUs) for the purpose of validation or
18 authentication of transactions, recording data, or securing consensus on
19 a distributed ledger or blockchain network through the repeated perform-
20 ance of computational algorithms. Such processes, commonly referred to
21 as "proof-of-work", involve solving cryptographic or mathematical
22 puzzles of increasing difficulty in order to create new units of digital
23 assets or to receive compensation in the form of transaction fees or
24 block rewards, and are characterized by continuous, high-intensity elec-
25 tricity consumption for the purpose of verifying transactions and main-
26 taining the integrity of the blockchain.

27 2. (a) There is hereby imposed on any taxpayer engaged in the business
28 of digital asset mining using proof-of-work authentication methods a tax
29 on the annual consumption of electricity purchased, produced, or
30 acquired by such taxpayer during a taxable year and used by such taxpay-
31 er with respect to such business in this state.

32 (b) The rate of tax imposed by this section shall be as follows:

33 (i) For every kilowatt-hour less than or equal to 2.25 million kilo-
34 watt-hours per year, 0 cents per kilowatt-hour.

35 (ii) For every kilowatt-hour over 2.25 million to 5 million kilowatt-
36 hours per year, 2 cents per kilowatt-hour.

37 (iii) For every kilowatt-hour over 5 million to 10 million kilowatt-
38 hours per year, 3 cents per kilowatt-hour.

39 (iv) For every kilowatt-hour over 10 million to 20 million kilowatt-
40 hours per year, 4 cents per kilowatt-hour.

41 (v) For every kilowatt-hour over 20 million kilowatt-hours per year, 5
42 cents per kilowatt-hour.

43 (c) For the purposes of this section, taxpayers in a controlled group
44 are treated as a single entity for the purpose of determining annual
45 consumption of electricity used with respect to the business of digital
46 asset mining using proof-of-work authentication methods in this state,
47 and shall be jointly and severally liable for any payment owed pursuant
48 to this section by any entity in the controlled group.

49 (d) The administrative procedures set forth in article twenty-seven of
50 this chapter shall apply unless specific provisions to the contrary are
51 set forth in this section.

52 (e) The department of taxation and finance may prescribe such rules
53 and regulations as may be necessary to carry out this section.

54 3. All taxes, interest, and penalties collected or received from taxes
55 imposed by this section shall be used to provide utility ratepayer
56 relief.

1 § 2. This act shall take effect immediately and shall apply to all
2 taxable years commencing on and after January 1, 2027.

3 PART JJ

4 Section 1. The real property tax law is amended by adding a new
5 section 997 to read as follows:

6 § 997. Vacancy surcharge on vacant and abandoned property in cities.
7 1. (a) Local option; vacancy surcharge. Notwithstanding any other
8 provisions of law to the contrary, a city is hereby authorized and
9 empowered to adopt and amend local laws to impose, in addition to any
10 other tax imposed pursuant to this chapter, a real property tax
11 surcharge on vacant and abandoned property, hereinafter referred to as a
12 "vacancy surcharge." Such surcharge shall be imposed on the assessed
13 value of such property and collected in the same manner as real property
14 taxes.

15 (b) A local law adopted pursuant to this subdivision may establish
16 different vacancy surcharge rates for different classes or categories of
17 real property; provided that any such surcharge shall be applied
18 uniformly to all vacant and abandoned properties within the same class
19 or category; and provided, further, such local law shall establish that
20 vacant and abandoned properties constitute a distinct taxable subclass
21 within each class or category of real property, for purposes of this
22 section only.

23 2. Designation of vacant and abandoned property. (a) For the purposes
24 of this section, real property shall be deemed vacant and abandoned if
25 the following conditions apply:

26 (i) such property is "vacant and abandoned residential property" as
27 defined in paragraph (a) of subdivision two of section thirteen hundred
28 nine of the real property actions and proceedings law;

29 (ii) a court or other appropriate state or local governmental entity
30 has determined, following due notice to the owner of record or occupant,
31 that such property is vacant and abandoned;

32 (iii) each owner has issued a sworn written statement expressing the
33 intent to vacate and abandon such property and an inspection of such
34 property shows no evidence of lawful occupancy; or

35 (iv) such property is the subject of a condemnation proceeding or has
36 been ordered vacated by a governmental authority.

37 (b) (i) Notwithstanding paragraph (a) of this subdivision, for the
38 purposes of this section, a mayor, a local assessor, a local enforcement
39 officer, a building inspector, or other municipal official may designate
40 real property that has not been occupied for residential, commercial, or
41 other lawful purposes by the owner, a tenant or another person with the
42 owner's permission for a continuous period of at least one hundred
43 eighty days as vacant and abandoned property, upon inspection of such
44 property and a finding that one or more of the conditions set forth in
45 subparagraph (ii) of this paragraph are present. In determining whether
46 inspection of such property is warranted, factors that may be considered
47 include, but are not limited to, documented complaints from neighbors or
48 members of the public, police calls for service related to the property,
49 documented violations of building or property maintenance codes, and
50 referrals from other governmental agencies.

51 (ii) Conditions indicating vacant and abandoned property may include
52 but shall not be limited to the following:

53 (A) conditions that endanger the health, safety, or general welfare of
54 the community;

1 (B) failure to maintain the property in a manner consistent with the
2 standards set forth in the New York state property maintenance code;

3 (C) the property appears structurally unsound or otherwise presents a
4 potential hazard or danger to the safety of persons;

5 (D) collapsing, missing, or deteriorating walls, roof, stairs, porches,
6 balconies, chimneys, and other building elements;

7 (E) siding or exterior walls that are seriously damaged, missing, or
8 deteriorating;

9 (F) boarded, missing or broken windows or doors;

10 (G) absence of window coverings such as curtains, blinds, or shutters;

11 (H) the property being open to casual entry or trespass;

12 (I) overgrown or dead vegetation;

13 (J) accumulation of trash, refuse or other debris;

14 (K) accumulation of newspapers, circulars, flyers, mail or other mate-
15 rials;

16 (L) past due utility notices, disconnected utilities, or lack of
17 active utility usage;

18 (M) signs of vandalism, including graffiti;

19 (N) presence of mold, algae, abandoned or wild animals, or insect or
20 pest infestation; and

21 (O) absence of furnishings or personal items consistent with habita-
22 tion.

23 (c) Real property shall not be deemed vacant and abandoned if the
24 following conditions apply:

25 (i) such property is undergoing construction, renovation, or rehabili-
26 tation that is proceeding diligently to completion;

27 (ii) such property is occupied on a seasonal basis, but otherwise
28 secure;

29 (iii) such property is the subject of a probate action, action to
30 quiet title, or other ownership dispute of which the municipality has
31 actual notice, and is secure;

32 (iv) such property has been damaged by a natural disaster, and the
33 owner has demonstrated an intent to repair or reoccupy the property; or

34 (v) such property is occupied by the owner, a relative of the owner or
35 a tenant lawfully in possession.

36 (d) For purposes of this section, real property shall not be deemed
37 occupied solely because furnishings or personal property are present,
38 utilities remain connected, or the owner or another person occasionally
39 visits, temporarily occupies or makes incidental use of the property
40 without regular habitation or ongoing lawful use consistent with the
41 property's intended purpose. A property previously designated as vacant
42 and abandoned shall not be deemed occupied unless it has been lawfully
43 occupied for residential, commercial, or other lawful purposes on a
44 regular or habitual basis.

45 3. Notice and review. (a) Prior to designating a property as vacant
46 and abandoned for purposes of this section, the city shall provide writ-
47 ten notice by first class mail to the owner of record at the address
48 listed on the assessment roll. Such notice shall state the basis for the
49 proposed designation and provide such owner with an opportunity to
50 contest such designation.

51 (b) If such owner fails to respond to such notice within forty-five
52 days from the mailing thereof, or if their response does not adequately
53 demonstrate that the property is not vacant and abandoned, the city may
54 issue a final determination that the property is vacant and abandoned
55 and the vacancy surcharge authorized by subdivision one of this section
56 shall apply beginning with the next assessment roll.

1 (c) An owner dissatisfied with the city's final determination may
2 appeal such final determination to the commissioner, in a form and
3 manner to be prescribed by the commissioner.

4 (d) Any determination of the commissioner pursuant to this subdivision
5 shall constitute a final agency determination.

6 (e) Any owner aggrieved by a final determination of the commissioner
7 may seek judicial review pursuant to article seventy-eight of the civil
8 practice law and rules.

9 (f) If the designation of a property as vacant and abandoned is over-
10 turned, any additional taxes, interest, or penalties imposed pursuant to
11 this section shall be void, and any payments made as a result of such
12 designation shall constitute an overpayment subject to refund without
13 interest pursuant to section five hundred fifty-six of this chapter.

14 4. Reporting requirements. On or before April first of each year, a
15 city that has adopted a local law pursuant to this section shall submit
16 a report to the governor, the temporary president of the senate, the
17 speaker of the assembly, the commissioner of taxation and finance, and
18 the commissioner of the division of homes and community renewal contain-
19 ing the following data from the preceding year:

20 (a) the vacancy surcharge imposed pursuant to subdivision one of this
21 section;

22 (b) the number of vacant and abandoned properties subject to such
23 vacancy surcharge and any plans of the city to facilitate their redevel-
24 opment or adaptive reuse; and

25 (c) the amount of revenue generated from such vacancy surcharge during
26 the preceding year; and

27 (d) the number of properties designated as vacant and abandoned prop-
28 erty subject to such vacancy surcharge:

29 (i) against which such city initiated tax foreclosure proceedings
30 pursuant to article eleven of this chapter;

31 (ii) for which title vested in the city; and

32 (iii) that were subsequently transferred, sold, or otherwise disposed
33 of by the city.

34 § 2. This act shall take effect immediately and shall be applicable to
35 all taxable years beginning on and after July 1, 2026.

36

PART KK

37 Section 1. Subdivision (jj) of section 1115 of the tax law, as amended
38 by section 1 of part I of chapter 59 of the laws of 2024, is amended to
39 read as follows:

40 (jj) Tangible personal property or services otherwise taxable under
41 this article sold to a related person shall not be subject to the taxes
42 imposed by section eleven hundred five of this article or the compensat-
43 ing use tax imposed under section eleven hundred ten of this article
44 where the purchaser can show that the following conditions have been met
45 to the extent they are applicable: (1)(i) the vendor and the purchaser
46 are referenced as either a "covered company" as described in section
47 243.2(f) or a "material entity" as described in section 243.2(1) of the
48 Code of Federal Regulations in a resolution plan that has been submitted
49 to an agency of the United States for the purpose of satisfying subpara-
50 graph 1 of paragraph (d) of section one hundred sixty-five of the Dodd-
51 Frank Wall Street Reform and Consumer Protection Act (the "Act") or any
52 successor law, or (ii) the vendor and the purchaser are separate legal
53 entities pursuant to a divestiture directed pursuant to subparagraph 5
54 of paragraph (d) of section one hundred sixty-five of such act or any

1 successor law; (2) the sale would not have occurred between such related
2 entities were it not for such resolution plan or divestiture; and (3) in
3 acquiring such property or services, the vendor did not claim an
4 exemption from the tax imposed by this state or another state based on
5 the vendor's intent to resell such services or property. A person is
6 related to another person for purposes of this subdivision if the person
7 bears a relationship to such person described in section two hundred
8 sixty-seven of the internal revenue code. The exemption provided by this
9 subdivision shall not apply to sales made, services rendered, or uses
10 occurring after June thirtieth, two thousand [~~twenty-five~~] twenty-eight,
11 except with respect to sales made, services rendered, or uses occurring
12 pursuant to binding contracts entered into on or before such date; but
13 in no case shall such exemption apply after June thirtieth, two thousand
14 [~~twenty-eight~~] thirty-one.

