STATE OF NEW YORK

3009--B

IN ASSEMBLY

January 22, 2025

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 the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for the two thousand twenty-five tax year (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties; and to amend the parks, recreation and historic preservation law, in relation to requiring a report on such credits (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B); and to amend the real property law, in relation to establishing an opt-out list for real estate solicitation cease and desist zones (Subpart C) (Part F); intentionally omitted (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program, the semiconductor research and development program, and the employee training incentive program (Subpart A); and to amend the economic development law, in relation to the empire state jobs retention program (Subpart B) (Part H); to amend the tax law, in relation to film production and post-production credits (Part I); to amend the economic development law, in relation to the newspaper and broadcast media jobs program (Part J); to amend the tax law, in relation to the empire state digital gaming media production credit (Part K); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establish-

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

LBD12574-03-5

ing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New York city musical and theatrical production tax credit (Part L); to amend the tax law, in relation to clarifying the notices afforded protest rights (Part M); to amend the tax law, in relation to the filing of tax warrants and warrant-related records (Part N); to amend the real property tax law and the tax law, in relation to simplifying STAR income determinations; and repealing certain provisions of such laws relating thereto (Part O); intentionally omitted (Part P); intentionally omitted (Part Q); to amend the tax law, in relation to increasing the estimated tax threshold under article nine-A of the tax law (Part R); to amend the tax law, in relation to establishing a tax credit for organ donation (Part S); to amend the tax law, in relation to the estate tax three-year gift addback rule (Part T); to amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); to amend the tax law, in relation to reporting of federal partnership adjustments (Part V); to amend the tax law and the administrative code of the city of New York, in relation to establishing a credit against the tax on personal income of certain residents of a city having a population of one million or more inhabitants (Part W); intentionally omitted (Part X); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part Y); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for three years (Part Z); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part AA); to amend the labor law, in relation to extending the workers with disabilities tax credit (Part BB); to amend the tax law, in relation to extending the hire a vet credit (Part CC); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof (Part DD); to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to extending the effectiveness thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to defining the breaks for the purposes of the disposition of certain pari-mutuel pools (Subpart A); and to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, in relation to the effectiveness thereof; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Subpart B)(Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the tax on gaming revenues in certain regions; to amend part OOO of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, in relation to the effectiveness thereof; and providing for the repeal of certain provisions relating thereto (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition

funds (Part HH); to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing the health and safety of thoroughbred horses; and providing for the repeal of such provisions upon expiration thereof (Part II); to amend the tax law, in relation to a New York works tax credit (Part JJ); to amend the tax law, in relation to establishing a credit against the tax on personal income (Part KK); to amend the tax law, in relation to the New York city renters tax relief credit (Part LL); to amend the tax law, in relation to eligibility for the farm employer overtime tax credit (Part MM); to amend the tax law, in relation to extending the current corporate tax rates (Part NN); to amend the tax law, in relation to increasing the current small business subtraction modification (Part OO); to amend the tax law, in relation to establishing small business savings accounts (Part PP); to amend the tax law, in relation to creating a work opportunity tax credit; and providing for the repeal of such provisions upon expiration thereof (Part QQ); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to extending the provisions thereof (Part RR); to amend the tax law, in relation to establishing a sales tax exemption for energy storage; to amend part PP of chapter 58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy storage, in relation to the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part SS); to amend the tax law, in relation to authorizing distributors of cannabis products to file annual returns electronically (Part TT); to amend the tax law, in relation to the taxation of vapor products (Part UU); to amend the tax law, in relation to residential solar tax credits (Part VV); to amend the tax law, in relation to expanding New York's manufacturing incentive to S corporations (Part WW); to amend the tax law, in relation to vendor fees paid to certain vendor tracks (Part XX); and to amend the tax law, in relation to increasing the transfer amount from the real estate transfer tax to the environmental protection fund (Part YY)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2025-2026 state fiscal year. Each component is wholly contained within a Part identified as Parts A through YY. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

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

(qqq) Inflation refund credit. (1) A taxpayer who meets the eligibility standards in paragraph two of this subsection shall be allowed a

credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax year two thousand twenty-five.

(2) To be eligible for the credit, the taxpayer (or taxpayers filing joint returns)(a) must have been a full-year resident in the state of New York in tax year two thousand twenty-three, and (b) (i) must have had New York adjusted gross income of three hundred thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, or (ii) must have had New York adjusted gross income of one hundred fifty thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household.

(3) Amount of credit. (a) For taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, the credit amount shall be five hundred dollars, and (b) for taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household, the credit amount shall be three hundred dollars.

(4) The amount of the credit shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon. The commissioner shall determine the taxpayer's eligibility for this credit utilizing the information available to the commissioner on the taxpayer's personal income tax return filed for tax year two thousand twenty-three. For those taxpayers whom the commissioner has determined eligible for this credit, the commissioner shall advance a payment in the amount specified in paragraph three of this subsection. A taxpayer who failed to receive an advance payment that they believe was due, or who received an advance payment that they believe is less than the amount that was due, may request payment of the claimed deficiency in a manner prescribed by the commissioner.

§ 2. Notwithstanding any provision of law to the contrary, any credit paid pursuant to this act, to the extent includible in gross income for federal income tax purposes, shall not be subject to state or local income tax.

§ 3. This act shall take effect immediately.

PART B

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	4% of the New York taxable income
Over $17,150 but not over $23,600	$686 plus 4.5% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over

	$23,600
Over $27,900 but not over $161,550	$1,202 plus 5.5% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,754 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$418,263 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,478,263 plus 10.90% of excess over $25,000,000

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

[~~If the New York taxable income is: The tax is:~~

~~Not over $17,150~~	~~4% of the New York taxable income~~
~~Over $17,150 but not over $23,600~~	~~$686 plus 4.5% of excess over $17,150~~
~~Over $23,600 but not over $27,900~~	~~$976 plus 5.25% of excess over $23,600~~
~~Over $27,900 but not over $161,550~~	~~$1,202 plus 5.5% of excess over $27,900~~
~~Over $161,550 but not over $323,200~~	~~$8,553 plus 6.00% of excess over $161,550~~
~~Over $323,200 but not over $2,155,350~~	~~$18,252 plus 6.85% of excess over $323,200~~
~~Over $2,155,350~~	~~$143,754 plus 8.82% of excess over $2,155,350~~]

If the New York taxable income is:	The tax is:
Not over $17,150	3.75% of the New York taxable income
Over $17,150 but not over $23,600	$643 plus 4.00% of excess over $17,150
Over $23,600 but not over $27,900	$901 plus 4.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,084 plus 4.50% of excess over $27,900
Over $161,550 but not over $323,200	$7,098 plus 5.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$15,181 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$140,683 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $10,000,000	$415,192 plus 10.50% of excess over $5,000
Over $10,000,000 but not over $25,000,000	$940,192 plus 10.75% of excess over $10,000,000
Over $25,000,000 but not over $100,000,000	$2,552,692 plus 11.75% of excess over $25,000,000
Over $100,000,000	$11,365,192 plus 12.00% of excess over $100,000,000

§ 2. Subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law is amended by adding a new clause (viii) to read as follows:

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

If the New York taxable income is:	**The tax is:**
Not over $17,150	**3.75% of the New York taxable income**
Over $17,150 but not over $23,600	**$643 plus 4.00% of excess over $17,150**
Over $23,600 but not over $27,900	**$901 plus 4.25% of excess over $23,600**
Over $27,900 but not over $161,550	**$1,084 plus 4.50% of excess over $27,900**
Over $161,550 but not over $323,200	**$7,098 plus 5.00% of excess over $161,550**
Over $323,200 but not over $2,155,350	**$15,181 plus 6.85% of excess over $323,200**
Over $2,155,350	**$140,683 plus 8.82% of excess over $2,155,350**

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

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

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

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

[~~**If the New York taxable income is: The tax is:**~~
~~**Not over $12,800 4% of the New York taxable income**~~
~~**Over $12,800 but not over $17,650 $512 plus 4.5% of excess over $12,800**~~
~~**Over $17,650 but not over $20,900 $730 plus 5.25% of excess over $17,650**~~

~~Over $20,900 but not over $107,650 — $901 plus 5.5% of excess over $20,900~~
~~Over $107,650 but not over $269,300 — $5,672 plus 6.00% of excess over $107,650~~
~~Over $269,300 but not over $1,616,450 — $15,371 plus 6.85% of excess over $269,300~~
~~Over $1,616,450 — $107,651 plus 8.82% of excess over $1,616,450~~]

If the New York taxable income is:	The tax is:
Not over $12,800	3.75% of the New York taxable income
Over $12,800 but not over $17,650	$480 plus 4.00% of excess over $12,800
Over $17,650 but not over $20,900	$674 plus 4.25% of excess over $17,650
Over $20,900 but not over $107,650	$812 plus 4.50% of excess over $20,900
Over $107,650 but not over $269,300	$4,716 plus 5.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$12,798 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$105,078 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $10,000,000	$431,591 plus 10.50% of excess over $5,000,000
Over $10,000,000 but not over $25,000,000	$956,591 plus 10.75% of excess over $10,000,000
Over $25,000,000 but not over $100,000,000	$2,569,091 plus 11.75% of excess over $25,000,000
Over $100,000,000	$11,381,591 plus 12.00% of excess over $100,000,000

§ 4. Subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law is amended by adding a new clause (viii) to read as follows:

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

If the New York taxable income is:	The tax is:
Not over $12,800	3.75% of the New York taxable income
Over $12,800 but not over $17,650	$480 plus 4.00% of excess over $12,800
Over $17,650 but not over $20,900	$674 plus 4.25% of excess over $17,650
Over $20,900 but not over $107,650	$812 plus 4.50% of excess over $20,900
Over $107,650 but not over $269,300	$4,716 plus 5.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$12,798 plus 6.85% of excess over $269,300
Over $1,616,450	$105,078 plus 8.82% of excess over $1,616,450

§ 5. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, as amended by section 3 of

subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

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

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

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

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

If the New York taxable income is:	The tax is:
Not over $8,500	3.75% of the New York taxable income
Over $8,500 but not over $11,700	$319 plus 4.00% of excess over $8,500
Over $11,700 but not over $13,900	$447 plus 4.25% of excess over $11,700
Over $13,900 but not over $80,650	$540 plus 4.50% of excess over $13,900
Over $80,650 but not over $215,400	$3,544 plus 5.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$10,282 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$69,339 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $10,000,000	$447,855 plus 10.50% of excess over $5,000,000

Over $10,000,000 but not over $25,000,000	$972,855 plus 10.75% of excess over $10,000,000
Over $25,000,000 but not over $100,000,000	$2,585,355 plus $11.75% of excess over $25,000,000
Over $100,000,000	$11,397,855 plus 12.00% of excess over $100,000,000

§ 6. Subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law is amended by adding a new clause (viii) to read as follows:

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

If the New York taxable income is:	The tax is:
Not over $8,500	3.75% of the New York taxable income
Over $8,500 but not over $11,700	$319 plus 4.00% of excess over $8,500
Over $11,700 but not over $13,900	$447 plus 4.25% of excess over $11,700
Over $13,900 but not over $80,650	$540 plus 4.50% of excess over $13,900
Over $80,650 but not over $215,400	$3,544 plus 5.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$10,282 plus 6.85% of excess over $215,400
Over $1,077,550	$69,339 plus 8.82% of excess over $1,077,550

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

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

§ 8. Section 601 of the tax law is amended by adding two new subsections (d-5) and (d-6) to read as follows:

(d-5) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-6) of this section, for taxable years beginning on or after two thousand twenty-five and before two thousand thirty-three, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-6) of this section shall be read as a reference to this subsection.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$172
$161,550	$323,200	$172	$807
$323,200	$2,155,350	$979	$5,979
$2,155,350	$5,000,000	$6,959	$60,350
$5,000,000	$10,000,000	$67,308	$42,500
$10,000,000	$25,000,000	$109,808	$25,000

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

Greater than	Not over	Applicable Amount
$27,900	$161,550	New York adjusted gross income minus $107,650
$161,550	$323,200	New York adjusted gross income minus $161,550
$323,200	$2,155,350	New York adjusted gross income minus $323,200
$2,155,350	$5,000,000	New York adjusted gross income minus $2,155,350
$5,000,000	$10,000,000	New York adjusted gross income minus $5,000,000
$10,000,000	$25,000,000	New York adjusted gross income minus $10,000,000

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 4.50 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 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 (a) 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 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$667
$269,300	$1,616,450	$667	$4,982
$1,616,450	$5,000,000	$5,649	$45,261
$5,000,000	$10,000,000	$50,909	$42,500
$10,000,000	$25,000,000	$93,409	$25,500

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

Greater than	Not over	Applicable Amount
$107,650	$269,300	New York adjusted gross income minus $107,650
$269,300	$1,616,450	New York adjusted gross income minus $269,300
$1,616,450	$5,000,000	New York adjusted gross income minus $1,616,450
$5,000,000	$10,000,000	New York adjusted gross income minus $5,000,000
$10,000,000	$25,000,000	New York adjusted gross income minus $10,000,000

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 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 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(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	$488
$215,400	$1,077,550	$488	$3,985
$1,077,550	$5,000,000	$4,473	$30,171
$5,000,000	$10,000,000	$34,645	$42,500
$10,000,000	$25,000,000	$77,145	$25,000

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

Greater than	Not over	Applicable Amount
$80,650	$215,400	New York adjusted gross income minus $107,650
$215,400	$1,077,550	New York adjusted gross income minus $215,400
$1,077,550	$5,000,000	New York adjusted gross income minus $1,077,550
$5,000,000	$10,000,000	New York adjusted gross income minus $5,000,000
$10,000,000	$25,000,000	New York adjusted gross income minus $10,000,000

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 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 (c) 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 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section.

