

# STATE OF NEW YORK

2389

2025-2026 Regular Sessions

## IN ASSEMBLY

January 16, 2025

Introduced by M. of A. GANDOLFO, DURSO -- Multi-Sponsored by -- M. of A. BARCLAY, BRABENEC, DiPIETRO, FRIEND, HAWLEY, McDONOUGH, PALMESANO, STECK -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to exemptions from sales and use taxes for gift certificates, electronic gift cards and magnetic gift cards

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

1 Section 1. Subdivision (a) of section 1115 of the tax law is amended  
2 by adding a new paragraph 47 to read as follows:

3 (47)(A) Gift certificates, electronic gift cards and magnetic gift  
4 cards.

5 (B) For the purpose of this paragraph: (i) the term "gift certificate"  
6 means a writing identified as a gift certificate by an issuer for use by  
7 a customer, whether or not redeemable for cash, and usable for its face  
8 amount in lieu of cash for the exchange of goods or services supplied by  
9 the seller. Gift certificates shall include electronic or magnetic cards  
10 with a banked dollar value, a merchandise credit, a certificate where  
11 the issuer has received payment for the full face value for the future  
12 purchase or delivery of goods or services, and any other medium that  
13 evidences the giving of consideration in exchange for the right to  
14 redeem it for goods or services of at least an equal value. Pre-paid  
15 calling arrangements, such as pre-paid phone cards, are not considered  
16 gift certificates; (ii) the term "electronic gift card" or "magnetic  
17 gift card" means a card with a banked dollar value that may be redeemed  
18 for goods or services whereby the dollar amount of the card is reduced  
19 accordingly.

20 § 2. This act shall take effect on the first day of a quarterly sales  
21 tax period, as set forth in subdivision (b) of section 1136 of the tax  
22 law, next succeeding the thirtieth day after it shall have become a law.  
23 Provided, however that the commissioner of taxation and finance shall  
24 take any action necessary for the timely implementation of this act on  
25 or before the date on which it shall have become a law.

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

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