15 § 2. This act shall take effect immediately.

16

PART LL

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

19 (mm) The following shall be exempt from tax under this article: (1)
20 Receipts from the retail sale of, and consideration given or contracted
21 to be given for, or for the use of, commercial energy storage systems
22 equipment and the costs of installing such systems. For the purposes of
23 this subdivision, "commercial energy storage systems equipment" shall
24 mean an arrangement or combination of components installed upon non-re-
25 sidential premises that stores electricity for use at a later time to
26 provide heating, cooling, hot water and/or electricity.

27 (2) Receipts from the sale of electricity by a person primarily
28 engaged in the sale of energy storage system equipment and/or electric-
29 ity generated by such equipment pursuant to a written agreement under
30 which the electricity is generated by commercial energy system equipment
31 that is: (A) owned by a person other than the purchaser of such elec-
32 tricity; (B) installed on the non-residential premises of the purchaser
33 of such electricity; and (C) used to provide heating, cooling, hot water
34 or electricity to such premises.

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

38 (1) Either, all of the taxes described in article twenty-eight of this
39 chapter, at the same uniform rate, as to which taxes all provisions of
40 the local laws, ordinances or resolutions imposing such taxes shall be
41 identical, except as to rate and except as otherwise provided, with the
42 corresponding provisions in such article twenty-eight, including the
43 definition and exemption provisions of such article, so far as the
44 provisions of such article twenty-eight can be made applicable to the
45 taxes imposed by such city or county and with such limitations and
46 special provisions as are set forth in this article. The taxes author-
47 ized under this subdivision may not be imposed by a city or county
48 unless the local law, ordinance or resolution imposes such taxes so as
49 to include all portions and all types of receipts, charges or rents,
50 subject to state tax under sections eleven hundred five and eleven
51 hundred ten of this chapter, except as otherwise provided. Notwith-
52 standing the foregoing, a tax imposed by a city or county authorized
53 under this subdivision shall not include the tax imposed on charges for
54 admission to race tracks and simulcast facilities under subdivision (f)

1 of section eleven hundred five of this chapter. (i) Any local law, ordi-
2 nance or resolution enacted by any city of less than one million or by
3 any county or school district, imposing the taxes authorized by this
4 subdivision, shall, notwithstanding any provision of law to the contra-
5 ry, exclude from the operation of such local taxes all sales of tangible
6 personal property for use or consumption directly and predominantly in
7 the production of tangible personal property, gas, electricity, refrig-
8 eration or steam, for sale, by manufacturing, processing, generating,
9 assembly, refining, mining or extracting; and all sales of tangible
10 personal property for use or consumption predominantly either in the
11 production of tangible personal property, for sale, by farming or in a
12 commercial horse boarding operation, or in both; and all sales of fuel
13 sold for use in commercial aircraft and general aviation aircraft; and,
14 unless such city, county or school district elects otherwise, shall omit
15 the provision for credit or refund contained in clause six of subdivi-
16 sion (a) or subdivision (d) of section eleven hundred nineteen of this
17 chapter. (ii) Any local law, ordinance or resolution enacted by any
18 city, county or school district, imposing the taxes authorized by this
19 subdivision, shall omit the residential solar energy systems equipment
20 and electricity exemption provided for in subdivision (ee), the commer-
21 cial solar energy systems equipment and electricity exemption provided
22 for in subdivision (ii), the commercial fuel cell electricity generating
23 systems equipment and electricity generated by such equipment exemption
24 provided for in subdivision (kk), the commercial energy storage systems
25 equipment and electricity exemption provided for in subdivision (mm) and
26 the clothing and footwear exemption provided for in paragraph thirty of
27 subdivision (a) of section eleven hundred fifteen of this chapter,
28 unless such city, county or school district elects otherwise as to such
29 residential solar energy systems equipment and electricity exemption,
30 such commercial solar energy systems equipment and electricity
31 exemption, commercial fuel cell electricity generating systems equipment
32 and electricity generated by such equipment exemption, such commercial
33 energy storage systems equipment and electricity exemption, or such
34 clothing and footwear exemption.

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

38 (d) A local law, ordinance or resolution imposing any tax pursuant to
39 this section, increasing or decreasing the rate of such tax, repealing
40 or suspending such tax, exempting from such tax the energy sources and
41 services described in paragraph three of subdivision (a) or of subdivi-
42 sion (b) of this section or changing the rate of tax imposed on such
43 energy sources and services or providing for the credit or refund
44 described in clause six of subdivision (a) of section eleven hundred
45 nineteen of this chapter, or electing or repealing the exemption for
46 residential solar equipment and electricity in subdivision (ee) of
47 section eleven hundred fifteen of this article, or the exemption for
48 commercial solar equipment and electricity in subdivision (ii) of
49 section eleven hundred fifteen of this article, or electing or repealing
50 the exemption for commercial fuel cell electricity generating systems
51 equipment and electricity generated by such equipment in subdivision
52 (kk) of section eleven hundred fifteen of this article, or the exemption
53 for commercial energy storage equipment and electricity in subdivision
54 (mm) of section eleven hundred fifteen of this article must go into
55 effect only on one of the following dates: March first, June first,
56 September first or December first; provided, that a local law, ordinance

1 or resolution providing for the exemption described in paragraph thirty
2 of subdivision (a) of section eleven hundred fifteen of this chapter or
3 repealing any such exemption or a local law, ordinance or resolution
4 providing for a refund or credit described in subdivision (d) of section
5 eleven hundred nineteen of this chapter or repealing such provision so
6 provided must go into effect only on March first. No such local law,
7 ordinance or resolution shall be effective unless a certified copy of
8 such law, ordinance or resolution is mailed by registered or certified
9 mail to the commissioner at the commissioner's office in Albany at least
10 ninety days prior to the date it is to become effective. However, the
11 commissioner may waive and reduce such ninety-day minimum notice
12 requirement to a mailing of such certified copy by registered or certi-
13 fied mail within a period of not less than thirty days prior to such
14 effective date if the commissioner deems such action to be consistent
15 with the commissioner's duties under section twelve hundred fifty of
16 this article and the commissioner acts by resolution. Where the
17 restriction provided for in section twelve hundred twenty-three of this
18 article as to the effective date of a tax and the notice requirement
19 provided for therein are applicable and have not been waived, the
20 restriction and notice requirement in section twelve hundred twenty-
21 three of this article shall also apply.

22 § 4. Subdivision 1-a of section 66-r of the public service law, as
23 added by section 32 of part 0 of chapter 58 of the laws of 2024, is
24 amended to read as follows:

25 1-a. For the purposes of this section, an "other covered project"
26 means: (a) any "thermal energy network" as defined by subdivision twen-
27 ty-nine of section two of this chapter; (b) any offshore wind supply
28 chain project, including but not limited to port infrastructure, primary
29 component manufacturing, finished component manufacturing, subassembly
30 manufacturing, subcomponent manufacturing, or raw material producers, or
31 a combination thereof receiving direct funding from the New York state
32 energy research and development authority pursuant to an award under a
33 New York state energy research and development authority solicitation;
34 ~~[or]~~ (c) a "major utility transmission facility" as such term is defined
35 by section one hundred twenty of this chapter or "major electric trans-
36 mission facility" as defined by article VIII of this chapter; or (d) any
37 "qualified energy storage system" as such term is defined by subdivision
38 one of section seventy-four of this article, with a nameplate capacity
39 of greater than five megawatts and interconnected to the state's elec-
40 tricity grid.

41 § 5. Subdivision 3 of section 66-r of the public service law, as
42 amended by section 32 of part 0 of chapter 58 of the laws of 2024, is
43 amended to read as follows:

44 3. The commission shall require that the owner of the covered renewa-
45 ble energy system or other covered project, or a third party acting on
46 the owner's behalf, as an ongoing condition of any renewable energy
47 credits agreement or energy storage credits agreement with a public
48 entity, shall stipulate to the fiscal officer that it will enter into
49 labor peace agreements with any bona fide labor organizations that
50 either are actively representing employees providing necessary oper-
51 ations and maintenance services for the renewable energy system at the
52 time of such agreement or provides notice that it is attempting to
53 represent any employees in any titles who provide, or who will provide,
54 necessary operations and maintenance services for the renewable energy
55 system employed in the state; provided, however, this subdivision shall
56 not apply to any covered projects defined in paragraph (c) of subdivi-

1 sion one-a of this section. The maintenance of such a labor peace
2 agreement, or agreements, which cover all classes of operations and
3 maintenance employees, shall be an ongoing material condition of any
4 continuation of payments under a renewable energy credits agreement or
5 energy storage credits agreement. For purposes of this section "labor
6 peace agreement" means an agreement between an entity and labor organ-
7 ization that, at a minimum, protects the state's proprietary interests
8 by prohibiting labor organizations and members from engaging in picket-
9 ing, work stoppages, boycotts, and any other economic interference with
10 the relevant renewable energy system. "Renewable energy credits agree-
11 ment" shall mean any public entity contract that provides production-
12 based payments to a renewable energy project as defined in this section.
13 For purposes of this subdivision, "energy storage credits agreement"
14 shall mean any public entity contract that provides index storage cred-
15 its to an energy storage project as defined in this section.

16 § 6. Subdivision 1 of section 224-d of the labor law, as amended by
17 section 31 of part O of chapter 58 of the laws of 2024, is amended to
18 read as follows:

19 1. For purposes of this section, a "covered renewable energy system"
20 means (a) a renewable energy system, as such term is defined in section
21 sixty-six-p of the public service law, with a capacity of one or more
22 megawatts alternating current and which involves the procurement of
23 renewable energy credits by a public entity, or a company or corporation
24 provided in subdivisions twenty-three and twenty-four of section two of
25 the public service law, or a third party acting on behalf and for the
26 benefit of a public entity; (b) any "thermal energy network" as defined
27 by subdivision twenty-nine of section two of the public service law; (c)
28 any offshore wind supply chain project, including but not limited to
29 port infrastructure, primary component manufacturing, finished component
30 manufacturing, subassembly manufacturing, subcomponent manufacturing, or
31 raw material producers, or a combination thereof receiving direct fund-
32 ing from the New York state energy research and development authority
33 pursuant to an award under a New York state energy research and develop-
34 ment authority solicitation; ~~(d)~~ (d) a "major utility transmission
35 facility" as such term is defined by section one hundred twenty of the
36 public service law; or (e) any "qualified energy storage system" as such
37 term is defined by subdivision one of section seventy-four of the public
38 service law, with a nameplate capacity of one or more megawatts and
39 interconnected to the state's electricity grid, and which involves
40 either (i) the procurement of energy storage credits by a public entity,
41 or a public utility company or corporation as defined by subdivisions
42 twenty-three and twenty-four of section two of the public service law,
43 or a third party acting on behalf and for the benefit of a public entity
44 through a solicitation issued after the effective date of the chapter of
45 the laws of two thousand twenty-six that amended this subdivision or
46 (ii) a financial incentive award for grid-connected energy storage
47 systems issued by a public entity after the effective date of the chap-
48 ter of the laws of two thousand twenty-six that amended this
49 subdivision.