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$172
$161,550	$323,200	$172	$808
$323,200	$2,155,350	$979	$5,979
$2,155,350		$6,959	$42,460

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of

4.50 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(2) For resident heads of households:

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

(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	$667
$269,300	$1,616,450	$667	$4,982
$1,616,450		$5,649	$31,844

(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		New York adjusted gross income minus $1,616,450

(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 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(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:

(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	$488
$215,400	$1,077,550	$488	$3,985
$1,077,550		$4,473	$21,228

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

Greater than	Not over	Applicable Amount
$80,650	$215,400	New York adjusted gross income minus $107,650
$215,400	$1,077,550	New York adjusted gross income minus $215,400
$1,077,550		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 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

§ 9. This act shall take effect immediately.

PART C

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

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

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

(1-a) (A) For taxable years beginning on and after January first, two thousand twenty-five, and before January first, two thousand twenty-six, a resident taxpayer shall be allowed a credit as provided herein, equal to the sum of:

(i) one thousand dollars times the number of qualifying children of the taxpayer aged three or younger; and

(ii) five hundred dollars times the number of qualifying children of the taxpayer who have attained age four and not yet attained age seventeen.

(B) The amount of the credit allowable under subparagraph (A) of this paragraph shall be reduced (but not to below zero) by sixteen dollars and fifty cents for each one thousand dollars by which the taxpayer's federal adjusted gross income exceeds the threshold amount. For the purposes of this subparagraph, the term "threshold amount" shall mean: (i) one hundred ten thousand dollars in the case of married taxpayers filing jointly; (ii) seventy-five thousand dollars in the case of a taxpayer filing as single, head of household, or qualified surviving spouse; and (iii) fifty-five thousand dollars in the case of a married taxpayer filing a separate return.

(C) For the purposes of this paragraph, a qualifying child shall be an individual who: (i) is a child, sibling, or stepsibling of the taxpayer, or a descendent of any such relative; (ii) has the same principal place

of abode as the taxpayer for more than one-half of the taxable year; (iii) has not attained age seventeen; (iv) has not provided over one-half of such individual's own support for the calendar year in which the taxable year of the taxpayer begins; (v) has not filed a joint return (other than only for a claim of refund) with the individual's spouse under section six hundred fifty-one of this article for the taxable year; and (vi) is a citizen or national of the United States, or an individual with an individual taxpayer identification number issued by the internal revenue service.

(D) For the purposes of this paragraph, the term "child" shall mean an individual who is the offspring or stepchild of the taxpayer, or an eligible foster child of the taxpayer, or a legally adopted individual of the taxpayer, or an individual who is lawfully placed with the taxpayer for legal adoption by the taxpayer.

(E) (i) Except as provided in subparagraph (B) of this paragraph, if an individual may be claimed as a qualifying child by two or more taxpayers for a taxable year, such individual shall be treated as the qualifying child of the taxpayer who is: (I) a parent of the individual, or (II) if subclause (I) does not apply, the taxpayer with the highest federal adjusted gross income for such taxable year.

(ii) If the parents claiming any qualifying child do not file a joint return together, such child shall be treated as the qualifying child of: (I) the parent with whom the child resided for the longest period of time during the taxable year, or (II) if the child resides with both parents for the same amount of time during such taxable year, the parent with the highest federal adjusted gross income who files a return pursuant to section six hundred fifty-one of this article.

(iii) If the parents of an individual may claim such individual as a qualifying child but no parent so claims the individual, such individual may be claimed as the qualifying child of another taxpayer, but only if the federal adjusted gross income of such taxpayer is higher than the highest federal adjusted gross income of any parent of the individual, regardless of a requirement to file a return pursuant to section six hundred fifty-one of this article.

§ 3. This act shall take effect immediately.

PART D

Section 1. Subdivision 3 of section 22 of the public housing law, as added by section 1 of part CC of chapter 63 of the laws of 2000, is amended to read as follows:

3. Amount of credit. Except as provided in subdivisions four and five of this section, the amount of low-income housing credit shall be the applicable percentage of the qualified basis of each eligible low-income building. Buildings financed by refunded bonds using the rules of section 146(i)(6) of the internal revenue code, shall be eligible for credit pursuant to the rules of section 42(b)(2) of the internal revenue code.

§ 2. Subdivision 4 of section 22 of the public housing law, as amended by section 4 of part J of chapter 59 of the laws of 2022, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be one hundred [~~seventy-two~~] eighty-seven million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commission-

er[~~,~~] and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 3. Subdivision 4 of section 22 of the public housing law, as amended by section two of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [~~one~~] two hundred [~~eighty-seven~~] seventeen million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 4. Subdivision 4 of section 22 of the public housing law, as amended by section three of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be two hundred [~~seventeen~~] forty-seven million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 5. Subdivision 4 of section 22 of the public housing law, as amended by section four of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be two hundred [~~forty-seven~~] seventy-seven million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 6. Subdivision 4 of section 22 of the public housing law, as amended by section five of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [~~two~~] three hundred [~~seventy-seven~~] seven million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 7. This act shall take effect immediately; provided, however, section two of this act shall take effect April 1, 2025; section three of this act shall take effect April 1, 2026; section four of this act shall take effect April 1, 2027; section five of this act shall take effect April 1, 2028; and section six of this act shall take effect April 1, 2029.

PART E

Section 1. Subdivision 26 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a) and (c) as amended by section 2 of part RR of chapter 59 of the laws of 2018, subparagraph (i) of paragraph (a) as amended by section 2, subparagraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1) as amended by section 3 of subpart B of part I of chapter 59 of the laws of 2023, paragraph (e) as amended by section 1 of part U of chapter 59

of the laws of 2019, paragraph (f) as added by section 2 of part CCC of chapter 59 of the laws of 2021, is amended to read as follows:

26. Credit for rehabilitation of historic properties. (a) Application of credit. (i) For taxable years beginning on or after January first, two thousand ten, and before January first, two thousand thirty, a taxpayer**, or a transferee of such a taxpayer as described in paragraph (g) of this subdivision,** shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to one hundred percent of the amount of credit allowed the taxpayer for the same taxable year with respect to a certified historic structure, and one hundred fifty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure that is a small project, under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed five million dollars.

(ii) For taxable years beginning on or after January first, two thousand thirty, a taxpayer**, or a transferee of such a taxpayer as described in paragraph (g) of this subdivision,** shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to thirty percent of the amount of credit allowed the taxpayer for the same taxable year determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of section 47 of the internal revenue code, with respect to a certified historic structure under subsection (c)(3) of section 47 of the internal revenue code with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed one hundred thousand dollars.

(a-1) If the taxpayer **or transferee** is a partner in a partnership or a shareholder in a New York S corporation, then the credit caps imposed in paragraph (a) of this subdivision shall be applied at the entity level, so that the aggregate credit allowed to all the partners or shareholders of each such entity in the taxable year does not exceed the credit cap that is applicable in that taxable year.

(b) Tax credits allowed pursuant to this subdivision shall be allowed in the taxable year that the qualified rehabilitation is placed in service under section 167 of the federal internal revenue code.

(c) If the taxpayer is allowed a credit pursuant to section 47 of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision and that credit pursuant to such section 47 is recaptured pursuant to subsection (a) of section 50 of the internal revenue code, a portion of the credit allowed under this subdivision must be added back **by the taxpayer or transferee** in the same taxable year and in the same proportion as the federal credit.

(d) The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of the credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be recredited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of

section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

(e) [~~Except in the case of a qualified rehabilitation project undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation, to~~] To be eligible for the credit allowable under this subdivision, the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income as calculated as of April first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau. If there is a change in the most recent five year estimate, a census tract that qualified for eligibility under this program before information about the change was released will remain eligible for a credit under this subdivision for an additional two calendar years. The eligibility restrictions set forth in this paragraph shall not be applicable if:

(i) a qualified rehabilitation project is undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation; or

(ii) a qualified rehabilitation project is undertaken for the provision of affordable housing and the taxpayer has entered into a regulatory agreement with any state or federal agency or authority, or any other government entity that is authorized to engage in the financing, construction or oversight of affordable housing within such entity's jurisdiction, and where such regulatory agreement sets forth affordability requirements applicable for a period of not less than thirty years and that is binding on all successors of the taxpayer.

(f) For purposes of this subdivision "small project" means qualified rehabilitation expenditures totaling two million five hundred thousand dollars or less.

(g)(i) A taxpayer allowed a credit pursuant to this subdivision may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, without regard to how any tax credit authorized pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation project may be allocated and notwithstanding that such other person or entity owns no interest in the qualified rehabilitation project or in an entity with an ownership interest in the qualified rehabilitation project. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

(ii) A taxpayer seeking to transfer a credit allowed pursuant to this subdivision must enter into a transfer contract with the transferee. The transfer contract must specify:

(A) the building identification numbers for all buildings in the project;

(B) the date each building was placed into service;

(C) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed;

(D) the amount of consideration received by the taxpayer for the transfer credit; and

(E) the amount of credit being transferred.

(iii) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer appli-

cation is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed transferee, the amount of credit proposed to be transferred to each proposed transferee, a copy of the transfer contract, and such other information as the commissioner or the commissioner of parks, recreation and historic preservation may require. The commissioner of parks, recreation and historic preservation shall approve or deny each transfer application and, if an application is denied, shall issue a written determination to the taxpayer. If the transfer is approved, the commissioner of parks, recreation and historic preservation shall issue a transfer approval certificate that provides the name of the transferor and all transferees, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the transfer approval certificate must be attached to each transferee's tax return. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of credits allowed under this subdivision.

(iv) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer applications and attachments thereto and approval certificates to the commissioner within thirty days after the transfer is approved.

(v) A taxpayer allowed a credit pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision shall remain solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit allowed by this subdivision, none of which shall apply to a party to whom the credit has been subsequently transferred.

(h) The commissioner shall submit a report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee, the chair of the senate housing committee, the chair of the assembly ways and means committee, and the chair of the assembly housing committee on or before November first, two thousand twenty-five and annually thereafter. Such report shall include the aggregate amount of credits claimed pursuant to this subdivision on returns filed during the preceding calendar year and shall be made publicly available on the department's website on the same day the report is submitted.