50 § 7. Subdivision 8 of section 224-d of the labor law, as amended by
51 chapter 37 of the laws of 2026, is amended to read as follows:

52 8. A covered renewable energy system shall require all contractors and
53 subcontractors performing construction work to have apprenticeship
54 agreements, as defined by article twenty-three of this chapter, provided
55 that a covered renewable energy system will be deemed to have satisfied
56 such requirement for any given year if it has: (a) complied with the

1 apprenticeship requirements of paragraph eight of subsection (b) of
2 section forty-five of the United States internal revenue code and any
3 regulations promulgated thereunder as of January first, two thousand
4 twenty-six, or (b) requested qualified apprentices from an apprentice-
5 ship program registered with the department and (i) such request has
6 been denied, provided that such denial is not the result of a refusal by
7 the covered renewable energy system or any such contractors or subcon-
8 tractors performing construction work to comply with the established
9 standards and requirements of such registered apprenticeship program, or
10 (ii) the registered apprenticeship program fails to respond to such
11 request within five business days after the date on which such regis-
12 tered apprenticeship program received such request, and any thermal
13 energy network covered by this section shall additionally require such
14 contractors and subcontractors to have agreements with pre-apprentice-
15 ship direct entry providers registered with the department.

16 § 8. This act shall take effect immediately; provided, however, that
17 the amendments to subdivision 8 of section 224-d of the labor law made
18 by section seven of this act shall take effect on the same date and in
19 the same manner as chapter 362 of the laws of 2025, takes effect; and
20 provided further, that sections one, two, and three of this act shall
21 expire and be deemed repealed June 1, 2028.

22

PART MM

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

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

25 § 3. This act shall take effect June 1, 2026.

26

PART NN

27 Section 1. Subdivision 1 of section 115-a of the racing, pari-mutuel
28 wagering and breeding law, as added by section 1 of part A of chapter 60
29 of the laws of 2012, is amended to read as follows:

30 1. In order to provide supplemental funding to support the operations
31 of the commission, a fee in the amount of ten dollars shall be assessed
32 and paid upon every horse entered in a pari-mutuel race in New York
33 state that actually starts in the race. Beginning January first, two
34 thousand twenty-seven, an amount as determined by the commission to
35 support the standardbred drug testing and anti-doping program outlined
36 in section nine hundred two-a of this chapter shall be added to such fee
37 upon every standardbred horse entered in a pari-mutuel race in New York
38 state that actually starts in the race. Such fee shall be refunded to
39 the owner or credited to the owner's account in the event the horse does
40 not actually start in the race. The commission shall, as a condition of
41 racing, require any corporation authorized under this chapter to conduct
42 pari-mutuel betting at a race meeting or races run thereat, to require
43 that each owner racing a horse shall have placed on deposit at the time
44 of entry with the horsemen's bookkeeper or similar office of such corpo-
45 ration the required fee in the amount of ten dollars per horse entered
46 in a pari-mutuel race. Unless refunded or credited, the total fee amount
47 collected during the preceding month by the horsemen's bookkeeper or
48 similar office of such corporation shall be paid to the commission on
49 the first business day of each month. Payment shall be accompanied by a
50 report, under oath, showing such information as the commission may
51 require. A penalty of five percent, and interest at the rate of one
52 percent per month from the date the report is required to be filed to

1 the date of the payment of the fee, shall be payable in case any fee
2 imposed by this subdivision is not paid when due. If the commission
3 determines that any fees received by it under this subdivision were paid
4 in error, the commission may cause the same to be refunded without
5 interest out of any monies collected hereunder, provided an application
6 therefor is filed with the commission within one year from the time the
7 erroneous payment is made.

8 § 2. The racing, pari-mutuel wagering and breeding law is amended by
9 adding a new section 902-a to read as follows:

10 § 902-a. Standardbred drug testing and anti-doping program. 1.
11 Program. The commission shall establish and administer a program for
12 the detection of prohibited drugs, restricted substances, and other
13 foreign substances in standardbred horses entered to race at licensed
14 harness tracks in this state. Such program shall include pre-race test-
15 ing, post-race testing, and out-of-competition testing done by the
16 commission or its employees or representatives in accordance with this
17 section and regulations promulgated by the commission.

18 2. Recurring annual expenses. (a) The commission shall mandate an
19 additional amount to be added to start fees, outlined in subdivision one
20 of section one hundred fifteen-a of this chapter, necessary to cover
21 fifty percent of the costs to support the program established by this
22 section for the applicable calendar year.

23 (b) The commission shall mandate corporations or associations author-
24 ized under this chapter to conduct pari-mutuel betting at a standardbred
25 race meeting or standardbred races run thereat to make payment, or
26 payments, to the racing regulation account in the amount necessary to
27 cover fifty percent of the costs to support the program established by
28 this section for the applicable calendar year. The commission shall
29 determine the frequency and manner of such payments.

30 (c) (i) On or before November first of the calendar year preceding the
31 applicable calendar year, the commission shall notice the applicable
32 organization representing at least fifty-one percent of the owners and
33 trainers using the facilities of the applicable corporation or associ-
34 ation authorized under this chapter to conduct pari-mutuel betting at a
35 standardbred race meeting or standardbred races run thereat of the addi-
36 tional amount to be included in the start fees outlined in paragraph (a)
37 of this subdivision during the applicable calendar year.

38 (ii) On or before November first of the calendar year preceding the
39 applicable calendar year, the commission shall notice corporations or
40 associations authorized under this chapter to conduct pari-mutuel
41 betting at a standardbred race meeting or standardbred races run thereat
42 of the amount, frequency and manner of the payment or payments outlined
43 in paragraph (b) of this subdivision during the applicable calendar
44 year.

45 3. Pre-race testing. (a) Blood or other biologic samples shall be
46 taken from at least fifty percent of horses programmed to race, imme-
47 diately prior to the race in which such horse is programmed, at a time
48 and location specified by the commission. Horses selected for such
49 samples shall be selected at random by the commission or its employees
50 or representatives.

51 (b) The trainer or such trainer's representative shall accompany such
52 horse at the prescribed time and location and shall manage the horse as
53 directed. Willful failure to be present at, refusal to permit, or inter-
54 ference with the taking of any sample pursuant to this subdivision shall
55 constitute a violation of this section and may subject the person

1 responsible to disciplinary action by the commission pursuant to this
2 chapter.

3 (c) Blood samples shall be taken by a commission veterinarian or,
4 under such veterinarian's supervision, by a veterinarian licensed to
5 practice in this state.

6 (d) Urine samples may be collected by a commission inspector or other
7 person authorized by the commission.

8 (e) Whenever a laboratory test indicates the presence of a prohibited
9 drug, restricted substance, or foreign substance, or a substance the
10 identity of which cannot be established, in a sample taken from a horse,
11 the judges shall scratch the horse from the race pending confirmatory
12 testing and may take such further action as deemed appropriate.

13 (f) Unless specifically permitted in writing by the presiding judge, a
14 horse from which a pre-race sample has been taken shall not be removed
15 from the grounds except for transport to the racecourse where such horse
16 is scheduled to race if such racecourse is not located on the grounds
17 where the sample was taken.

18 4. Post-race testing. (a) The winner and at least one other horse
19 designated by the judges shall be tested immediately after each race.

20 (b) Blood, urine, and such other biologic samples as may be required
21 shall be attempted to be taken from each designated horse at a time and
22 in an enclosure specified by the commission or its representative, until
23 such horse is released by the commission veterinarian.

24 (c) The trainer or such trainer's representative shall accompany the
25 horse at the prescribed time and location and shall manage the horse as
26 directed. Willful failure to cooperate in the taking of any such sample
27 or interference therewith shall constitute a violation of this section
28 and may subject the person responsible to disciplinary action by the
29 commission pursuant to this chapter.

30 (d) Blood samples shall be taken by the commission veterinarian or,
31 under such veterinarian's supervision, by a veterinarian licensed to
32 practice in this state.

33 (e) Urine samples may be collected by a commission inspector or other
34 person authorized by the commission.

35 5. Commission testing authority. (a) The judges may require at any
36 time that any horse be sent to the testing enclosure for the taking of
37 blood, urine or other biologic samples and for such examinations as may
38 be directed.

39 (b) The commission veterinarian, when directed by the judges, may
40 require the taking of such samples from any horse stabled at a licensed
41 harness track during a race meeting.

42 (c) The judges, commission veterinarian or their designees may take
43 samples for analysis of any medicine or other materials found in stables
44 or elsewhere on the grounds of a licensed harness track or in the
45 possession of any person connected with racing.

46 6. Drug detection facilities. (a) Each licensed harness racing corpo-
47 ration or association shall provide the commission with access to exist-
48 ing facilities and locations, where feasible and appropriate, for
49 purposes of conducting the testing required by this section.

50 (b) No person shall enter or be present in any enclosure designated by
51 the commission for the taking or examination of samples from horses
52 except commission staff, the judges, the custodians of the horse, or
53 such other persons as may be authorized by the commission.

54 7. Possession of hypodermic equipment and controlled substances. (a)
55 No person other than a commission veterinarian, track veterinarian or

1 veterinarian licensed by the commission shall possess on the premises of
2 a licensed harness track:

3 (i) any equipment capable of hypodermic injection or other infusion
4 into a horse or any vial, bottle, or cartridge designed and usable for
5 such purposes; or

6 (ii) any controlled substance, listed in schedule I through IV of
7 United States code, Title 21 (Food and Drugs) section 812, or any drug
8 which has not been approved for use in the horse by the Federal Food and
9 Drug Administration.

10 (b) This subdivision shall not apply to liniments, antiseptics, oint-
11 ments, leg paints, washes and other products commonly used in the daily
12 care of horses.

13 (c) This subdivision shall not apply to a person possessing a
14 controlled substance or hypodermic syringe pursuant to a prescription
15 for such person's own medical use, subject to regulation by the commis-
16 sion.

17 (d) All bottles and other containers kept in or about any tack room or
18 elsewhere on the premises of a licensed harness racing track shall bear
19 a label clearly identifying their contents, including the name of each
20 active ingredient, unless such container bears a veterinarian's or
21 pharmacist's prescription label.

22 (e) Licensed participants shall be deemed to consent to inspection by
23 the commission or its designees of stables, tack rooms, vehicles, and
24 other racing-related premises located on the grounds of a licensed
25 harness track for the purpose of enforcing this section.

26 8. Veterinary records. (a) Every veterinarian licensed by the commis-
27 sion who treats horses participating in harness race meetings in this
28 state shall maintain written records:

29 (i) the name and identifying information of the horse treated;

30 (ii) the nature of the horse's ailment;

31 (iii) the treatment prescribed or administered; and

32 (iv) the date and time of such treatment.

33 (b) Such records shall be produced upon request of the commission or
34 its representatives.