§ 2. Subsection (oo) of section 606 of the tax law, as amended by chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by section 1 of subpart B of part I of chapter 59 of the laws of 2023, paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of the laws of 2013, paragraph 5 as amended by section 2 of part U of chapter 59 of the laws of 2019, paragraph 6 as added by section 1 of part CCC of chapter 59 of the laws of 2021, is amended to read as follows:

(oo) Credit for rehabilitation of historic properties. (1) (A) For taxable years beginning on or after January first, two thousand ten and before January first, two thousand thirty, a taxpayer, or a transferee of such a taxpayer as described in paragraph seven of this subsection, shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to one hundred percent of the amount of credit allowed the taxpayer with respect to a certified

historic structure, and one hundred fifty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure that is a small project, under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed five million dollars. For taxable years beginning on or after January first, two thousand thirty, a taxpayer**, or a transferee of such a taxpayer as described in paragraph seven of this subsection,** shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to thirty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state; provided, however, the credit shall not exceed one hundred thousand dollars.

(B) If the taxpayer **or transferee** is a partner in a partnership or a shareholder of a New York S corporation, then the credit cap imposed in subparagraph (A) of this paragraph shall be applied at the entity level, so that the aggregate credit allowed to all the partners or shareholders of each such entity in the taxable year does not exceed the credit cap that is applicable in that taxable year.

(2) Tax credits allowed pursuant to this subsection shall be allowed in the taxable year that the qualified rehabilitation is placed in service under section 167 of the federal internal revenue code.

(3) If the taxpayer is allowed a credit pursuant to section 47 of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subsection and that credit pursuant to such section 47 is recaptured pursuant to subsection (a) of section 50 of the internal revenue code, a portion of the credit allowed under this subsection must be added back **by the taxpayer or transferee** in the same taxable year and in the same proportion as the federal recapture.

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

(5) [~~**Except in the case of a qualified rehabilitation project undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation, to**~~] **To** be eligible for the credit allowable under this subsection the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income as calculated as of April first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau. If there is a change in the most recent five year estimate, a census tract that qualified for eligibility under this program before information about the change was released will remain eligible for a credit under this subsection for an additional two calendar years. **The eligibility restrictions set forth in this paragraph shall not be applicable if:**

(A) a qualified rehabilitation project is undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation; or

(B) a qualified rehabilitation project is undertaken for the provision of affordable housing and the taxpayer has entered into a regulatory agreement with any state or federal agency or authority, or any other government entity that is authorized to engage in the financing, construction or oversight of affordable housing within such entity's jurisdiction, and where such regulatory agreement sets forth affordability requirements applicable for a period of not less than thirty years and that is binding on all successors of the taxpayer.

(6) For purposes of this subsection the term "small project" means qualified rehabilitation expenditures totaling two million five hundred thousand dollars or less.

(7)(A) A taxpayer allowed a credit pursuant to this subsection may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, without regard to how any tax credit authorized pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation project may be allocated and notwithstanding that such other person or entity owns no interest in the qualified rehabilitation project or in an entity with an ownership interest in the qualified rehabilitation project. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

(B) A taxpayer seeking to transfer a credit allowed pursuant to this subsection must enter into a transfer contract with the transferee. The transfer contract must specify:

(i) the building identification numbers for all buildings in the project;

(ii) the date each building was placed into service;

(iii) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed;

(iv) the amount of consideration received by the taxpayer for the transfer credit; and

(v) the amount of credit being transferred.

(C) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subsection and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer application is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed transferee, the amount of credit proposed to be transferred to each proposed transferee, a copy of the transfer contract, and such other information as the commissioner or the commissioner of parks, recreation and historic preservation may require. The commissioner of parks, recreation and historic preservation shall approve or deny each transfer application and, if an application is denied, shall issue a written determination to the taxpayer. If the transfer is approved, the commissioner of parks, recreation and historic preservation shall issue a transfer approval certificate that provides the name of the transferor and all transferees, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the transfer approval certificate must be attached to each transferee's tax return. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed

necessary for the transferability of credits allowed under this subsection.

(D) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer applications and attachments thereto and approval certificates to the commissioner within thirty days after the transfer is approved.

(E) A taxpayer allowed a credit pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subsection shall remain solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit allowed by this subsection, none of which shall apply to a party to whom the credit has been subsequently transferred.

(8) The commissioner shall submit a report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee, the chair of the senate housing committee, the chair of the assembly ways and means committee, and the chair of the assembly housing committee on or before November first, two thousand twenty-five and annually thereafter. Such report shall include the aggregate amount of credits claimed pursuant to this subsection on returns filed during the preceding calendar year and shall be made publicly available on the department's website on the same day the report is submitted.

§ 3. Subdivision (y) of section 1511 of the tax law, as added by chapter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by section 5 of subpart B of part I of chapter 59 of the laws of 2023, paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of the laws of 2013, paragraph 5 as amended by section 3 of part U of chapter 59 of the laws of 2019, paragraph 6 as added by section 3 of part CCC of chapter 59 of the laws of 2021, is amended to read as follows:

(y) Credit for rehabilitation of historic properties. (1) (A) For taxable years beginning on or after January first, two thousand ten and before January first, two thousand thirty, a taxpayer, or a transferee of such a taxpayer as described in paragraph seven of this subdivision, shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to one hundred percent of the amount of credit allowed the taxpayer with respect to a certified historic structure, and one hundred fifty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure that is a small project, under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed five million dollars. For taxable years beginning on or after January first, two thousand thirty, a taxpayer, or a transferee of such a taxpayer as described in paragraph seven of this subdivision, shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to thirty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47 with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed one hundred thousand dollars.

(B) If the taxpayer **or transferee** is a partner in a partnership, then the cap imposed in subparagraph (A) of this paragraph shall be applied at the entity level, so that the aggregate credit allowed to all the partners of such partnership in the taxable year does not exceed the credit cap that is applicable in that taxable year.

(2) Tax credits allowed pursuant to this subsection shall be allowed in the taxable year that the qualified rehabilitation is placed in service under section 167 of the federal internal revenue code.

(3) If the taxpayer is allowed a credit pursuant to section 47 of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision and that credit pursuant to such section 47 is recaptured pursuant to subsection (a) of section 50 of the internal revenue code, a portion of the credit allowed under this subdivision in the taxable year the credit was claimed must be added back **by the taxpayer or transferee** in the same taxable year and in the same proportion as the federal recapture.

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

(5) [~~**Except in the case of a qualified rehabilitation project undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation, to**~~] **To** be eligible for the credit allowable under this subdivision, the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income as calculated as of April first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau. If there is a change in the most recent five year estimate, a census tract that qualified for eligibility under this program before information about the change was released will remain eligible for a credit under this subdivision for an additional two calendar years. **The eligibility restrictions set forth in this paragraph shall not be applicable if:**

(A) a qualified rehabilitation project is undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation; or

(B) a qualified rehabilitation project is undertaken for the provision of affordable housing and the taxpayer has entered into a regulatory agreement with any state or federal agency or authority, or any other government entity that is authorized to engage in the financing, construction or oversight of affordable housing within such entity's jurisdiction, and where such regulatory agreement sets forth affordability requirements applicable for a period of not less than thirty years and that is binding on all successors of the taxpayer.

(6) For purposes of this subdivision "small project" means qualified rehabilitation expenditures totaling two million five hundred thousand dollars or less.

(7)(A) A taxpayer allowed a credit pursuant to this subdivision may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, without regard to how any tax credit authorized pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation project may be allocated and notwithstanding that such other person or entity owns no interest in the qualified rehabilitation project or in an entity with an ownership interest in the qualified rehabilitation project. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

(B) A taxpayer seeking to transfer a credit allowed pursuant to this subdivision must enter into a transfer contract with the transferee. The transfer contract must specify:

(i) the building identification numbers for all buildings in the project;

(ii) the date each building was placed into service;

(iii) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed;

(iv) the amount of consideration received by the taxpayer for the transfer credit; and

(v) the amount of credit being transferred.

(C) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer application is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed transferee, the amount of credit proposed to be transferred to each proposed transferee, a copy of the transfer contract, and such other information as the commissioner or the commissioner of parks, recreation and historic preservation may require. The commissioner of parks, recreation and historic preservation shall approve or deny each transfer application and, if an application is denied, shall issue a written determination to the taxpayer. If the transfer is approved, the commissioner of parks, recreation and historic preservation shall issue a transfer approval certificate that provides the name of the transferor and all transferees, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the transfer approval certificate must be attached to each transferee's tax return. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of credits allowed under this subdivision.

(D) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer applications and attachments thereto and approval certificates to the commissioner within thirty days after the transfer is approved.

(E) A taxpayer allowed a credit pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision shall remain solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit allowed by this subdivision, none of which

shall apply to a party to whom the credit has been subsequently transferred.

(8) The commissioner shall submit a report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee, the chair of the senate housing committee, the chair of the assembly ways and means committee, and the chair of the assembly housing committee on or before November first, two thousand twenty-five and annually thereafter. Such report shall include the aggregate amount of credits claimed pursuant to this subdivision on returns filed during the preceding calendar year and shall be made publicly available on the department's website on the same day the report is submitted.

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

5. The commissioner shall submit a report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee, the chair of the senate housing committee, the chair of the assembly ways and means committee, and the chair of the assembly housing committee on or before November first, two thousand twenty-five and annually thereafter. Such report shall be made publicly available on the office's website on the same day the report is submitted and shall include the following information related to tax credits pursuant to subsection (oo) of section six hundred six of the tax law, subdivision twenty-six of section two hundred ten-B of the tax law, and subdivision (y) of section fifteen hundred eleven of the tax law organized by project size, municipality and county:

(a) the aggregate number and value of projects applied for during the preceding calendar year;

(b) the aggregate number and value of the projects deemed eligible to receive the tax credit as certified by the office during the preceding calendar year;

(c) the total value of credits certified annually for each of the taxable years beginning on or after January first, two thousand seven;

(d) the number of housing units before and after the completion of a rehabilitation project during the preceding calendar year;

(e) the aggregate number of credits that were authorized to be transferred during the preceding calendar year; and

(f) the aggregate amount of credits claimed pursuant to this subdivision on returns filed during the preceding calendar year.

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

PART F

Section 1. This Part enacts into law major components of legislation relating to the purchase of residential real property by certain purchasers, and taxation relating thereto. Each component is wholly contained within a Subpart identified as Subparts A through C. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this Part sets forth the general effective date of this Part.

SUBPART A

Section 1. The real property law is amended by adding a new article 16 to read as follows:

ARTICLE 16

NINETY-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY RESIDENCES TO CERTAIN PURCHASERS

Section 520. Definitions.
521. Ninety-day waiting period.
522. Enforcement.

§ 520. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Community land trust" shall mean a nonprofit organization exempt from certain taxes pursuant to section 501 (c) (3) or section 501(c) (4) of the United States internal revenue code and/or that is incorporated under the not-for-profit corporation law whose primary purpose is to provide affordable housing by owning land and leasing or selling residential housing situated on that land to households that meet certain income requirements.

2. (a) "Covered entity" shall mean an institutional real estate investor or an entity that receives funding from an institutional real estate investor for the purchase of a single-family residence or two-family residence. A loan provided in exchange for a mortgage of the residence that is being purchased shall not be considered funding for the purposes of this subdivision, provided that such mortgage must be of a type which members of the general public can apply.

(b) "Covered entity" shall not include:

(i) an organization which is described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code;

(ii) a land bank; or

(iii) a community land trust.

3. (a) "Institutional real estate investor" shall mean an entity or combined group that:

(i) manages or receives funds from an investor or funds pooled from investors and acts as a fiduciary with respect to one or more investors; and

(ii) owns ten or more single-family residences and/or two-family residences; or

(iii) has five million dollars or more in net value and/or assets under management on any day during the taxable year.

(b) An entity is considered owning a single-family residence or two-family residence if it directly owns the single-family residence or two-family residence or indirectly owns ten percent or more of the single-family residence or two-family residence.

(c) An institutional real estate investor shall also include an individual or entity who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise:

(i) exercises substantial control over another entity; or

(ii) owns or controls not less than twenty-five percent of the ownership interests of another entity.

4. "Land bank" shall mean an entity created in accordance with article sixteen of the not-for-profit corporation law.

5. "Single-family residence" shall mean a residential property consisting of one dwelling unit; provided that such term shall not include:

(a) any single-family residence that is to be used as the principal residence of any person who has an ownership interest in the covered entity that seeks to purchase the single-family residence; or

(b) any single-family residence constructed, acquired, or operated with federal, state, or local appropriated funding sources.

6. "Two-family residence" shall mean a residential property consisting of two dwelling units; provided that such term shall not include:

(a) any two-family residence in which one of the dwelling units is to be used as the principal residence of any person who has an ownership interest in the covered entity that seeks to purchase the two-family residence; or

(b) any two-family residence constructed, acquired, or operated with federal, state, or local appropriated funding sources.

§ 521. Ninety-day waiting period. 1. Notwithstanding any other provision of law, on and after July first, two thousand twenty-five, it shall be unlawful for a covered entity to purchase, acquire, or offer to purchase or acquire any interest in a single-family residence or two-family residence unless the single-family residence or two-family residence has been listed for sale to the general public for at least ninety days.

2. The ninety-day waiting period set forth in subdivision one of this section shall restart if the seller changes the asking price for the single-family residence or two-family residence, and a covered entity shall be prohibited from purchasing, acquiring, or offering to purchase or acquire any interest in the single-family residence or two-family residence until it has been listed for sale to the general public at the new asking price for at least an additional ninety days.

3. A covered entity that violates this section may be subject to civil damages and penalties in an amount not to exceed two hundred fifty thousand dollars.

4. At the time an offer is made by a covered entity purchasing such residence it shall be required to submit to the seller or anyone acting as an agent for such seller, a form that has been signed by the covered entity purchaser, or an authorized agent thereof, and notarized, stating that the purchaser is a covered entity.

(a) This form shall be filed with the attorney general's office upon receipt by the seller or anyone acting as an agent for such seller.

(b) Following the closing of such property, the form must be recorded in the office of clerk of the county or the office of registrar of the city where such real property is situated, and such county clerk or city registrar shall, upon the request of any party, on tender of the fee of ten percent of the purchase price therefor, record the same in said office. The recording officer shall deduct fifty percent of collected fees and remit the remainder of the revenue collected to the commissioner of tax and finance every month for deposit into the general fund for allocation to the division of housing and community renewal for housing programs to support first time homebuyers and provides closing cost assistance. The amount duly deducted by the recording officer shall be retained by the county or by the city of New York.

(c) Any covered entity or covered entity's agent that violates this section may be subject to civil damages and penalties in an amount not to exceed ten thousand dollars.

5. The following form shall be completed by a covered entity purchasing a single-family residence or two-family residence:

"COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

Pursuant to Article 16 of the New York State Real Property Law, covered entities are required to wait at least 90 days after a single-family residence or two-family residence has been listed for sale to the general public to purchase, acquire, or offer to purchase or acquire any interest in the single-family residence or two-family residence. This form shall be filed with the attorney general's office upon receipt by the seller or anyone acting as an agent for such seller. Prior to finalizing the sale, the covered entity or its agent is required to complete this form stating that the purchaser is a covered entity and submit this form at the time of the sale with the county clerk or office of the registrar of the city where the real property is situated.

The buyer of this single-family residence or two-family residence is a covered entity as defined in New York State Real Property Law § 520. The buyer is subject to the statutory 90-day waiting period. Failure to comply with the 90-day waiting period may result in civil fines and penalties.

Any covered entity or covered entity's agent that does not complete and submit this form as required by statute, or abide by the statutory waiting period, may be liable for civil damages.

IDENTIFYING INFORMATION

BUYER OR BUYERS OF THIS RESIDENCE:

_____

Printed Name and Mailing Address

_____

Printed Name and Mailing Address

By signing this form, the buyer or its agent affirms that the statements herein are true under the penalties of perjury.

SIGNATURE OF BUYER(S) OR ITS AGENT OF THIS SINGLE-FAMILY RESIDENCE OR TWO-FAMILY RESIDENCE:

_____

Signature Date

_____

Signature Date

_____

SIGNATURE OF WITNESSES

_____

Signature Date

_____

Signature Date

_____

NOTARY ACKNOWLEDGEMENT

(insert notary acknowledgement for this form here)"

§ 522. Enforcement. Notwithstanding any other provision of law, the attorney general of the state of New York shall have the authority to enforce the provisions of section five hundred twenty-one of this article by applying, in the name of the people of the state of New York, to the supreme court of the state of New York, on notice of five days, for an order enjoining the continuance of such violative activity, including but not limited to by bringing an action for injunctive or declaratory relief if a single-family residence or two-family residence is in the process of being or has been sold in a manner that contravenes the requirements of section five hundred twenty-one of this article, and imposing civil damages and penalties pursuant to subdivisions three and four of section five hundred twenty-one of this article, as applicable.

§ 2. Severability. If any provision of this act, or any application of any provision of this act, is held to be invalid, that shall not affect

the validity or effectiveness of any other provision of this act, or of any other application of any provision of this act, which can be given effect without that provision or application; and to that end, the provisions and applications of this act are severable.

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

SUBPART B

Section 1. Subdivision 9 of section 208 of the tax law is amended by adding a new paragraph (c-4) to read as follows:

(c-4) Depreciation and interest deduction adjustments for covered properties owned by an institutional real estate investor. (1) Notwithstanding any other provision of this section, in the case of a corporation or combined group that is an institutional real estate investor or a partner, member or shareholder of an entity that is an institutional real estate investor, entire net income shall be computed with the adjustments for depreciation and interest related to covered properties as set forth in this paragraph.

(2) Definitions. (A) (i) "Institutional real estate investor" means an entity or combined group that (I) manages or receives funds from an investor or funds pooled from investors and acts as a fiduciary with respect to one or more investors, and (II) owns ten or more covered properties, or (III) has five million dollars or more in net value and/or assets under management on any day during the taxable year. (ii) An entity is considered owning a covered property if it directly owns the covered property or indirectly owns ten percent or more of the covered property. An institutional real estate investor shall also include an individual or entity who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise: (I) exercises substantial control over another entity; or (II) owns or controls not less than twenty-five percent of the ownership interests of another entity.

(B) "Covered property" means a residential property consisting of no more than two dwelling units located in New York state.

(3) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(4) Interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of entire net income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this subparagraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

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

(y) Depreciation and interest adjustments for covered properties owned by an institutional real estate investor. (1) Notwithstanding any other

provision of this section, in the case of a taxpayer that is a partner, member or shareholder of an entity that is an institutional real estate investor as defined in paragraph (c-4) of subdivision nine of section two hundred eight of this chapter, New York adjusted gross income shall be computed with adjustments for depreciation and interest related to covered properties as set forth in this subsection.

(2) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(3) Federal interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of New York adjusted gross income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this paragraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

§ 3. Subdivision (b) of section 1503 of the tax law is amended by adding a new paragraph 17 to read as follows:

(17) Depreciation and interest adjustments for covered properties owned by an institutional real estate investor. (A) Notwithstanding any other provision of this section, in the case of a taxpayer that is an institutional real estate investor or partner, member or shareholder of an entity that is an institutional real estate investor as defined in paragraph (c-4) of subdivision nine of section two hundred eight of this chapter, entire net income shall be computed with adjustments for depreciation and interest related to covered properties as set forth in this paragraph.

(B) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(C) Federal interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of entire net income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this subparagraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

SUBPART C

Section 1. Subdivision 3 of section 442-h of the real property law, as amended by chapter 505 of the laws of 2001, is amended to read as follows:

3. (a) If the secretary of state determines that some owners of residential real property within a defined geographic area are subject to intense and repeated solicitation by real estate brokers and salespersons to place their property for sale with such real estate brokers or salespersons, or are subject to intense and repeated solicitation by other persons regularly engaged in the trade or business of buying and selling real estate to sell their real estate, the secretary of state may adopt a rule establishing a cease and desist zone, which zone shall be bounded or otherwise specifically defined in the rule. After the secretary of state has established a cease and desist zone, the owners of residential real property located within the zone may file an owner's statement with the secretary of state expressing their wish [~~not~~] to **opt-out of the cease and desist and** be solicited by real estate brokers, salespersons or other persons regularly engaged in the trade or business of buying and selling real estate. The form and content of the statement shall be prescribed by the secretary of state. After a cease and desist zone has been established by the secretary of state, no real estate broker, salesperson or other person regularly engaged in the trade or business of buying and selling real estate shall solicit a listing from any owner **of residential real property located in the zone, other than an owner** who has filed a statement with the secretary of state [~~if such owner's name~~] **and** appears on the current cease and desist **opt-out** list prepared by the secretary of state. The prohibition on solicitation shall apply to direct forms of solicitation such as the use of the telephone, the mail, personal contact and other forms of direct solicitation as may be specified by the secretary of state.

(b) The secretary of state shall compile a cease and desist **opt-out** list for each zone established pursuant to paragraph (a) of this subdivision. In addition to such other information as the secretary of state may deem appropriate, each cease and desist **opt-out** list shall contain the name of each owner who has filed an owner's statement with the secretary, as well as the address of the property within the zone to which the owner's statement applies. The secretary of state shall send to each owner who has filed an owner's statement a written acknowledgement of the secretary of state's receipt thereof and a pamphlet explaining to the owner [~~his or her~~] **their** rights in connection therewith [~~and the procedures and time limits applicable to the filing of complaints for violations~~]. The secretary of state shall allow [~~an~~] **any** owner who files, or on behalf of whom is filed, a complaint or other report of a violation of a cease and desist rule ninety days in which to perfect a complaint by submitting such other or further information or documents as the secretary of state may require. The secretary of state shall print [~~a~~] **an opt-out** list for each zone. Each **opt-out** list shall be revised and reprinted at least annually on or before December thirty-first and shall be made available to the public and to real estate brokers at a reasonable price to be set by the secretary of state and approved by the director of the division of the budget. Additions or deletions shall be made to each **opt-out** list only at the time the **opt-out** list is reprinted, and the secretary of state shall not issue amendments or addenda to any printed **opt-out** list.

(c) No rule establishing a cease and desist zone shall be effective for longer than five years. However, the secretary of state may re-adopt the rule to continue the cease and desist zone for additional periods

not to exceed five years each. Whenever a rule establishing a cease and desist zone shall have expired or shall have been repealed, all owner's statements filed with the secretary of state pursuant to that rule shall also expire. However, an owner may file a new statement with the secretary of state if a new rule is adopted establishing a cease and desist zone containing the owner's property. Once the boundaries of a cease and desist zone have been established by rule of the secretary of state, the boundaries may not be changed except by repeal of the existing rule and adoption of a new rule establishing the new boundaries.

§ 2. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.

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

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

PART G

Intentionally Omitted

PART H

Section 1. This Part enacts into law major components of legislation relating to the excelsior jobs program and the empire state jobs retention program. Each component is wholly contained within a Subpart identified as Subpart A and Subpart B. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this Part sets forth the general effective date of this Part.

SUBPART A

Section 1. Section 352 of the economic development law is amended by adding a new subdivision 25 to read as follows:

25. "Semiconductor supply chain project" means a project deemed by the commissioner to make products or develop technologies that: (a) are primarily aimed at supporting the growth of the semiconductor manufacturing and related equipment and material supplier sector; (b) includes sustainability measures to mitigate the project's greenhouse gas emissions impact over its lifetime; (c) provides for the payment of not

less than federal prevailing wage rates for its project construction; (d) makes commitments to worker and community investment, including through training and education benefits paid by the participant and programs to expand employment opportunity for economically disadvantaged individuals; and (e) will create at least fifty net new jobs. "Semiconductor supply chain project" shall include, but need not be limited to, semiconductor device manufacturing, producers of component parts, direct input materials and equipment necessary for the manufacture of semiconductor chips, machinery, equipment, and materials necessary for the operational efficiency of semiconductor manufacturing facilities, other such inputs directly supportive of the domestic production of semiconductor chips, and companies engaged in the assembly, testing, packaging and advanced packaging semiconductor value chain. "Semiconductor supply chain project" shall not include a project primarily composed of: (i) machinery, equipment, or materials that are inputs to manufacturing generally, but are not direct inputs to semiconductor manufacturing in specific; (ii) the production of products or development of technologies that would produce only marginal and incremental benefits to the semiconductor manufacturing sector; (iii) projects that would otherwise qualify as a Green CHIPS project as defined in section twenty-four of this section.