35 (c) Before administering or prescribing any drug or restricted
36 substance for a horse, a veterinarian shall determine whether such horse
37 has been entered to race and shall not administer any drug or restricted
38 substance in violation of the commission's medication restrictions,
39 except in cases of emergency involving the life or health of the horse,
40 in which case the veterinarian shall promptly notify the commission
41 veterinarian or judges.

42 9. Out-of-competition testing authorized. (a) Any horse reasonably
43 believed to be intended to compete in harness racing in this state may
44 be subject to out-of-competition testing.

45 (b) Horses may be selected to be tested at random, for cause or as
46 otherwise determined by the commission.

47 (c) The commission may take blood, urine, hair or other biologic
48 samples from such horses at reasonable times for the purpose of enforc-
49 ing the commission's drug testing and anti-doping rules.

50 10. Disqualification. A horse with respect to which there has been a
51 violation of this section or the commission's standardbred drug testing
52 and anti-doping rules, or from which a sample has resulted in a positive
53 test, may be disqualified from the race and from any share of the purse.
54 Such share shall be redistributed among the remaining horses entitled
55 thereto. The pari-mutuel distribution shall be deemed final upon the
56 declaration of the race as official.

1 11. Regualification. A horse that has tested positive for a prohibited
2 drug or restricted substance shall not start in any subsequent race
3 until such horse has successfully completed a qualifying workout satis-
4 factory to the judges and has tested negative in accordance with commis-
5 sion regulations.

6 12. Regulations. The commission shall promulgate regulations necessary
7 to implement this section, including but not limited to regulations
8 defining prohibited drugs, restricted substances, and foreign substances
9 and establishing procedures for testing, laboratory analysis, and
10 enforcement.

11 13. Scope. Nothing in this section shall be construed to apply to
12 thoroughbred horses, thoroughbred tracks, or thoroughbred races.

13 § 3. This act shall take effect immediately.

14 PART 00

15 Section 1. Subsection (b) of section 870 of the tax law, as added by
16 section 1 of subpart B of part MM of chapter 59 of the laws of 2022, is
17 amended to read as follows:

18 (b) Limitation on credit. The aggregate amount of credits claimed by
19 all partners, members or shareholders of an electing city partnership or
20 an electing city resident S corporation pursuant to subsection (a) of
21 this section shall not exceed seventy-five percent of the tax due under
22 section eight hundred sixty-nine of this article from such electing city
23 partnership or electing city resident S corporation for the taxable
24 year.

25 § 2. Paragraphs 2 and 5 of subsection (g) of section 1310 of the tax
26 law, as added by section 3 of subpart B of part MM of chapter 59 of the
27 laws of 2022, are amended to read as follows:

28 (2) The amount of the credit shall be equal to seventy-five percent of
29 the partner's, member's or shareholder's direct share of the city pass-
30 through entity tax.

31 (5) Limitation on credit. No credit shall be allowed to a taxpayer
32 under this subsection unless the electing city partnership or electing
33 city resident S corporation provided sufficient information to identify
34 such taxpayer on its city pass-through entity tax return as required
35 under paragraph two of subsection (c) of section eight hundred seventy-
36 two of this chapter for an electing city partnership or paragraph two of
37 subsection (d) of section eight hundred seventy-two of this chapter for
38 an electing city resident S corporation. The credit allowed to a taxpay-
39 er under this subsection shall not exceed seventy-five percent of the
40 direct share of city pass-through entity tax reported by such electing
41 city partnership or electing city resident S corporation attributable to
42 such taxpayer on such electing city partnership or electing city resi-
43 dent S corporation's return filed pursuant to section eight hundred
44 seventy-two of this chapter.

45 § 3. Paragraphs 2 and 5 of subdivision (g) of section 11-1706 of the
46 administrative code of the city of New York, as added by section 11 of
47 subpart B of part MM of chapter 59 of the laws of 2022, are amended to
48 read as follows:

49 (2) The amount of the credit shall be equal to seventy-five percent of
50 the partner's, member's or shareholder's direct share of the city pass-
51 through entity tax.

52 (5) Limitation on credit. No credit shall be allowed to a taxpayer
53 under this subdivision unless the electing city partnership or electing
54 city resident S corporation provided sufficient information to identify

1 such taxpayer on its city pass-through entity tax return as required
2 under paragraph two of subsection (c) of section eight hundred seventy-
3 two of the tax law for an electing city partnership or paragraph two of
4 subsection (d) of section eight hundred seventy-two of the tax law for
5 an electing city resident S corporation. The credit allowed to a taxpay-
6 er under this subdivision shall not exceed seventy-five percent of the
7 direct share of city pass-through entity tax reported by such electing
8 city partnership or electing city resident S corporation attributable to
9 such taxpayer on such electing city partnership's or such electing city
10 resident S corporation's return filed pursuant to section eight hundred
11 seventy-two of the tax law.

12 § 4. This act shall take effect June 1, 2026.

13

PART PP

14 Section 1. Subdivision (a) of section 101 of section 2 of chapter 772
15 of the laws of 1966, relating to enabling any city having a population
16 of one million or more to raise tax revenue, is amended to read as
17 follows:

18 (a) General.--A tax at the rate of four percent is hereby imposed for
19 each taxable year, beginning with taxable years ending after January
20 first, nineteen hundred sixty-six, on the unincorporated business taxa-
21 ble income of every unincorporated business wholly or partly carried on
22 within the city, provided that, for taxable years beginning on or after
23 January first, two thousand twenty-six, for any portion of such unincor-
24 porated business taxable income greater than five million dollars, such
25 tax shall be at a rate of four and four-tenths percent. This tax shall
26 be in addition to any other taxes imposed.

27 § 2. Subdivision (a) of section 11-503 of the administrative code of
28 the city of New York is amended to read as follows:

29 (a) General. A tax at the rate of four percent is hereby imposed for
30 each taxable year, beginning with taxable years ending after January
31 first, nineteen hundred sixty-six, on the unincorporated business taxa-
32 ble income of every unincorporated business wholly or partly carried on
33 within the city, provided that, for taxable years beginning on or after
34 January first, two thousand twenty-six, for any portion of such unincor-
35 porated business taxable income greater than five million dollars, such
36 tax shall be at a rate of four and four-tenths percent. This tax shall
37 be in addition to any other taxes imposed.

38 § 3. Clauses 1 and 3 of subparagraph (a) of paragraph E of subdivision
39 1 of section 11-604 of the administrative code of the city of New York,
40 as amended by chapter 345 of the laws of 2023, is amended to read as
41 follows:

42 (1) an amount computed, for taxable years beginning before nineteen
43 hundred eighty-seven, at the rate of nine per centum, [~~and~~] for taxable
44 years beginning after nineteen hundred eighty-six and before January
45 first, two thousand twenty-six, at the rate of eight and eighty-five
46 one-hundredths per centum, and for taxable years beginning on or after
47 January first, two thousand twenty-six, at the rate of ten and sixty-two
48 one-hundredths per centum, of its entire net income or the portion of
49 such entire net income allocated within the city as hereinafter
50 provided, subject to any modification required by paragraphs (d) and (e)
51 of subdivision three of this section,

52 (3) an amount computed, for taxable years beginning before nineteen
53 hundred eighty-seven, at the rate of nine per centum, [~~and~~] for taxable
54 years beginning after nineteen hundred eighty-six and before January

1 first, two thousand twenty-six, at the rate of eight and eighty-five
2 one-hundredths per centum, and for taxable years beginning on or after
3 January first, two thousand twenty-six, at the rate of ten and sixty-two
4 one-hundredths per centum, on thirty per centum of the taxpayer's entire
5 net income plus salaries and other compensation paid to the taxpayer's
6 elected or appointed officers and to every stockholder owning in excess
7 of five per centum of its issued capital stock minus fifteen thousand
8 dollars (subject to proration as hereinafter provided) and any net loss
9 for the reported year, or on the portion of any such sum allocated with-
10 in the city as hereinafter provided for the allocation of entire net
11 income, subject to any modification required by paragraphs (d) and (e)
12 of subdivision three of this section, provided, however, that for taxa-
13 ble years beginning on or after July first, nineteen hundred ninety-six,
14 the provisions of paragraph H of this subdivision shall apply for
15 purposes of the computation under this clause, or

16 § 4. The opening paragraph of subparagraph 2 of paragraph (a) of
17 subdivision 18 of section 11-604 of the administrative code of the city
18 of New York, as amended by chapter 128 of the laws of 1996, is amended
19 to read as follows:

20 The amount determined in this subparagraph is the product of (A) the
21 excess of (i) the tax computed under clause one of subparagraph (a) of
22 paragraph E of subdivision one of this section, without allowance of any
23 credits allowed by this section, over (ii) the tax so computed, deter-
24 mined as if the corporation had no such distributive share or guaranteed
25 payments with respect to the unincorporated business, and (B) a frac-
26 tion, the numerator of which is four and the denominator of which is
27 eight and eighty-five one hundredths, provided, however, that for a
28 taxable year beginning on or after January first, two thousand twenty-
29 six, such denominator shall be equal to ten and sixty-two one-hun-
30 dredths, and provided further that the amounts computed in clauses (i)
31 and (ii) of this subparagraph shall be computed with the following
32 modifications:

33 § 5. Subparagraph 1 of paragraph (b) of subdivision 18 of section
34 11-604 of the administrative code of the city of New York, as amended by
35 chapter 128 of the laws of 1996, is amended to read as follows:

36 (1) Notwithstanding anything to the contrary in paragraph (a) of this
37 subdivision, in the case of a corporation that, before the application
38 of this subdivision or any other credit allowed by this section, is
39 liable for the tax on entire net income under clause one of subparagraph
40 (a) of paragraph E of subdivision one of this section, the credit or the
41 sum of the credits that may be taken by such corporation for a taxable
42 year under this subdivision with respect to an unincorporated business
43 or unincorporated businesses in which it is a partner shall not exceed
44 the tax so computed, without allowance of any credits allowed by this
45 section, multiplied by a fraction the numerator of which is four and the
46 denominator of which is eight and eighty-five one hundredths, provided,
47 however, that for a taxable year beginning on or after January first,
48 two thousand twenty-six, such denominator shall be equal to ten and
49 sixty-two one-hundredths. If the credit allowed under this subdivision
50 or the sum of such credits exceeds the product of such tax and such
51 fraction, the amount of the excess may be carried forward, in order, to
52 each of the seven immediately succeeding taxable years and, to the
53 extent not previously taken, shall be allowed as a credit in each of
54 such years. In applying the provisions of the preceding sentence, the
55 credit determined for the taxable year under paragraph (a) of this
56 subdivision shall be taken before taking any credit carryforward pursu-

1 ant to this paragraph and the credit carryforward attributable to the
2 earliest taxable year shall be taken before taking a credit carryforward
3 attributable to a subsequent taxable year.

4 § 6. Subdivision (a) of section 11-643.5 of the administrative code of
5 the city of New York, as added by local law number 37 of the city of New
6 York for the year 1986, is amended to read as follows:

7 (a) Basic tax. Nine percent of the taxpayer's entire net income, or
8 the portion thereof allocated to the city, for the taxable year or part
9 thereof, provided that, for a taxable year beginning on or after January
10 first, two thousand twenty-six, or part thereof, such basic tax shall be
11 equal to ten and eight-tenths percent of the taxpayer's entire net
12 income, or the portion thereof allocated to the city.