§ 2. Paragraphs (m) and (n) of subdivision 1 of section 353 of the economic development law, as amended by chapter 494 of the laws of 2022, are amended and a new paragraph (o) is added to read as follows:

(m) as a participant operating in one of the industries listed in paragraphs (a) through (k) of this subdivision and operating or sponsoring child care services to its employees as defined in section three hundred fifty-two of this article; [~~or~~]

(n) as a Green CHIPS project[~~.~~]; or

(o) as a company operating in one of the industries listed in paragraphs (a) through (k) of this subdivision and engaging in a semiconductor supply chain project as defined in section three hundred fifty-two of this article.

§ 3. Subdivision 3 of section 353 of the economic development law, as amended by chapter 494 if the laws of 2022, is amended to read as follows:

3. For the purposes of this article, in order to participate in the excelsior jobs program, a business entity operating predominantly in manufacturing must create at least five net new jobs; a business entity operating predominately in agriculture must create at least five net new jobs; a business entity operating predominantly as a financial service data center or financial services customer back office operation must create at least twenty-five net new jobs; a business entity operating predominantly in scientific research and development must create at least five net new jobs; a business entity operating predominantly in software development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least twenty-five net new jobs; a business entity operating predominately in music production must create at least five net new jobs; a business entity operating predominantly as an entertainment company must create or obtain at least one hundred net new jobs; or a business entity operating predominantly as a distribution center in the state must create at least fifty net new jobs, notwithstanding subdivision five of this section; or a business entity operating predominately as a life sciences company must create at least five net new jobs; or a business entity must be a regionally significant project or Green CHIPS project as

defined in this article; or **a business entity must be a semiconductor supply chain project as defined by this article and that creates at least fifty net new jobs.**

§ 4. Subdivisions 1, 2 and 3 of section 355 of the economic development law, as amended by chapter 494 of the laws of 2022, are amended to read as follows:

1. Excelsior jobs tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit for each net new job it creates in New York state. In a project that is not a green project, the amount of such credit per job shall be equal to the product of the gross wages paid and up to 6.85 percent. In a green project, or a Green CHIPS project, the amount of such credit per job shall be equal to the product of the gross wages paid and up to 7.5 percent. Provided, however, given the transformational nature of Green CHIPS projects, only the first two hundred thousand dollars of gross wages per job shall be eligible for this credit. The maximum amount of gross wages per job for a Green CHIPS project may be adjusted for inflation at an annual amount determined by the commissioner in a manner substantially similar to the cost of living adjustments calculated by the United States Social Security Administration based on changes in consumer price indices or a rate of four percent per year, whichever is higher. **In a semiconductor supply chain project, the amount of such credit per job shall be equal to the product of the gross wages paid and up to seven percent.**

2. Excelsior investment tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit on qualified investments. In a project that is not a green project, the credit shall be equal to two percent of the cost or other basis for federal income tax purposes of the qualified investment. In a green project, the credit shall be equal to five percent of the cost or other basis for federal income tax purposes of the qualified investment. In a project for child care services or a Green CHIPS project, the credit shall be up to five percent of the cost or other basis for federal income tax purposes of the qualified investment in child care services or in the Green CHIPS project as applicable. **In a semiconductor supply chain project, the credit shall be up to three percent of the cost or other basis for federal income tax purposes of the qualified investment.** A participant may not claim both the excelsior investment tax credit component and the investment tax credit set forth in subdivision one of section two hundred ten-B, subsection (a) of section six hundred six, the former subsection (i) of section fourteen hundred fifty-six, or subdivision (q) of section fifteen hundred eleven of the tax law for the same property in any taxable year, except that a participant may claim both the excelsior investment tax credit component and the investment tax credit for research and development property. In addition, a taxpayer who or which is qualified to claim the excelsior investment tax credit component and is also qualified to claim the brownfield tangible property credit component under section twenty-one of the tax law may claim either the excelsior investment tax credit component or such tangible property credit component, but not both with regard to a particular piece of property. A credit may not be claimed until a business enterprise has received a certificate of tax credit, provided that qualified investments made on or after the issuance of the certificate of eligibility but before the issuance of the certificate of tax credit to the business enterprise, may be claimed in the first taxable year for which the business enterprise is allowed to claim the credit. Expenses

incurred prior to the date the certificate of eligibility is issued are not eligible to be included in the calculation of the credit.

3. Excelsior research and development tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit equal to fifty percent of the portion of the participant's federal research and development tax credit that relates to the participant's research and development expenditures in New York state during the taxable year; provided however, if not a green project, the excelsior research and development tax credit shall not exceed six percent of the qualified research and development expenditures attributable to activities conducted in New York state, or, if a green project or a Green CHIPS project, the excelsior research and development tax credit shall not exceed eight percent of the research and development expenditures attributable to activities conducted in New York state**, or if a semiconductor supply chain project, the excelsior research and development tax credit shall not exceed seven percent of the qualified research and development expenditures attributable to activities conducted in New York state**. If the federal research and development credit has expired, then the research and development expenditures relating to the federal research and development credit shall be calculated as if the federal research and development credit structure and definition in effect in two thousand nine were still in effect. Notwithstanding any other provision of this chapter to the contrary, research and development expenditures in this state, including salary or wage expenses for jobs related to research and development activities in this state, may be used as the basis for the excelsior research and development tax credit component and the qualified emerging technology company facilities, operations and training credit under the tax law.

§ 5. Section 359 of the economic development law, as amended by chapter 494 of the laws of 2022, is amended to read as follows:

§ 359. Cap on tax credit. 1. Except with respect to tax credits issued to Green CHIPS projects as articulated in subdivision four of this section, the total amount of tax credits issued by the commissioner for any taxable year may not exceed the limitations set forth in this subdivision. Except with respect to tax credits issued to Green CHIPS projects as articulated in subdivision four of this section, one-half of any amount of tax credits not awarded for a particular taxable year may be used by the commissioner to award tax credits in another taxable year.

Credit components in the aggregate shall not exceed:	With respect to taxable years beginning in:
$ 50 million	2011
$ 100 million	2012
$ 150 million	2013
$ 200 million	2014
$ 250 million	2015
$ 183 million	2016
$ 183 million	2017
$ 183 million	2018
$ 183 million	2019
$ 183 million	2020
$ 183 million	2021
$ 133 million	2022
$ 83 million	2023

$ 36 million	2024
$ 200 million	2025
$ 200 million	2026
$ 200 million	2027
$ 200 million	2028
$ 200 million	2029
$ 200 million	**2030**
$ 200 million	**2031**
$ 200 million	**2032**
$ 200 million	**2033**
$ 200 million	**2034**

2. Twenty-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision four of section three hundred fifty-three of this article and seventy-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision three of section three hundred fifty-three of this article.

3. Provided, however, if by September thirtieth of a calendar year, the department has not allocated the full amount of credits available in that year to either: (i) businesses accepted into the program under subdivision four of section three hundred fifty-three of this article or (ii) businesses accepted into the program under subdivision three of section three hundred fifty-three of this article, the commissioner may allocate any remaining tax credits to businesses referenced in this paragraph as needed; provided, however, that under no circumstances may the aggregate statutory cap for all program years be exceeded. One hundred percent of the unawarded amounts remaining at the end of two thousand twenty-nine may be allocated in subsequent years, notwithstanding the fifty percent limitation on any amounts of tax credits not awarded in taxable years two thousand eleven through two thousand twenty-nine. Provided, however, no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~forty~~] **forty-five**.

4. The total amount of tax credits issued by the commissioner for the taxable years two thousand twenty-two to two thousand forty-one for Green CHIPS projects shall not exceed five hundred million per year. One hundred percent of any amount of tax credits not awarded for a particular taxable year may be used by the commissioner to award tax credits in another taxable year. Notwithstanding the foregoing, Green CHIPS projects may be allowed to claim credits for taxable years up to January first, two thousand fifty.

§ 6. Article 22 of the economic development law, as added by section 1 of part O of chapter 59 of the laws of 2015, sections 441 and 442 as amended by section 1 of part L of chapter 59 of the laws of 2017, subdivision 3 of section 441 as amended by section 1, paragraph (b) of subdivision 1 of section 442 as amended by section 2, and paragraph (a) of subdivision 2 of section 443 as amended by section 3 of part B of chapter 59 of the laws of 2019, is amended to read as follows:

ARTICLE 22

EMPLOYEE TRAINING INCENTIVE PROGRAM

Section 441. Definitions.
442. Eligibility criteria.
443. Application and approval process.
444. Powers and duties of the commissioner.
445. Recordkeeping requirements.
446. Cap on tax credit.

447. Reporting.

§ 441. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Approved provider" means an entity meeting such criteria as shall be established by the commissioner in rules and regulations promulgated pursuant to this article, that may provide eligible training to employees of a business entity participating in the employee training incentive program; provided that, for internship programs, the business entity shall be an approved provider or an approved provider in contract with such business entity. Such criteria shall ensure that any approved provider possess adequate credentials to provide the training described in an application by a business entity to the commissioner to participate in the employee training incentive program.

2. "Commissioner" means the commissioner of economic development.

3. "Eligible training" means (a) training provided by the business entity or an approved provider that is:

(i) to upgrade, retrain or improve the productivity of employees;

(ii) provided to employees in connection with a significant capital investment by a participating business entity;

(iii) determined by the commissioner to satisfy a business need on the part of a participating business entity;

(iv) not designed to train or upgrade skills as required by a federal or state entity;

(v) not training the completion of which may result in the awarding of a license or certificate required by law in order to perform a job function; and

(vi) not culturally focused training; or

(b) an internship program in advanced technology, life sciences, software development or clean energy approved by the commissioner and provided by the business entity or an approved provider, on or after August first, two thousand fifteen, to provide employment and experience opportunities for current students, recent graduates, and recent members of the armed forces.

4. "Life sciences" means agricultural biotechnology, biogenerics, bioinformatics, biomedical engineering, biopharmaceuticals, academic medical centers, biotechnology, chemical synthesis, chemistry technology, medical diagnostics, genomics, medical image analysis, marine biology, medical devices, medical nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, medical and neurological clinical trials, health robotics and veterinary science. "Life sciences company" is a business entity or an organization or institution that devotes the majority of its efforts in the various stages of research, development, technology transfer and commercialization related to any life sciences field.

5. **"Manufacturing business" means a business that is engaged in the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, that the assembly of motor vehicles or other high value-added products shall be considered manufacturing.**

6. "Significant capital investment" means a capital investment in new business processes or equipment, the cost of which is equal to or exceeds ten dollars for every one dollar of tax credit allowed to an eligible business entity under this program pursuant to subdivision

fifty of section two hundred ten-B or subsection (ddd) of section six hundred six of the tax law.

[~~6.~~] 7. "Semiconductor manufacturing business" means a business deemed by the commissioner to make products or develop technologies that are primarily aimed at supporting the growth of the semiconductor manufacturing and related equipment and material supplier sector. This shall include, but need not be limited to, semiconductor device manufacturing, producers of component parts, direct input materials and equipment necessary for the manufacture of semiconductor chips, machinery, equipment, and materials necessary for the operational efficiency of semiconductor manufacturing facilities, other such inputs directly supportive of the domestic production of semiconductor chips, and companies engaged in the assembly, testing, packaging and advanced packaging semiconductor value chain. The "semiconductor and supply chain" tier shall not include a project primarily composed of: (a) machinery, equipment, or materials that are inputs to manufacturing generally, but are not direct inputs to semiconductor manufacturing in specific; or (b) the production of products or development of technologies that would produce only marginal and incremental benefits to the semiconductor manufacturing sector.

8. "Strategic industry" means an industry in this state, as established by the commissioner in regulations promulgated pursuant to this article, based upon the following criteria:

(a) shortages of workers trained to work within the industry;

(b) technological disruption in the industry, requiring significant capital investment for existing businesses to remain competitive;

(c) the ability of businesses in the industry to relocate outside of the state in order to attract talent;

(d) the potential to recruit minorities and women to be trained to work in the industry in which they are traditionally underrepresented;

(e) the potential to create jobs in economically distressed areas, which shall be based on criteria indicative of economic distress, including poverty rates, numbers of persons receiving public assistance, and unemployment rates; or

(f) such other criteria as shall be developed by the commissioner in consultation with the commissioner of labor.