13 § 7. The opening paragraph of paragraph 2 of subdivision (a) of
14 section 11-643.8 of the administrative code of the city of New York, as
15 amended by chapter 128 of the laws of 1996, is amended to read as
16 follows:

17 The amount determined in this paragraph is the product of (A) the
18 excess of (i) the basic tax computed pursuant to subdivision (a) of
19 section 11-643.5 of this part, without allowance of any credits allowed
20 by this part, over (ii) the basic tax so computed, determined as if the
21 banking corporation had no such distributive share or guaranteed
22 payments with respect to the unincorporated business, and (B) a frac-
23 tion, the numerator of which is four and the denominator of which is
24 nine, provided, however, that for a taxable year beginning on or after
25 January first, two thousand twenty-six, such denominator shall be equal
26 to ten and eight-tenths, and provided further that the amounts computed
27 in clauses (i) and (ii) of this paragraph shall be computed with the
28 following modifications:

29 § 8. Paragraph 1 of subdivision (b) of section 11-643.8 of the admin-
30 istrative code of the city of New York, as amended by chapter 128 of the
31 laws of 1996, is amended to read as follows:

32 (1) Notwithstanding anything to the contrary in subdivision (a) of
33 this section, in the case of a banking corporation that, before the
34 application of this section or any other credit allowed by this part, is
35 liable for the basic tax computed under subdivision (a) of section
36 11-643.5 of this part, the credit or the sum of the credits that may be
37 taken by such banking corporation for a taxable year under this section
38 with respect to an unincorporated business or unincorporated businesses
39 in which it is a partner shall not exceed the tax so computed, without
40 allowance of any credits allowed by this part, multiplied by a fraction
41 the numerator of which is four and the denominator of which is nine,
42 provided, however, that for a taxable year beginning on or after January
43 first, two thousand twenty-six, such denominator shall be equal to ten
44 and eight-tenths. If the credit allowed under this subdivision or the
45 sum of such credits exceeds the product of such tax and such fraction,
46 the amount of the excess may be carried forward, in order, to each of
47 the seven immediately succeeding taxable years and, to the extent not
48 previously taken, shall be allowed as a credit in each of such years. In
49 applying the provisions of the preceding sentence, the credit determined
50 for the taxable year under subdivision (a) of this section shall be
51 taken before taking any credit carryforward pursuant to this paragraph
52 and the credit carryforward attributable to the earliest taxable year
53 shall be taken before taking a credit carryforward attributable to a
54 subsequent taxable year.

55 § 9. Clause (i) of subparagraph 1 of paragraph (e) of subdivision 1 of
56 section 11-654 of the administrative code of the city of New York, as

1 added by section 1 of part D of chapter 60 of the laws of 2015, is
2 amended to read as follows:

3 (i) an amount computed on its business income or the portion of such
4 business income allocated within the city as hereinafter provided,
5 subject to the application of paragraphs (j) and (k) of this subdivision
6 and any modification required by paragraphs (d) and (e) of subdivision
7 three of this section, at the rate of (1) for a taxable year beginning
8 before January first, two thousand twenty-six, nine per centum for
9 financial corporations, as defined in this clause, and for a taxable
10 year beginning on or after January first, two thousand twenty-six, ten
11 and eight-tenths per centum for financial corporations, or (2) for a
12 taxable year beginning before January first, two thousand twenty-six,
13 eight and eighty-five one hundredths per centum for all other corpo-
14 rations, and for a taxable year beginning on or after January first, two
15 thousand twenty-six, ten and sixty-two one-hundredths per centum for all
16 other corporations. For purposes of this clause, "financial corporation"
17 means a corporation or, if the corporation is included in a combined
18 group, a combined group, that (A) has total assets reflected on its
19 balance sheet at the end of its taxable year in excess of one hundred
20 billion dollars, computed under generally accepted accounting principles
21 and (B)(I) allocates more than fifty percent of the receipts included in
22 the denominator of its receipts fraction, determined under section
23 11-654.2 of this subchapter, pursuant to subdivision five of section
24 11-654.2 of this subchapter for its taxable year, or (II) is itself or
25 is included in a combined group in which more than fifty percent of the
26 total assets reflected on its balance sheet at the end of its taxable
27 year are held by one or more corporations that are classified as (a)
28 registered under state law as a bank holding company or registered under
29 the Federal Bank Holding Company Act of 1956 (12 U.S.C. § 1841, et seq.,
30 as amended), or registered as a savings and loan holding company under
31 the Federal National Housing Act (12 U.S.C. 1701, as amended), (b) a
32 national bank organized and existing as a national bank association
33 pursuant to the provisions of the National Bank Act, 12 U.S.C. 21 et.
34 seq., (c) a savings association or federal savings bank as defined in
35 the Federal Deposit Insurance Act, 12 U.S.C. § 1813(b)(1), (d) a bank,
36 savings association, or thrift institution incorporated or organized
37 under the laws of any state, (e) a corporation organized under the
38 provisions of 12 U.S.C. §§ 611 to 631, (f) an agency or branch or a
39 foreign depository as defined in 12 U.S.C. § 3101, (g) a registered
40 securities or commodities broker or dealer registered as such by the
41 securities and exchange commission or the commodities futures trading
42 commission, which shall include an OTC derivatives dealer as defined
43 under regulations of the securities and exchange commission at title 17,
44 part 240, section 3b-12 of the code of federal regulations (17 CFR
45 240.3b-12), or (h) any corporation whose voting stock is more than fifty
46 percent owned, directly or indirectly, by any person or business entity
47 described in subitems (a) through (g) of this item, other than an insur-
48 ance company taxable under article thirty-three of the tax law; or

49 § 10. Subparagraphs 2 and 3 of paragraph (j) of subdivision 1 of
50 section 11-654 of the administrative code of the city of New York, as
51 added by section 1 of part D of chapter 60 of the laws of 2015, are
52 amended to read as follows:

53 (2) Subject to subparagraph three of this paragraph, if the amount of
54 business income allocated within the city as hereinafter provided is one
55 million dollars or greater but less than one million five hundred thou-
56 sand dollars, the amount computed in clause (i) of subparagraph one of

1 paragraph (e) of this subdivision shall be at the rate of (i) six and
2 five-tenths per centum, plus (ii) [~~two and thirty five one hundredths~~
3 ~~per centum~~] a general scaling factor multiplied by a fraction the numer-
4 ator of which is allocated business income less one million dollars and
5 the denominator of which is five hundred thousand dollars, of the amount
6 of business income allocated within the city as hereinafter provided,
7 subject to any modification required by paragraphs (d) and (e) of subdivi-
8 sion three of this section;

9 (3) Provided, however, notwithstanding anything to the contrary, if
10 the amount of business income before allocation is two million dollars
11 or greater but less than three million dollars, the rate of tax provided
12 for in this paragraph shall not be less than (i) six and five-tenths per
13 centum, plus (ii) [~~two and thirty five one hundredths per centum~~] a
14 general scaling factor multiplied by a fraction the numerator of which
15 is business income before allocation less two million dollars and the
16 denominator of which is one million dollars, and provided, however,
17 notwithstanding anything to the contrary, if the amount of business
18 income before allocation is three million dollars or greater, the rate
19 of tax shall be eight and eighty-five one-hundredths per centum for a
20 taxable year beginning before January first, two thousand twenty-six,
21 and ten and sixty-two one-hundredths per centum for a taxable year
22 beginning on or after January first, two thousand twenty-six, or, in the
23 case of a financial corporation, as defined in clause (i) of subpara-
24 graph one of paragraph (e) of this subdivision [~~one of section 11-654~~],
25 if the amount of business income before allocation is three million
26 dollars or greater the rate of tax shall be nine per centum for a taxa-
27 ble year beginning before January first, two thousand twenty-six, and
28 ten and eight-tenths per centum for a taxable year beginning on or after
29 January first, two thousand twenty-six. For the purposes of this subpara-
30 graph and subparagraph two of this paragraph, the term "general scaling
31 factor" means a value equal to two and thirty-five one-hundredths per
32 centum for a taxable year beginning before January first, two thousand
33 twenty-six, or a value equal to four and twelve one-hundredths per
34 centum for a taxable year beginning on or after January first, two thou-
35 sand twenty-six.

36 § 11. Subparagraphs 2 and 3 of paragraph (k) of subdivision 1 of
37 section 11-654 of the administrative code of the city of New York, as
38 added by section 1 of part D of chapter 60 of the laws of 2015, are
39 amended to read as follows:

40 (2) Subject to subparagraph three of this paragraph for qualified New
41 York manufacturing corporations as defined in subparagraph four of this
42 paragraph, if the amount of business income allocated within the city as
43 hereinafter provided is ten million dollars or greater but less than
44 twenty million dollars, the amount computed in clause (i) of subpara-
45 graph one of paragraph (e) of this subdivision shall be at the rate of
46 (i) four and four hundred twenty-five one-thousandths per centum, plus
47 (ii) [~~four and four hundred twenty five one thousandths per centum~~] a
48 manufacturing scaling factor multiplied by a fraction the numerator of
49 which is allocated business income less ten million dollars and the
50 denominator of which is ten million dollars, of its business income or
51 the portion of such business income allocated within the city as herein-
52 after provided, subject to any modification required by paragraphs (d)
53 and (e) of subdivision three of this section;

54 (3) Notwithstanding anything to the contrary, if the amount of busi-
55 ness income before allocation is twenty million dollars or greater but
56 less than forty million dollars, the rate of tax provided for in this

1 paragraph shall not be less than (i) four and four hundred twenty-five
2 one thousandths percentum, plus (ii) [~~four and four hundred twenty-five~~
3 ~~one thousandths percentum~~] a manufacturing scaling factor multiplied by
4 a fraction the numerator of which is business income before allocation
5 less twenty million dollars and the denominator of which is twenty
6 million dollars, and provided, however, notwithstanding anything to the
7 contrary, if the amount of business income before allocation is forty
8 million dollars or greater, the rate of tax shall be eight and eighty-
9 five one-hundredths per centum for a taxable year beginning before Janu-
10 ary first, two thousand twenty-six, and ten and sixty-two one-hundredths
11 per centum for a taxable year beginning on or after January first, two
12 thousand twenty-six. For the purposes of this subparagraph and subpara-
13 graph two of this paragraph, the term "manufacturing scaling factor"
14 means a value equal to four and four hundred twenty-five one-thousandths
15 per centum for a taxable year beginning before January first, two thou-
16 sand twenty-six, or a value equal to six and one hundred ninety-five
17 one-thousandths per centum for a taxable year beginning on or after
18 January first, two thousand twenty-six.

19 § 12. The opening paragraph of subparagraph 2 of paragraph (a) of
20 subdivision 18 of section 11-654 of the administrative code of the city
21 of New York, as amended by section 12 of part P of chapter 60 of the
22 laws of 2016, is amended to read as follows:

23 The amount determined in this subparagraph is the product of (i) the
24 excess of (A) the tax computed under clause (i) of subparagraph one of
25 paragraph (e) of subdivision one of this section, without allowance of
26 any credits allowed by this section, over (B) the tax so computed,
27 determined as if the corporation had no such distributive share or guar-
28 anteed payments with respect to the unincorporated business, and (ii) a
29 fraction, the numerator of which is four and the denominator of which,
30 for a taxable year beginning before January first, two thousand twenty-
31 six, is eight and eighty-five one hundredths, [except] provided that,
32 for a taxable year beginning on or after January first, two thousand
33 twenty-six, such denominator is ten and sixty-two one-hundredths, and
34 provided further that in the case of a financial corporation as defined
35 in clause (i) of subparagraph one of paragraph (e) of subdivision one of
36 this section, for a taxable year beginning before January first, two
37 thousand twenty-six, such denominator is nine, and for a taxable year
38 beginning on or after January first, two thousand twenty-six, such
39 denominator is ten and eight-tenths, and provided further that in the
40 case of a taxpayer that is subject to paragraph (j) or (k) of subdivi-
41 sion one of this section, such denominator shall be the rate of tax as
42 determined by such paragraph (j) or (k) for the taxable year; provided
43 that the amounts computed in subclauses (A) and (B) of clause (i) of
44 this subparagraph shall be computed with the following modifications:

45 § 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section
46 11-654 of the administrative code of the city of New York, as amended by
47 section 13 of part P of chapter 60 of the laws of 2016, is amended to
48 read as follows:

49 (1) Notwithstanding anything to the contrary in paragraph (a) of this
50 subdivision, in the case of a corporation that, before the application
51 of this subdivision or any other credit allowed by this section, is
52 liable for the tax on business income under clause (i) of subparagraph
53 one of paragraph (e) of subdivision one of this section, the credit or
54 the sum of the credits that may be taken by such corporation for a taxa-
55 ble year under this subdivision with respect to an unincorporated busi-
56 ness or unincorporated businesses in which it is a partner shall not

1 exceed the tax so computed, without allowance of any credits allowed by
2 this section, multiplied by a fraction the numerator of which is four
3 and the denominator of which is eight and eighty-five one-hundredths,
4 ~~[except]~~ provided that, for a taxable year beginning on or after January
5 first, two thousand twenty-six, such denominator shall be equal to ten
6 and sixty-two one-hundredths, and provided further that in the case of a
7 financial corporation as defined in clause (i) of subparagraph one of a
8 paragraph (e) of subdivision one of this section, such denominator, for
9 a taxable year beginning before January first, two thousand twenty-six,
10 is nine, and, for a taxable year beginning on or after January first,
11 two thousand twenty-six, is ten and eight-tenths, and provided further
12 that in the case of a taxpayer that is subject to paragraph (j) or (k)
13 of subdivision one of this section, such denominator shall be the rate
14 of tax as determined by such paragraph (j) or (k) for the taxable year.
15 If the credit allowed under this subdivision or the sum of such credits
16 exceeds the product of such tax and such fraction, the amount of the
17 excess may be carried forward, in order, to each of the seven immediate-
18 ly succeeding taxable years and, to the extent not previously taken,
19 shall be allowed as a credit in each of such years. In applying the
20 provisions of the preceding sentence, the credit determined for the
21 taxable year under paragraph (a) of this subdivision shall be taken
22 before taking any credit carryforward pursuant to this paragraph and the
23 credit carryforward attributable to the earliest taxable year shall be
24 taken before taking a credit carryforward attributable to a subsequent
25 taxable year.

26 § 14. This act shall take effect immediately and shall be deemed to
27 have been in full force and effect January 1, 2026, and shall apply to
28 taxable years beginning on or after January 1, 2026.

29 PART QQ

30 Section 1. Short title. This act shall be known and may be cited as
31 the "New York city mansion tax act".

32 § 2. Paragraph (i) of subdivision (b) of section 1201 of the tax law,
33 as amended by chapter 170 of the laws of 1994, is amended to read as
34 follows:

35 (i) Taxes on each deed, other instrument or transaction (other than a
36 deed or instrument given solely as security or a transaction the sole
37 purpose of which is to secure an obligation or indebtedness) by which
38 any real property or any economic interest therein is conveyed or trans-
39 ferred, measured by the consideration or value of the interest or prop-
40 erty conveyed or transferred, (1) at a rate not to exceed one-half of
41 one percent of such consideration or value with respect to conveyances
42 made before July first, nineteen hundred seventy-one, or made in
43 performance of a contract therefor executed before such date, (2) at a
44 rate not to exceed one percent of such consideration or value with
45 respect to (A) all conveyances made on or after July first, nineteen
46 hundred seventy-one and before February first, nineteen hundred eighty-
47 two, or made in performance of a contract therefor executed during such
48 period, (B) conveyances or transfers made on or after February first,
49 nineteen hundred eighty-two of one, two or three-family houses, individ-
50 ual cooperative apartments and individual residential condominium units,
51 or interests therein, and (C) conveyances or transfers made on or after
52 February first, nineteen hundred eighty-two (other than grants, assign-
53 ments or surrenders of leasehold interests in real property) where the
54 consideration or value is less than five hundred thousand dollars, (3)

1 at a rate not to exceed two percent of such consideration or value with
2 respect to all other conveyances or transfers made on or after February
3 first, nineteen hundred eighty-two (other than grants, assignments or
4 surrenders of leasehold interests in real property) other than those
5 conveyances or transfers specified in subparagraphs four, five [and],
6 six and seven of this paragraph, (4) at a rate not to exceed one and
7 four hundred twenty-five thousandths of one percent of such consider-
8 ation or value where such consideration or value is less than five
9 hundred thousand dollars with respect to all conveyances or transfers
10 other than for conveyances or transfers of one, two or three family
11 houses, individual cooperative apartments, and individual residential
12 condominium units, or interests therein (other than grants, assignment
13 or surrenders of leasehold interests in real property), made on or after
14 August first, nineteen hundred eighty-nine, (5) at a rate not to exceed
15 one and four hundred twenty-five thousandths of one percent of such
16 consideration or value where such consideration or value is more than
17 five hundred thousand dollars with respect to conveyances or transfers
18 of one, two or three family houses, individual cooperative apartments,
19 and individual residential condominium units, or interests therein
20 (other than grants, assignments or surrenders of leasehold interests in
21 real property), made on or after August first, nineteen hundred eighty-
22 nine and before June first, two thousand twenty-six, [and] (6) at a rate
23 not to exceed two and six hundred twenty-five one thousandths of one
24 percent of such consideration or value where such consideration or value
25 is greater than five hundred thousand dollars with respect to all
26 conveyances or transfers other than for conveyances or transfers of one,
27 two or three family houses, individual cooperative apartments, and indi-
28 vidual residential condominium units, or interests therein (other than
29 grants, assignment or surrenders of leasehold interests in real proper-
30 ty), made on or after August first, nineteen hundred eighty-nine, and
31 (7) with respect to conveyances or transfers of one, two or three family
32 houses, individual cooperative apartments, and individual residential
33 condominium units, or interests therein (other than grants, assignments
34 or surrenders of leasehold interests in real property), made on or after
35 June first, two thousand twenty-six, (A) at a rate not to exceed one and
36 four hundred twenty-five one thousandths of one percent of consideration
37 or value where such consideration or value is greater than five hundred
38 thousand dollars but not greater than five million dollars, (B) at a
39 rate not to exceed three and six hundred seventy-five one thousandths of
40 one percent of consideration or value where such consideration or value
41 is greater than five million dollars but not greater than ten million
42 dollars, (C) at a rate not to exceed four and six hundred seventy-five
43 one thousandths of one percent of consideration or value where such
44 consideration or value is greater than ten million dollars but not
45 greater than fifteen million dollars, (D) at a rate not to exceed four
46 and nine hundred twenty-five one thousandths of one percent of consider-
47 ation or value where such consideration or value is greater than fifteen
48 million dollars but not greater than twenty million dollars, (E) at a
49 rate not to exceed five and one hundred seventy-five one thousandths of
50 one percent of consideration or value where such consideration or value
51 is greater than twenty million dollars but not greater than twenty-five
52 million dollars, and (F) at a rate not to exceed five and three hundred
53 twenty-five one thousandths of one percent of consideration or value
54 where such consideration or value is greater than twenty-five million
55 dollars. Provided, however, that any such city may allow deductions, in
56 determining the portion of any tax authorized hereby the proceeds of

1 which are payable to the New York city transit authority as hereinafter
2 provided, for any continuing liens on such interest or property where
3 such interest or property is a one, two or three-family house, an indi-
4 vidual cooperative apartment or an individual residential condominium
5 unit or where the consideration for or value of the interest or property
6 conveyed or transferred is less than five hundred thousand dollars, and
7 may also allow an exemption not in excess of twenty-five thousand
8 dollars on the consideration or value of the interest or property
9 conveyed and provided, further, that such taxes shall not apply if the
10 contract for any such conveyance was made prior to May first, nineteen
11 hundred fifty-nine. Anything to the contrary notwithstanding, where the
12 tax authorized hereby is imposed on the consideration or value without
13 any deduction for continuing liens, the portion of the consideration or
14 value ascribable to such liens shall not be taxed at a rate in excess of
15 one percent prior to July first, nineteen hundred eighty-two, in excess
16 of two percent on and after July first, nineteen hundred eighty-two and
17 before August first, nineteen hundred eighty-nine, or in excess of two
18 and six hundred twenty-five thousandths of one percent on and after
19 August first, nineteen hundred eighty-nine, except that where the inter-
20 est or property is a one, two or three-family house, an individual coop-
21 erative apartment or an individual residential condominium unit or where
22 the consideration for a value of the interest or property conveyed or
23 transferred is less than five hundred thousand dollars the rate on and
24 after July first, nineteen hundred eighty-two shall not be in excess of
25 one percent. The amount of any pre-existing liens on such property or
26 interest which continue thereon after the conveyance or transfer shall
27 be deemed to be part of the consideration or value for purposes of meas-
28 uring the tax without regard to whether or not payment of the liens or
29 of the underlying debt is assumed by the grantee or transferee. The tax
30 authorized hereby may also be imposed (A) prior to July first, nineteen
31 hundred eighty-two, at a rate not to exceed one percent, on the grant-
32 ing, assignment or surrender of a leasehold interest in real property,
33 other than a leasehold interest in a one, two or three-family house or
34 an individual dwelling unit in a dwelling which is to be occupied or is
35 occupied as the residence or home of four or more families living inde-
36 pendently of each other, where the consideration for or value of such
37 grant, assignment or surrender is five hundred thousand dollars or more,
38 (B) on and after July first, nineteen hundred eighty-two and before
39 August first, nineteen hundred eighty-nine, at a rate not to exceed two
40 percent, on the granting, assignment or surrender of a leasehold inter-
41 est in real property, except that in the case of a leasehold interest in
42 a one, two or three-family house or an individual dwelling unit in a
43 dwelling which is to be occupied or is occupied as the residence or home
44 of four or more families living independently of each other, or where
45 the consideration for or value of such grant, assignment or surrender is
46 less than five hundred thousand dollars, the rate shall not exceed one
47 percent ~~and~~, (C) on and after August first, nineteen hundred eighty-
48 nine and before June first, two thousand twenty-six, at a rate not to
49 exceed two and six hundred twenty-five thousandths of one percent, on
50 the granting, assignment or surrender of a leasehold interest in real
51 property, except that in the case of a leasehold interest in a one, two
52 or three-family house or an individual dwelling unit in a dwelling which
53 is to be occupied or is occupied as the residence or home of four or
54 more families living independently of each other where the consideration
55 for or value of such grant, assignment or surrender is less than five
56 hundred thousand dollars, the rate shall not exceed one percent, or in