9. "Wrap around services" means transportation, childcare, case management and other services designed to maximize the economic impact of workforce development training for participants, and to provide the support services necessary to ensure trainees can access training.

§ 442. Eligibility criteria. In order to participate in the employee training incentive program, a business entity must satisfy the following criteria:

1. (a) The business entity must operate in the state predominantly in a strategic industry;

(b) The business entity must demonstrate that it is conducting eligible training or obtaining eligible training from an approved provider;

(c) The business entity must make a significant capital investment in connection with the eligible training; and

(d) The business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, the business entity may not owe past due state taxes or local property taxes; or

2. (a) The business entity, or an approved provider in contract with such business entity, must be approved by the commissioner to provide eligible training in the form of an internship program in advanced tech-

nology or at a life sciences company pursuant to paragraph (b) of subdivision three of section four hundred forty-one of this article;

(b) The business entity must be located in the state;

(c) The business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, the business entity must not have past due state taxes or local property taxes;

(d) The internship program shall not displace regular employees;

(e) The business entity must have less than one hundred employees**, provided, however, that this restriction shall not apply to business entities defined in subdivision seven of section four hundred forty-one of this article**; [~~and~~]

(f) **The business entity must agree to allow the department and the department of taxation and finance to share and exchange information contained in or derived from the applications or admission into the employee training incentive program, the credit claim forms submitted to the department of taxation and finance. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and**

(g) Participation of an individual in an internship program shall not last more than a total of twelve months.

§ 443. Application and approval process. 1. A business entity must submit a completed application in such form and with such information as prescribed by the commissioner.

2. As part of such application, each business entity must:

(a) provide such documentation as the commissioner may require in order for the commissioner to determine that the business entity intends to conduct eligible training or procure eligible training for its employees from an approved provider;

(b) agree to allow the department of taxation and finance to share its tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(c) agree to allow the department of labor to share its tax and employer information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(d) allow the department and its agents access to any and all books and records the department may require to monitor compliance;

(e) provide a clear and detailed presentation of all related persons to the applicant to assure the department that jobs are not being shifted within the state; and

(f) certify, under penalty of perjury, that it is in substantial compliance with all environmental, worker protection, and local, state, and federal tax laws.

3. The commissioner may approve an application from a business entity upon determining that such business entity meets the eligibility criteria established in section four hundred forty-two of this article. Following approval by the commissioner of an application by a business entity to participate in the employee training incentive program, the commissioner shall issue a certificate of tax credit to the business entity upon its demonstrating successful completion of such eligible training to the satisfaction of the commissioner.

(a) For eligible training as defined by paragraph (a) of subdivision three of section four hundred forty-one of this article the amount of the credit shall be equal to fifty percent of eligible training costs,

up to a credit of ten thousand dollars per employee receiving eligible training. For eligible training as defined by paragraph (b) of subdivision three of section four hundred forty-one of this article, the amount of the credit shall be equal to fifty percent of the stipend paid to an intern, up to a credit of three thousand dollars per intern. The tax credits shall be claimed by the qualified employer as specified in subdivision fifty of section two hundred ten-B and subsection (ddd) of section six hundred six of the tax law.

(b) For eligible training for businesses defined in subdivisions five and seven of section four hundred forty-one of this article, the amount of the credit shall be equal to seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business. The tax credits shall be claimed by the qualified employer as specified in subdivision sixty-two of section two hundred ten-B and subsection (sss) of section six hundred six of the tax law. For the purposes of this paragraph "wrap around services" means transportation, childcare, case management and other services designed to maximize the economic impact of workforce development training for participants, and to provide the support services necessary to ensure trainees can access training.

§ 444. Powers and duties of the commissioner. 1. The commissioner shall, in consultation with the commissioner of labor, promulgate regulations consistent with the purposes of this article that, notwithstanding any provisions to the contrary in the state administrative procedure act, may be adopted on an emergency basis. Such regulations shall include, but not be limited to, eligibility criteria for business entities desiring to participate in the employee training incentive program, procedures for the receipt and evaluation of applications from business entities to participate in the program, and such other provisions as the commissioner deems to be appropriate in order to implement the provisions of this article.

2. The commissioner shall, in consultation with the department of taxation and finance, develop a certificate of tax credit that shall be issued by the commissioner to participating business entities. Participants may be required by the commissioner of taxation and finance to include the certificate of tax credit with their tax return to receive any tax benefits under this article.

3. The commissioner shall solely determine the eligibility of any applicant applying for entry into the program and shall remove any participant from the program for failing to meet any of the requirements set forth in subdivision one of section four hundred forty-two of this article or for making a material misrepresentation with respect to its participation in the employee training incentive program.

§ 445. Recordkeeping requirements. Each business entity participating in the employee training incentive program shall maintain all relevant records for the duration of its program participation plus three years.

§ 446. Cap on tax credit. [~~The~~] **1. Except as provided in subdivision two of this section, the** total amount of tax credits listed on certificates of tax credit issued by the commissioner for any taxable year may not exceed five million dollars, and shall be allotted from the funds available for tax credits under the excelsior jobs program act pursuant to section three hundred fifty-nine of this chapter, provided however, that the portion of this tax credit cap allocated to internship programs

in advanced technology shall be not less than two hundred fifty thousand dollars nor more than one million dollars.

2. For business entities defined in subdivision seven of section four hundred forty-one of this article, the total amount of tax credits listed on certificates of tax credit issued by the commissioner for any taxable year may not exceed twenty million dollars, and shall be allotted from the funds available for tax credits under the excelsior jobs program act pursuant to section three hundred fifty-nine of this chapter.

§ 447. Reporting. The commissioner shall prepare an annual employee incentive training program report that shall be posted on the department's website. Such report shall also be sent to the governor, the temporary president of the senate, and the speaker of the assembly. The first report shall be due February first, two thousand twenty-six, and annually thereafter. In preparing the report, the department shall coordinate with the urban development corporation and its subsidiaries, the department of taxation and finance and other relevant agencies or entities. Such report shall include, but need not be limited to: a listing of approved providers; the number of business participants by sector; the number of internships made available and filled by participating business entities; the total tax credits awarded; and the total number of trainees and interns assisted.

§ 7. The economic development law is amended by adding a new article 17-A to read as follows:

ARTICLE 17-A
SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

Section 359-a. Short title.
359-b. Statement of legislative findings and declaration.
359-c. Definitions.
359-d. Eligibility criteria.
359-e. Application and approval process.
359-f. Powers and duties of the commissioner.
359-g. Semiconductor research and development tax credit.
359-h. Reporting.

§ 359-a. Short title. This article shall be known and may be cited as the "semiconductor research and development project act".

§ 359-b. Statement of legislative findings and declaration. It is hereby found and declared that New York state needs, as a matter of public policy, to create competitive financial incentives to attract large scale semiconductor research and development projects to New York state, and to position New York state to be at the center of cutting edge innovations in the semiconductor industry.

§ 359-c. Definitions. For the purposes of this article:

1. "Certificate of eligibility" means the document issued by the department to an applicant that has completed an application to be admitted into the semiconductor research and development project program and has been accepted into the program by the department. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

2. "Certificate of tax credit" means the document issued to a participant by the department, after the department has verified that the participant has met all applicable eligibility criteria in this article. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of the tax credit under this article

that a participant may claim and shall specify the taxable year in which such credit may be claimed.

3. "Participant" means a business entity that:

(a) has completed an application prescribed by the department to be admitted into the program;

(b) has been issued a certificate of eligibility by the department;

(c) has demonstrated that it meets the eligibility criteria in section three hundred fifty-nine-d and subdivision two of section three hundred fifty-nine-e of this article; and

(d) has been certified as a participant by the commissioner.

4. "Preliminary schedule of benefits" means the aggregate amount of the tax credit that a participant in the semiconductor research and development project program may be eligible to receive pursuant to this article. The schedule shall indicate the annual amount of the credit a participant may claim in each of its ten years of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program.

5. "Qualified investment" means an investment in tangible property (including a building or a structural component of a building) owned by a business enterprise which:

(a) is depreciable pursuant to section one hundred sixty-seven of the internal revenue code;

(b) has a useful life of four years or more;

(c) is acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code;

(d) has a situs in this state; and

(e) is placed in service in the state on or after the date the certificate of eligibility is issued to the business enterprise.

6. "Semiconductor research and development project" means a project for a physical research and development facility, deemed by the commissioner as being primarily aimed at supporting research and development within the semiconductor manufacturing and related equipment and material supplier sector. Such project shall: (a) incur at least one hundred million dollars in qualified investment in New York state; (b) include sustainability measures to mitigate the project's greenhouse gas emissions impact over its lifetime; (c) provide for the payment of not less than federal prevailing wage rates for its project construction; (d) make commitments to worker and community investment, including through training and education benefits paid by the participant and programs to expand employment opportunity for economically disadvantaged individuals; (e) create at least two hundred fifty net new jobs; and (f) maintain a benefit-cost ratio of at least fifteen to one. Such project must lead to the establishment and operation of a research and development facility separate and apart from new or existing semiconductor or semiconductor supply chain manufacturing facilities.

§ 359-d. Eligibility criteria. 1. To be a participant in the semiconductor research and development project program, a business entity shall operate in New York state and be undertaking a semiconductor research and development project as defined in section three hundred fifty-nine-c of this article.

2. A business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, a business entity may not owe past due state taxes or local property taxes unless the business entity is making payments and complying with an approved binding payment agreement entered into with the taxing authority.

§ 359-e. Application and approval process. 1. A business enterprise must submit a completed application as prescribed by the commissioner.

2. As part of such application, each business enterprise must:

(a) Agree to allow the department of taxation and finance to share the business enterprise's tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(b) Agree to allow the department of labor to share its employer information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(c) Allow the department and its agents access to any and all books and records the department may require to monitor compliance;

(d) Provide to the department, upon request, a plan outlining the schedule for meeting the investment requirements as set forth in subdivision six of section three hundred fifty-nine-c of this article. Such plan must include the amount and description of projected qualified investments for which it plans to claim the semiconductor research and development tax credit;

(e) Agree to allow the department and the department of taxation and finance to share and exchange information contained in or derived from the applications for admission into the semiconductor research and development project program and the credit claim forms submitted to the department of taxation and finance. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(f) Certify, under penalty of perjury, that it is in substantial compliance with all environmental, worker protection, and local, state, and federal tax laws.

3. After reviewing a business enterprise's completed application and determining that the business enterprise will meet the condition set forth in subdivision six of section three hundred fifty-nine-c of this article, the department may admit the applicant into the program and provide the applicant with a certificate of eligibility and a preliminary schedule of benefits by year based on the applicant's projections as set forth in its application. This preliminary schedule of benefits delineates the maximum possible benefits an applicant may receive.

4. In order to become a participant in the program, an applicant must submit evidence that it satisfies the eligibility criteria specified in section three hundred fifty-nine-d of this article and subdivision two of this section in such form as the commissioner may prescribe. After reviewing such evidence and finding it sufficient, the department shall certify the applicant as a participant and issue to that participant a certificate of tax credit for one taxable year. To receive a certificate of tax credit for subsequent taxable years, the participant must submit to the department a performance report demonstrating that the participant continues to satisfy the eligibility criteria specified in this article.

5. A participant may claim tax benefits commencing in the first taxable year that the business enterprise receives a certificate of tax credit. A participant may claim such benefits for the next nine consecutive taxable years, provided that the participant demonstrates to the department that it continues to satisfy the eligibility criteria specified in section three hundred fifty-nine-d of this article and subdivision two of this section in each of those taxable years.

§ 359-f. Powers and duties of the commissioner. 1. The commissioner may promulgate regulations establishing an application process and eligibility criteria, that will be applied consistent with the purposes of this article, so as not to exceed the annual cap on tax credits set forth in section three hundred fifty-nine-g of this article which, notwithstanding any provisions to the contrary in the state administrative procedure act, may be adopted on an emergency basis.

2. The commissioner shall, in consultation with the department of taxation and finance, develop a certificate of tax credit that shall be issued by the commissioner to participants. Participants must include the certificate of tax credit with their tax return to receive any tax benefits under this article.