1 the case of a leasehold interest in a one, two or three family house or
2 an individual dwelling unit in a dwelling which is to be occupied or is
3 occupied as the residence or home of four or more families living inde-
4 pendentlly of each other where the consideration for or value of such
5 grant, assignment or surrender is greater than five hundred thousand
6 dollars, the rate shall not exceed one and four hundred twenty-five
7 thousandths of one percent, or where the consideration for or value of
8 any other grant, assignment or surrender is less than five hundred thou-
9 sand dollars, the rate shall not exceed one and four hundred twenty-five
10 thousandths of one percent, and (D) on and after June first, two thou-
11 sand twenty-six, at a rate not to exceed two and six hundred twenty-five
12 thousandths of one percent, on the granting, assignment or surrender of
13 a leasehold interest in real property, except that in the case of a
14 leasehold interest in a one, two or three-family house or an individual
15 dwelling unit in a dwelling which is to be occupied or is occupied as
16 the residence or home of four or more families living independently of
17 each other where the consideration for or value of such grant, assign-
18 ment or surrender is five hundred thousand dollars or less, the rate
19 shall not exceed one percent, or in the case of a leasehold interest in
20 a one, two or three family house or an individual dwelling unit in a
21 dwelling which is to be occupied or is occupied as the residence or home
22 of four or more families living independently of each other where the
23 consideration for or value of such grant, assignment or surrender is
24 greater than five hundred thousand dollars but not greater than five
25 million dollars, the rate shall not exceed one and four hundred twenty-
26 five thousandths of one percent, or in the case of a leasehold interest
27 in a one, two or three family house or an individual dwelling unit in a
28 dwelling which is to be occupied or is occupied as the residence or home
29 of four or more families living independently of each other where the
30 consideration for or value of such grant, assignment or surrender is
31 greater than five million dollars but not greater than ten million
32 dollars, the rate shall not exceed three and six hundred seventy-five
33 thousandths of one percent, or in the case of a leasehold interest in a
34 one, two or three family house or an individual dwelling unit in a
35 dwelling which is to be occupied or is occupied as the residence or home
36 of four or more families living independently of each other where the
37 consideration for or value of such grant, assignment or surrender is
38 greater than ten million dollars but not greater than fifteen million
39 dollars, the rate shall not exceed four and six hundred seventy-five
40 thousandths of one percent, or in the case of a leasehold interest in a
41 one, two or three family house or an individual dwelling unit in a
42 dwelling which is to be occupied or is occupied as the residence or home
43 of four or more families living independently of each other where the
44 consideration for or value of such grant, assignment or surrender is
45 greater than fifteen million dollars but not greater than twenty million
46 dollars, the rate shall not exceed four and nine hundred twenty-five
47 thousandths of one percent, or in the case of a leasehold interest in a
48 one, two or three family house or an individual dwelling unit in a
49 dwelling which is to be occupied or is occupied as the residence or home
50 of four or more families living independently of each other where the
51 consideration for or value of such grant, assignment or surrender is
52 greater than twenty million dollars but not greater than twenty-five
53 million dollars, the rate shall not exceed five and one hundred seven-
54 ty-five thousandths of one percent, or in the case of a leasehold inter-
55 est in a one, two or three family house or an individual dwelling unit
56 in a dwelling which is to be occupied or is occupied as the residence or

1 home of four or more families living independently of each other where
2 the consideration for or value of such grant, assignment or surrender is
3 greater than twenty-five million dollars, the rate shall not exceed five
4 and three hundred twenty-five thousandths of one percent, or where the
5 consideration for or value of any other grant, assignment or surrender
6 is five hundred thousand dollars or less, the rate shall not exceed one
7 and four hundred twenty-five thousandths of one percent; provided,
8 however, that for purposes of a tax on the granting of a leasehold
9 interest in real property, the amount subject to tax shall be only such
10 amount as is not considered rent for purposes of the tax authorized to
11 be imposed on the occupancy of commercial premises by chapter two
12 hundred fifty-seven of the laws of nineteen hundred sixty-three, as
13 amended, and imposed by a city having a population of one million or
14 more pursuant thereto. In the case of any conveyance or transfer of real
15 property or any economic interest therein in complete or partial liqui-
16 dation of a corporation, partnership, association, trust or other enti-
17 ty, the tax shall be measured by the consideration for such conveyance
18 or transfer or the value of the real property or interest therein,
19 whichever is greater. Such taxes may be imposed on any conveyance or
20 transfer of real property or interest therein where the real property is
21 located in such city regardless of where transactions, negotiations,
22 transfers of deeds or other actions with regard to the transfer or
23 conveyance take place, subject only to the restrictions contained in
24 section twelve hundred thirty. The payment of, and the filing of a
25 return relating to, any such taxes may be required as a condition prece-
26 dent (1) to the recording or filing of a deed, lease, assignment or
27 surrender of lease or other instrument, (2) to the commencement of any
28 action or proceeding in any court of this state in which any conveyance,
29 transfer or lease described herein is in issue, directly or indirectly,
30 or (3) to the receipt in evidence of such deed, lease, assignment or
31 surrender of lease or other instrument in any such court. In each
32 instance where the tax rate imposed pursuant to this subdivision is two
33 percent, fifty percent of the total amount of such tax, including fifty
34 percent of any interest or penalties thereon, shall be set aside in a
35 special account by the commissioner of finance of such city, provided,
36 however, that where the consideration for or value of property or inter-
37 est conveyed or transferred includes the amount of any nondeductible
38 mortgage, lien or other encumbrance which existed before the conveyance
39 or transfer and remains thereon after such conveyance or transfer, (A)
40 prior to July first, nineteen hundred eighty-two the entire amount of
41 tax imposed at a rate not in excess of one percent on the portion of the
42 consideration or value ascribable to such nondeductible mortgage, lien
43 or other encumbrance, including any interest or penalties thereon, and
44 fifty percent of the tax on the balance of the consideration or value,
45 including fifty percent of any interest or penalties thereon, shall be
46 set aside in such special account, and (B) on and after July first,
47 nineteen hundred eighty-two and before August first, nineteen hundred
48 eighty-nine, fifty percent of the amount of tax imposed at a rate in
49 excess of one percent but not in excess of two percent on the portion of
50 the consideration or value ascribable to such nondeductible mortgage,
51 lien or other encumbrance, including fifty percent of any interest or
52 penalties thereon, and fifty percent of the tax on the balance of the
53 consideration or value, including fifty percent of any interest or
54 penalties thereon, shall be set aside in such special account. On and
55 after August first, nineteen hundred eighty-nine, in each instance where
56 the tax rate imposed pursuant to this subdivision is in excess of two

1 percent, except where such tax rate is imposed on a conveyance or trans-
2 fer of a one, two or three family house, individual cooperative apart-
3 ment, or individual residential condominium units, or interest therein,
4 and the consideration for or value of such conveyance or transfer is
5 greater than five million dollars, the portion of the tax, and any
6 interest or penalty thereon, to be set aside in such special account
7 shall be an amount equal to one percent of the total consideration for
8 or value of the real property or economic interest therein conveyed or
9 transferred, plus any interest or penalty attributable to such portion
10 of the tax. There shall also be set aside in such special account prior
11 to July first, nineteen hundred eighty-two the total amount of taxes
12 imposed on grants, assignments or surrenders of leasehold interests in
13 real property, including any interest or penalties thereon; on and after
14 July first, nineteen hundred eighty-two and before August first, nine-
15 teen hundred eighty-nine, there shall be set aside in such special
16 account fifty percent of the amount of taxes imposed on grants, assign-
17 ments or surrenders of leasehold interests in real property, other than
18 a leasehold interest in a one, two or three-family house or an individ-
19 ual dwelling unit in a dwelling which is to be occupied or is occupied
20 as the residence or home of four or more families living independently
21 of each other, or where the consideration for or value of such grant,
22 assignment or surrender is less than five hundred thousand dollars,
23 including fifty percent of any interest or penalties thereon. On and
24 after August first, nineteen hundred eighty-nine, there shall be set
25 aside in such special account, in each instance where the rate of tax on
26 grants, assignments or surrenders of leasehold interests in real proper-
27 ty is two percent or more, except where such rate of tax is imposed on
28 grants, assignments or surrenders of leasehold interests in one, two or
29 three-family houses or individual dwelling units in a dwelling which is
30 to be occupied or is occupied as the residence or home of four or more
31 families living independently of each other, and the consideration for
32 or value of such grant, assignment, or surrender of a leasehold interest
33 is greater than five million dollars, an amount equal to one percent of
34 the consideration for or value of the leasehold interest granted,
35 assigned or surrendered, plus any interest or penalty attributable to
36 such portion of the tax. Notwithstanding anything in this paragraph (i)
37 to the contrary, in each instance where the tax rate imposed pursuant to
38 paragraph (xi) of this subdivision is in excess of one percent, except
39 where such tax rate is imposed on a conveyance or transfer of a one, two
40 or three family house, individual cooperative apartment, or individual
41 residential condominium units, or interest therein, and the consider-
42 ation for or value of such conveyance or transfer is greater than five
43 million dollars, the portion of tax, and any interest or penalty there-
44 on, to be set aside in such special account shall be an amount equal to
45 one-half of one percent of the total consideration for or value of the
46 real property or economic interest therein conveyed or transferred, plus
47 any interest or penalty attributable to such portion of the tax, and
48 there shall be set aside in such special account, in each instance where
49 the rate of tax imposed under paragraph (xi) of this subdivision on
50 grants, assignments or surrenders of leasehold interests in real proper-
51 ty is in excess of one percent, except where such rate of tax is imposed
52 on grants, assignments or surrenders of leasehold interests in one, two
53 or three-family houses or individual dwelling units in a dwelling which
54 is to be occupied or is occupied as the residence or home of four or
55 more families living independently of each other, and the consideration
56 for or value of such grant, assignment or surrender of a leasehold

1 interest is greater than five million dollars, an amount equal to one-
2 half of one percent of the consideration for or value of the leasehold
3 interest granted, assigned or surrendered, plus any interest or penalty
4 attributable to such portion of the tax. Moneys in such account shall be
5 used for payment by such commissioner to the state comptroller for
6 deposit in the urban mass transit operating assistance account of the
7 mass transportation operating assistance fund of any amount of insuffi-
8 ciency certified by the state comptroller pursuant to the provisions of
9 subdivision six of section eighty-eight-a of the state finance law, and,
10 on the fifteenth day of each month such commissioner shall transmit all
11 funds in such account on the last day of the preceding month, except the
12 amount required for the payment of any amount of insufficiency certified
13 by the state comptroller and such amount as [~~he~~] such comptroller deems
14 necessary for refunds and such other amounts necessary to finance the
15 New York city transportation disabled committee and the New York city
16 paratransit system as established by section fifteen-b of the transpor-
17 tation law, provided, however, that such amounts shall not exceed six
18 percent of the total funds in the account but in no event be less than
19 one hundred seventy-five thousand dollars beginning April first, nine-
20 teen hundred eighty-six, and further that beginning November fifteenth,
21 nineteen hundred eighty-four and during the entire period prior to oper-
22 ation of such system, the total of such amounts shall not exceed three
23 hundred seventy-five thousand dollars for the administrative expenses of
24 such committee and fifty thousand dollars for the expenses of the agency
25 designated pursuant to paragraph b of subdivision five of such section,
26 and other amounts necessary to finance the operating needs of the
27 private bus companies franchised by the city of New York and eligible to
28 receive state operating assistance under section eighteen-b of the
29 transportation law, provided, however, that such amounts shall not
30 exceed four percent of the total funds in the account, to the New York
31 city transit authority for mass transit within the city.