3. The commissioner shall solely determine the eligibility of any applicant applying for entry into the program and shall remove any participant from the program for failing to meet any of the requirements set forth in subdivision six of section three hundred fifty-nine-c of this article and section three hundred fifty-nine-d of this article.

§ 359-g. Semiconductor research and development tax credit. 1. A participant in the semiconductor research and development project program shall be eligible to claim a credit on qualified investments in semiconductor research and development projects in New York state. The amount of such credit shall be equal to fifteen percent of the cost or other basis for federal income tax purposes of the qualified investment.

2. The total amount of tax credits listed on certificates of tax credit issued by the commissioner shall be allotted from the funds available for Green CHIPS tax credits as provided under subdivision four of section three hundred fifty-nine of this chapter.

§ 359-h. Reporting. The commissioner shall prepare an annual semiconductor research and development project program report that shall be posted on the department's website. Such report shall also be sent to the governor, the temporary president of the senate, and the speaker of the assembly. The first report will be due February first, two thousand twenty-six, and annually thereafter. Such report shall include information on the utilization of the semiconductor research and development project program, including but not be limited to, the following: number of applicants; number of participants approved; names of business entities; total amount of benefits certified; benefits received per business entity; total number of net new jobs created; number of net new jobs created per business entity; estimate on direct and indirect returns on the investment; and such other information as the commissioner determines is necessary and appropriate.

§ 8. Section 210-B of the tax law is amended by adding a new subdivision 61 to read as follows:

61. Semiconductor research and development tax credit. (a) Allowance of credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor research and development program and has been issued a certificate of tax credit pursuant to section three hundred fifty-nine-e of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal up to fifteen percent of the cost or other basis for federal income tax purposes of the qualified investment and shall be allowable in each taxable year for which the commissioner of economic development has issued a certificate of tax credit, for up to ten consecutive taxable years. In no event shall a taxpayer be allowed a credit greater than the amount of credit listed on the certificate of tax credit issued by the commissioner of economic development.

No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

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

(c) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to section three hundred fifty-nine-e of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed on the certificate of tax credit.

(d) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article seventeen-A of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in subdivision six of section three hundred fifty-nine-c of the economic development law, the amount of credit described in this subdivision and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

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

(rrr) Semiconductor research and development tax credit. (1) Allowance of credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor research and development tax credit program and has been issued a certificate of tax credit pursuant to section three hundred fifty-nine-e of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal up to fifteen percent of the cost or other basis for federal income tax purposes of the qualified investment and shall be allowable in each taxable year for which the commissioner of economic development has issued a certificate of tax credit, for up to ten consecutive taxable years. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic development. In the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in an S corporation, the taxpayer shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or S corporation. No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

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

(3) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to section three hundred fifty-nine-e of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed on the certificate of tax credit.

(4) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article seventeen-A of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in subdivision six of section three hundred fifty-nine-c of economic development law, the amount of credit described in this subdivision and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 10. Section 210-B of the tax law is amended by adding a new subdivision 62 to read as follows:

62. Employee training incentive program for semiconductor manufacturing workforce tax credit. (a) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the employee training incentive program and has been issued a certificate of tax credit pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. The credit shall equal fifty percent of a taxpayer's eligible training costs, up to a credit of ten thousand dollars per employee completing eligible training pursuant to paragraph (a) of subdivision three of section four hundred forty-one of the economic development law. The credit shall equal fifty percent of the stipend paid to an intern, up to a credit of three thousand dollars per intern completing eligible training pursuant to paragraph (b) of subdivision three of section four hundred forty-one of the economic development law. In no event shall a taxpayer be allowed a credit greater than the amount of credit listed on the certificate of tax credit issued by the commissioner of economic development. The credit shall be allowed in the taxable year in which the eligible training is completed. No cost or other expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

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

(c) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed in the certificate of tax credit.

(d) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article twenty-two of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in subdivision three of section five hundred three of the economic development law, the amount of credit described in this subdivision and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

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

(sss) Employee training incentive program for semiconductor workforce tax credit. (1) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the employee training incentive program and has been issued a certificate of tax credit pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. The credit shall equal fifty percent of a taxpayer's eligible training costs, up to a credit of ten thousand dollars per employee completing eligible training pursuant to paragraph (a) of subdivision three of section four hundred forty-one of the economic development law. The credit shall equal fifty percent of the stipend paid to an intern, up to a credit of three thousand dollars per intern completing eligible training pursuant to paragraph (b) of subdivision three of section four hundred forty-one of the economic development law. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic devel-

opment. In the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in an S corporation, the taxpayer shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or S corporation. The credit shall be allowed in the taxable year in which the eligible training is completed. No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

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

(3) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed on the certificate of tax credit.

(4) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article twenty-two of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in paragraph (b) of subdivision three of section four hundred forty-three of the economic development law, the amount of credit described in this subsection and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 12. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2025.

SUBPART B

Section 1. Section 421 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 421. Statement of legislative findings and declaration. It is hereby found and declared that New York state needs, as a matter of public policy, to create competitive financial incentives to retain [~~strategic~~] businesses, including small businesses and jobs that are at risk of leaving the state or closing operations due to the impact on its business operations of an event leading to an emergency declaration by the governor. The empire state jobs retention program is created to support the retention of the state's [~~most strategic~~] businesses, including small businesses in the event of an emergency.

This legislation creates a jobs tax credit for each job of a [~~strategic~~] business, including a small business directly impacted by an emergency and protects state taxpayers' dollars by ensuring that New York provides tax benefits only to businesses that can demonstrate substantial physical damage and economic harm resulting from an event leading to an emergency declaration by the governor.

§ 2. Section 422 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 422. Definitions. For the purposes of this article:

1. [~~"Agriculture" means both agricultural production (establishments performing the complete farm or ranch operation, such as farm owner-operators, tenant farm operators, and sharecroppers) and agricultural support (establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis).~~

~~2. "Back office operations" means a business function that may include one or more of the following activities: customer service, information technology and data processing, human resources, accounting and related administrative functions.~~

~~3.~~] "Certificate of eligibility" means the document issued by the department to an applicant that has completed an application to be admitted into the empire state jobs retention program and has been accepted into the program by the department. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

[~~4.~~] 2. "Certificate of tax credit" means the document issued to a participant by the department, after the department has verified that the participant has met all applicable eligibility criteria in this article. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of each tax credit under this article that a participant may claim, pursuant to section four hundred twenty-five of this article, and shall specify the taxable year in which such credit may be claimed.

[~~5. "Distribution center" means a large scale facility involving processing, repackaging and/or movement of finished or semi-finished goods to retail locations across a multi-state area.~~

~~6. "Financial services data centers" or "financial services customer back office operations" means operations that manage the data or accounts of existing customers or provide product or service information and support to customers of financial services companies, including banks, other lenders, securities and commodities brokers and dealers, investment banks, portfolio managers, trust offices, and insurance companies.~~

~~7.~~] 3. "Impacted jobs" means jobs [~~existing~~] at a business enterprise [~~at a location or locations within the county declared an emergency by the governor on the day immediately preceding the day on which the event leading to the emergency declaration by the governor occurred~~] existing the day before an event leading to an emergency declaration by the governor at a location or locations which demonstrate substantial physical damage and economic harm caused by the event for which the emergency declaration was made.

[~~8. "Manufacturing" means the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, the assembly of motor vehicles or other high value-added products shall be considered manufacturing.~~

~~9.~~] 4. "Participant" means a business entity that:

(a) has completed an application prescribed by the department to be admitted into the program;
(b) has been issued a certificate of eligibility by the department;
(c) has demonstrated that it meets the eligibility criteria in section four hundred twenty-three and subdivision two of section four hundred twenty-four of this article; and
(d) has been certified as a participant by the commissioner.
[~~10.~~] 5. "Preliminary schedule of benefits" means the maximum aggregate amount of the tax credit that a participant in the empire state jobs retention program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of the credit a participant may claim in [~~each of~~] its [~~ten years~~] six months of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this chapter.
[~~11.~~] 6. "Related person" means a related person pursuant to subparagraph (c) of paragraph three of subsection (b) of section four hundred sixty-five of the internal revenue code.
[~~12. "Scientific research and development" means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects. For the purposes of this article, scientific research and development does not include medical or veterinary laboratory testing facilities.~~
~~13. "Software development" means the creation of coded computer instructions and includes new media as defined by the commissioner in regulations.~~]
7. "Business entity" means a for profit business duly authorized to do business in and in good standing in the state of New York.
§ 3. Section 423 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:
§ 423. Eligibility criteria. 1. [~~To be a participant in the empire state jobs retention program, a business entity shall operate in New York state predominantly:~~
~~(a) as a financial services data center or a financial services back office operation;~~
~~(b) in manufacturing;~~
~~(c) in software development and new media;~~
~~(d) in scientific research and development;~~
~~(e) in agriculture;~~
~~(f) in the creation or expansion of back office operations in the state; or~~
~~(g) in a distribution center.~~
~~2. When determining whether an applicant is operating predominantly in one of the industries listed in subdivision one of this section, the commissioner will examine the nature of the business activity at the location for the proposed project and will make eligibility determinations based on such activity.~~
~~3.~~] For the purposes of this article, in order to participate in the empire state jobs retention program[~~, a business entity operating in one of the strategic industries listed in subdivision one of this section~~

~~(a) must be located in a county in which an emergency has been declared by the governor~~] on or after [~~January~~] June first, two thousand [~~eleven~~] twenty-five, [~~(b)~~] a business entity must demonstrate substantial physical damage and economic harm at a location or locations within an area for which the governor has issued an emergency declaration and resulting from the event leading to the emergency declaration by the governor, and [~~(c) must have had at least one hundred full-time equivalent jobs in the county in which an emergency has been declared by the governor on the day immediately preceding the day on which the event leading to the emergency declaration by the governor occurred, and~~] must retain or exceed [~~that~~] the number of jobs in New York state that existed the day before an event leading to such an emergency declaration by the governor.

[~~4. A not-for-profit business entity, a business entity whose primary function is the provision of services including personal services, business services, or the provision of utilities, a business entity engaged predominantly in the retail or entertainment industry, or a company engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity are not eligible to receive the tax credit described in this article.~~

~~5.~~] 2. A business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, a business entity may not owe past due state taxes. In addition, a business entity must not owe local property taxes for any year prior to the year in which it applies to participate in the empire state jobs retention program.

§ 4. Section 424 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 424. Application and approval process. 1. A business [~~enterprise~~] entity must submit a completed application as prescribed by the commissioner. Such completed application must be submitted to the commissioner within [~~(a)~~] one hundred eighty days of the declaration of an emergency by the governor in the county in which the business enterprise is located [~~or (b) one hundred eighty days of the enactment of this article, if such date is later than the date specified in paragraph (a) of this subdivision~~]; provided, however, that the eligibility period for the credit shall begin upon the date of declaration of an emergency by the governor covering the county in which the business entity is located.

2. As part of such application, each business [~~enterprise~~] entity must:

(a) agree to allow the department of taxation and finance to share its tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(b) agree to allow the department of labor to share its tax and employer information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(c) allow the department and its agents access to any and all books and records the department may require to monitor compliance.

(d) agree to be permanently disqualified for empire zone tax benefits at any location or locations that qualify for empire state jobs

retention program benefits if admitted into the empire state jobs retention program.

(e) provide the following information to the department upon request:

(i) a plan outlining the schedule for meeting the jobs retention requirements as set forth in subdivision [~~three~~] **one** of section four hundred twenty-three of this article. Such plan must include details on jobs titles and expected salaries;

(ii) the prior three years of federal and state income or franchise tax returns, unemployment insurance quarterly returns, real property tax bills and audited financial statements; and

(iii) the employer identification or social security numbers for all related persons to the applicant, including those of any members of a limited liability company or partners in a partnership.

(f) provide a clear and detailed presentation of all related persons to the applicant to assure the department that jobs are not being shifted within the state.

(g) certify, under penalty of perjury, that it is in substantial compliance with all environmental, worker protection, and local, state, and federal tax laws.