32 § 3. Paragraphs 9 and 10 of subdivision a of section 11-2102 of the
33 administrative code of the city of New York, as added by local law
34 number 59 of the city of New York for the year 1989, are amended and two
35 new paragraphs 11 and 12 are added to read as follows:

36 (9) with respect to conveyances made on or after August first, nine-
37 teen hundred eighty-nine, and before June first, two thousand twenty-six
38 (other than grants, assignments or surrenders of leasehold interests in
39 real property taxable as provided in paragraph ten of this subdivision),
40 the tax shall be at the following rates:

41 (i) at the rate of one percent of the consideration for conveyances of
42 one, two or three-family houses and individual residential condominium
43 units where the consideration is five hundred thousand dollars or less,
44 and at the rate of one and four hundred twenty-five thousandths of one
45 percent of the consideration for such conveyances where the consider-
46 ation is more than five hundred thousand dollars, and

47 (ii) at the rate of one and four hundred twenty-five thousandths of
48 one percent of the consideration with respect to all other conveyances
49 where the consideration is five hundred thousand dollars or less, and at
50 the rate of two and six hundred twenty-five thousandths of one percent
51 where the consideration for such conveyances is more than five hundred
52 thousand dollars;

53 (10) With respect to a grant, assignment or surrender of a leasehold
54 interest in real property made on or after August first, nineteen
55 hundred eighty-nine, and before June first, two thousand twenty-six, the
56 tax shall be at the following rates:

1 (i) at the rate of one percent of the consideration for the granting,
2 assignment or surrender of a leasehold interest in a one, two or three-
3 family house or an individual dwelling unit in a dwelling which is to be
4 occupied or is occupied as the residence or home of four or more fami-
5 lies living independently of each other where the consideration is five
6 hundred thousand dollars or less, and at the rate of one and four
7 hundred twenty-five thousandths of one percent of the consideration
8 where the consideration for granting, assignment or surrender or such
9 leasehold interest is more than five hundred thousand dollars, and

10 (ii) at the rate of one and four hundred twenty-five thousandths of
11 one percent of the consideration for the granting, assignment or surren-
12 der of a leasehold interest in all other real property where the consid-
13 eration is five hundred thousand dollars or less, and at the rate of two
14 and six hundred twenty-five thousandths of one percent of the consider-
15 ation where the consideration for the granting, assignment or surrender
16 of such a leasehold interest is more than five hundred thousand dollars;

17 (iii) provided, however, that for purposes of subparagraphs (i) and
18 (ii) of this paragraph, the amount subject to tax in the case of a grant
19 of a leasehold interest shall be only such amount as is not considered
20 rent for purposes of the tax imposed by chapter seven of this title[+];

21 (11) with respect to conveyances made on or after June first, two
22 thousand twenty-six (other than grants, assignments or surrenders of
23 leasehold interests in real property taxable as provided in paragraph
24 twelve of this subdivision), the tax shall be at the following rates:

25 (i) at the rate of one percent of the consideration for conveyances of
26 one, two or three-family houses and individual residential condominium
27 units where the consideration is five hundred thousand dollars or less,
28 and at the rate of one and four hundred twenty-five thousandths of one
29 percent of the consideration for such conveyances where the consider-
30 ation is more than five hundred thousand dollars but not more than five
31 million dollars, and at the rate of three and six hundred seventy-five
32 thousandths of one percent of the consideration for such conveyances
33 where the consideration is more than five million dollars but not more
34 than ten million dollars, and at the rate of four and six hundred seven-
35 ty-five thousands of one percent of the consideration for such convey-
36 ances where the consideration is more than ten million dollars but not
37 more than fifteen million dollars, and at the rate of four and nine
38 hundred twenty-five thousandths of one percent of the consideration for
39 such conveyances where the consideration is more than fifteen million
40 dollars but not more than twenty million dollars, and at the rate of
41 five and one hundred seventy-five thousandths of one percent of the
42 consideration for such conveyances where the consideration is more than
43 twenty million dollars but not more than twenty-five million dollars,
44 and at the rate of five and three hundred twenty-five thousandths of one
45 percent of the consideration for such conveyances where the consider-
46 ation is more than twenty-five million dollars, and

47 (ii) at the rate of one and four hundred twenty-five thousandths of
48 one percent of the consideration with respect to all other conveyances
49 where the consideration is five hundred thousand dollars or less, and at
50 the rate of two and six hundred twenty-five thousandths of one percent
51 where the consideration for such conveyances is more than five hundred
52 thousand dollars;

53 (12) with respect to a grant, assignment or surrender of a leasehold
54 interest in real property made on or after June first, two thousand
55 twenty-six, the tax shall be at the following rates:

1 (i) at the rate of one percent of the consideration for the granting,
2 assignment or surrender of a leasehold interest in a one, two or three-
3 family house or an individual dwelling unit in a dwelling which is to be
4 occupied or is occupied as the residence or home of four or more fami-
5 lies living independently of each other where the consideration is five
6 hundred thousand dollars or less, and at the rate of one and four
7 hundred twenty-five thousandths of one percent of the consideration
8 where the consideration for granting, assignment or surrender of such a
9 leasehold interest is more than five hundred thousand dollars but not
10 more than five million dollars, and at the rate of three and six hundred
11 seventy-five thousandths of one percent of the consideration where the
12 consideration for granting, assignment or surrender of such a leasehold
13 interest is more than five million dollars but not more than ten million
14 dollars, and at the rate of four and six hundred seventy-five thou-
15 sandths of one percent of the consideration where the consideration for
16 granting, assignment or surrender of such a leasehold interest is more
17 than ten million dollars but not more than fifteen million dollars, and
18 at the rate of four and nine hundred twenty-five thousandths of one
19 percent of the consideration where the consideration for granting,
20 assignment or surrender of such a leasehold interest is more than
21 fifteen million dollars but not more than twenty million dollars, and at
22 the rate of five and one hundred seventy-five thousandths of one percent
23 of the consideration where the consideration for granting, assignment or
24 surrender of such a leasehold interest is more than twenty million
25 dollars but not more than twenty-five million dollars, and at the rate
26 of five and three hundred twenty-five thousandths of one percent of the
27 consideration where the consideration for granting, assignment or
28 surrender of such a leasehold interest is more than twenty-five million
29 dollars, and

30 (ii) at the rate of one and four hundred twenty-five thousandths of
31 one percent of the consideration for the granting, assignment or surren-
32 der of a leasehold interest in all other real property where the consid-
33 eration is five hundred thousand dollars or less, and at the rate of two
34 and six hundred twenty-five thousandths of one percent of the consider-
35 ation where the consideration for the granting, assignment or surrender
36 of such a leasehold interest is more than five hundred thousand dollars;

37 (iii) provided, however, that for purposes of subparagraphs (i) and
38 (ii) of this paragraph, the amount subject to tax in the case of a grant
39 of a leasehold interest shall be only such amount as is not considered
40 rent for purposes of the tax imposed by chapter seven of this title.

41 § 4. Subparagraph (B) of paragraph 1 of subdivision b of section
42 11-2102 of the administrative code of the city of New York, as amended
43 by local law number 59 of the city of New York for the year 1989, is
44 amended to read as follows:

45 (B) With respect to such transfers made on or after August first,
46 nineteen hundred eighty-nine, and before June first, two thousand twen-
47 ty-six, the tax shall be at the following rates:

48 (i) at the rate of one percent of the consideration where the real
49 property, the economic interest in which is transferred, is a one, two
50 or three-family house, an individual cooperative apartment, an individ-
51 ual residential condominium unit or an individual dwelling unit in a
52 dwelling which is to be occupied or is occupied as the residence or home
53 of four or more families living independently of each other and where
54 the consideration for such transfer of an economic interest in such real
55 property is five hundred thousand dollars or less, and at the rate of
56 one and four hundred twenty-five thousandths of one percent of the

1 consideration where the consideration for such transfer of an economic
2 interest in such property is more than five hundred thousand dollars,
3 and

4 (ii) at the rate of one and four hundred twenty-five thousandths of
5 one percent of the consideration with respect to all other transfers of
6 an economic interest in real property where the consideration is five
7 hundred thousand dollars or less, and at the rate of two and six hundred
8 twenty-five thousandths of one percent of the consideration where the
9 consideration for such transfers is more than five hundred thousand
10 dollars.

11 § 5. Paragraph 1 of subdivision b of section 11-2102 of the adminis-
12 trative code of the city of New York is amended by adding a new subpara-
13 graph (B-1) to read as follows:

14 (B-1) With respect to such transfers made on or after June first, two
15 thousand twenty-six, the tax shall be at the following rates:

16 (i) at the rate of one percent of the consideration where the real
17 property, the economic interest in which is transferred, is a one, two
18 or three-family house, an individual cooperative apartment, an individ-
19 ual residential condominium unit or an individual dwelling unit in a
20 dwelling which is to be occupied or is occupied as the residence or home
21 of four or more families living independently of each other and where
22 the consideration for such transfer of an economic interest in such real
23 property is five hundred thousand dollars or less, and at the rate of
24 one and four hundred twenty-five thousandths of one percent of the
25 consideration where the consideration for such transfer of an economic
26 interest in such property is more than five hundred thousand dollars but
27 not more than five million dollars, and at the rate of three and six
28 hundred seventy-five thousandths of one percent of the consideration
29 where the consideration for such transfer of an economic interest in
30 such property is more than five million dollars but not more than ten
31 million dollars, and at the rate of four and six hundred seventy-five
32 thousandths of one percent of the consideration where the consideration
33 for such transfer of an economic interest in such property is more than
34 ten million dollars but not more than fifteen million dollars, and at
35 the rate of four and nine hundred twenty-five thousandths of one percent
36 of the consideration where the consideration for such transfer of an
37 economic interest in such property is more than fifteen million dollars
38 but not more than twenty million dollars, and at the rate of five and
39 one hundred seventy-five thousandths of one percent of the consideration
40 where the consideration for such transfer of an economic interest in
41 such property is more than twenty million dollars but not more than
42 twenty-five million dollars, and at the rate of five and three hundred
43 twenty-five thousandths of one percent of the consideration where the
44 consideration for such transfer of an economic interest in such property
45 is more than twenty-five million dollars, and

46 (ii) at the rate of one and four hundred twenty-five thousandths of
47 one percent of the consideration with respect to all other transfers of
48 an economic interest in real property where the consideration is five
49 hundred thousand dollars or less, and at the rate of two and six hundred
50 twenty-five thousandths of one percent of the consideration where the
51 consideration for such transfers is more than five hundred thousand
52 dollars.

53 § 6. This act shall take effect immediately and shall be deemed to
54 have been in full force and effect as of June 1, 2026, and apply to
55 transactions occurring on or after such date.

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

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