3. After reviewing a business enterprise's completed application and determining that the business enterprise will meet the conditions set forth in subdivision [~~three~~] **one** of section four hundred twenty-three of this article, the department may admit the applicant into the program and provide the applicant with a certificate of eligibility and a preliminary schedule of benefits by year based on the applicant's projections as set forth in its application. This preliminary schedule of benefits delineates the maximum possible benefits an applicant may receive.

4. In order to become a participant in the program, an applicant must submit evidence that it satisfies the eligibility criteria specified in section four hundred twenty-three of this article and subdivision two of this section in such form as the commissioner may prescribe. After reviewing such evidence and finding it sufficient, the department shall certify the applicant as a participant and issue to that participant a certificate of tax credit [~~for one taxable year. To receive a certificate of tax credit for subsequent taxable years, the participant must submit to the department a performance report demonstrating that the participant continues to satisfy the eligibility criteria specified in section four hundred twenty-three of this article and subdivision two of this section~~].

5. A participant may claim tax benefits commencing in the first taxable year that the business enterprise receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later. [~~A participant may claim such benefits for the next nine consecutive taxable years, provided that the participant demonstrates to the department that it continues to satisfy the eligibility criteria specified in section four hundred twenty-three of this article and subdivision two of this section in each of those taxable years.~~]

§ 5. Section 425 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 425. Empire state jobs retention program credit. 1. A participant in the empire state jobs retention program shall be eligible to claim a credit for the impacted jobs. [~~The~~] **For a business entity that employs three to forty-nine employees, the** amount of such credit shall be equal

to the product of the gross wages paid for the impacted jobs and [~~6.85~~] up to 15 percent. For a business entity that employs fifty to one hundred employees, the amount of such credit shall be equal to the product of the gross wages paid for the impacted jobs and up to 7.5 percent. For a business entity that employs greater than one hundred employees, the amount of such credit shall be equal to the product of the gross wages paid for the impacted jobs and up to 3.75 percent. An eligible business entity may only receive up to $500,000 in tax credits per event triggering an emergency declaration by the governor.

2. The tax credit established in this section shall be refundable as provided in the tax law. If a participant fails to satisfy the eligibility criteria [~~in any one year~~], it will lose the ability to claim credit [~~for that year~~]. The event of such failure shall not extend the original [~~ten-year~~] six-month eligibility period.

3. The business enterprise shall be allowed to claim the credit as prescribed in section thirty-six of the tax law[~~; provided, however, a business enterprise shall not be allowed to claim the credit prior to tax year two thousand twelve~~].

4. A participant may be eligible for benefits under this article as well as article seventeen of this chapter, provided the participant can only receive benefits pursuant to subdivision two of section three hundred fifty-five of this chapter for costs in excess of costs recovered by insurance.

§ 6. Section 426 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 426. Powers and duties of the commissioner. 1. The commissioner shall promulgate regulations establishing [~~an~~] the type of application process and the eligibility criteria, that will be applied consistent with the purposes of this article, so as not to exceed thirty million dollars from the annual cap on tax credits set forth in section three hundred fifty-nine of this chapter which, notwithstanding any provisions to the contrary in the state administrative procedure act, may be adopted on an emergency basis. Such regulations shall include, but not be limited to, criteria for determining whether a business entity demonstrates substantial physical damage and economic harm from the event leading to an emergency declaration by the governor.

2. The commissioner shall, in consultation with the department of taxation and finance, develop a certificate of tax credit that shall be issued by the commissioner to participants. Participants may be required by the commissioner of taxation and finance to include the certificate of tax credit with their tax return to receive any tax benefits under this article.

3. The commissioner shall solely determine the eligibility of any applicant applying for entry into the program and shall remove any participant from the program for failing to meet any of the requirements set forth in subdivision two of section four hundred twenty-four of this article, or for failing to meet the job retention requirements set forth in [~~subdivision three of~~] section four hundred twenty-three of this article[~~, or for failing to meet the requirements of subdivision five of section four hundred twenty-three of this article~~].

§ 7. This act shall take effect immediately.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in

its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

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

PART I

Section 1. Paragraphs 2 and 5 of subdivision (a) of section 24 of the tax law, paragraph 2 as amended by section 1 and paragraph 5 as amended by section 2 of part D of chapter 59 of the laws of 2023, are amended and a new paragraph 6 is added to read as follows:

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership) of thirty percent and the qualified production costs paid or incurred in the production of a qualified film, provided that: (i) the qualified production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film equal or exceed seventy-five percent of the production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at any film production facility within and without the state in the production of such qualified film, and (ii) except with respect to a qualified independent film production company or pilot, at least ten percent of the total principal photography shooting days spent in the production of such qualified film must be spent at a qualified film production facility. However, if the qualified production costs (excluding post production costs) which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film is less than three million dollars, then the portion of the qualified production costs attributable to the use of tangible property or the performance of services in the production of such qualified film outside of a qualified film production facility shall be allowed only if the shooting days spent in New York outside of a film production facility in the production of such qualified film equal or exceed seventy-five percent of the total shooting days spent within and without New York outside of a film production facility in the production of such qualified film. The credit shall be allowed for the taxable year in which the production of such qualified film is completed. However, in the case of a qualified film that receives funds from additional pool 2, no credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year that includes the last day of the allocation year for which the film has been allocated credit by the department of economic development. If the amount of the credit is at least one million dollars but less than five million dollars, the credit shall be claimed over a two year period beginning in the first taxable year in which the credit may be claimed and in the next succeeding taxable year, with one-half of the amount of credit allowed being claimed in each year. If the amount of the credit is at least five million dollars, the credit shall be claimed over a three year period beginning in the first taxable year in which the credit may

be claimed and in the next two succeeding taxable years, with one-third of the amount of the credit allowed being claimed in each year. **Provided, however, in the case of a qualified film for which the credit application was received on or after January first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the film has been allocated a credit by the department of economic development.**

(5) For the period two thousand fifteen through two thousand [~~thirty-four~~] **thirty-six**, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to (i) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the wages, salaries or other compensation constituting qualified production costs as defined in paragraph two of subdivision (b) of this section, paid to individuals directly employed by a qualified film production company or a qualified independent film production company for services performed by those individuals in one of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars, and (ii) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the qualified production costs (excluding wages, salaries or other compensation) paid or incurred in the production of a qualified film where the property constituting such qualified production costs was used, and the services constituting such qualified production costs were performed in any of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars where the majority of principal photography shooting days in the production of such film were shot in any of the counties specified in this paragraph. Provided, however, that the aggregate total eligible qualified production costs constituting wages, salaries or other compensation, for writers, directors, composers, producers, and performers shall not exceed forty percent of the aggregate sum total of all other qualified production costs. For purposes of the credit, the services must be performed and the property must be used in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

(6) Production plus program. (i) A taxpayer who is a qualified independent film production company or a qualified film production company engaging in the production of a qualified film that undertakes multiple productions in New York state may be eligible for a tax credit in addition to the credit pursuant to paragraph two of this subdivision. Production companies that submit at least two initial applications to the empire state film production tax credit program after January first, two thousand twenty-five the sum of which total at least one hundred million dollars in qualified production costs in New York state may be eligible to receive an additional tax credit equal to the product of ten percent and the qualified production costs incurred on all subsequent films or television series applied for.

(ii) A taxpayer who is a qualified independent film production company engaging in the production of a feature length film, television film or

television series as defined in the regulations promulgated for this program that undertakes multiple productions in New York state may be eligible for a tax credit in addition to the credit pursuant to paragraph two of this subdivision. Production companies that submit at least two applications to the empire state film production tax credit program after January first, two thousand twenty-five the sum of which total at least twenty million in qualified production costs in New York state may receive an additional tax credit equal to the product of five percent and the qualified production costs incurred on all subsequent films or series applied for.

(iii) Initial applications for feature length films and new television series submitted after December thirty-first, two thousand twenty-eight shall not be eligible for the program pursuant to this paragraph; provided, however, a television series that enters the program pursuant to this paragraph before January first, two thousand twenty-nine shall continue to be eligible.

§ 2. Paragraphs 2 and 7 of subdivision (b) of section 24 of the tax law, paragraph 2 as amended by section 3 of part D of chapter 59 of the laws of 2023, and paragraph 7 as added by section 9 of part Q of chapter 57 of the laws of 2010, are amended to read as follows:

(2) "Production costs" means any costs for tangible property used and services performed directly and predominantly in the production (including pre-production and post production) of a qualified film. "Production costs" shall not include [~~(i)~~] costs for a story, script or scenario to be used for a qualified film [~~and (ii) wages or salaries or other compensation for writers, directors, composers, and performers (other than background actors with no scripted lines) to the extent those wages or salaries or other compensation exceed five hundred thousand dollars per individual~~]. "Production costs" generally include the wages or salaries or other compensation for writers, directors, composers and performers, technical and crew production costs, such as expenditures for film production facilities, or any part thereof, props, make-up, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing and meals, and shall include the wages, salaries or other compensation of no more than two producers per qualified film[~~, not to exceed five hundred thousand dollars per producer, where only one of whom is the principal individual responsible for overseeing the creative and managerial process of production of the qualified film and only one of whom is the principal individual responsible for the day-to-day operational management of production of the qualified film; provided, however, that such producers are not compensated for any other position on the qualified film by a qualified film production company or a qualified independent film production company for services performed~~].

(7) "Qualified independent film production company" is a corporation, partnership, limited partnership, or other entity or individual, that or who (i) is principally engaged in the production of a qualified film [~~with a maximum budget of fifteen million dollars~~], [~~and~~] (ii) [~~controls the qualified film during production~~] is not publicly traded, and (iii) [~~either is not a publicly traded entity, or no more than five percent of the beneficial ownership of which is owned, directly or indirectly, by a publicly traded entity~~]is not majority owned, fifty-one percent or more, by a company publicly traded on a United States stock exchange.

§ 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as amended by section 2 of chapter 606 of the laws of 2023, is amended to read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand twenty-three and seven hundred million dollars in each year starting in two thousand twenty-four through two thousand [~~thirty-four~~] thirty-six, provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen, twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand twenty-three, and forty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand twenty-four through two thousand [~~thirty-four~~] thirty-six. Provided further, five million dollars of the annual allocation shall be made available for the television writers' and directors' fees and salaries credit pursuant to section twenty-four-b of this article in each year starting in two thousand twenty through two thousand [~~thirty-four~~] thirty-six. This amount shall be allocated by the department of economic development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The department of economic development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application before April first, two thousand twenty-three and before January first, two thousand twenty-five, no empire state film production credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year immediately following the allocation year for which the film

has been allocated credit by the department of economic development. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application on or after April first, two thousand twenty-three **and before January first, two thousand twenty-five**, no empire state film production credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year that includes the last day of the allocation year for which the film has been allocated credit by the department of economic development. **In the case of a qualified film for which the taxpayer filed an initial application on or after January first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the production of such qualified film has been allocated a credit by the department of economic development.**

§ 4. Paragraph 4 of subdivision (e) of section 24 of the tax law, as amended by section 3 of chapter 606 of the laws of 2023, is amended to read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand twenty-three and seven hundred million dollars each year starting in two thousand twenty-four through two thousand [~~thirty-four~~] **thirty-six**, provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen, twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand twenty-three, and forty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand twenty-four through two thousand [~~thirty-four~~] **thirty-six**. This amount shall be allocated by the department of economic development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two

hundred ten-B and subsection (qq) of section six hundred six of this chapter. The department of economic development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application before April first, two thousand twenty-three, no empire state film production credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year immediately following the allocation year for which the film has been allocated credit by the department of economic development. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application on or after April first, two thousand twenty-three **and before January first, two thousand twenty-five**, no empire state film production credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year that includes the last day of the allocation year for which the film has been allocated credit by the department of economic development. **Provided, however, in the case of a qualified film for which the credit application was received on or after January first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the film has been allocated a credit by the department of economic development.**

§ 5. Section 24 of the tax law is amended by adding a new subdivision (g) to read as follows:

(g) Credit recapture. If a certificate of tax credit issued by the department of economic development pursuant to this section is revoked by such department because the taxpayer does not meet the eligibility requirements of this section, the amount of credit described in this section and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 6. Paragraphs 3, 5 and 6 of subdivision (a) of section 31 of the tax law, paragraph 3 as amended by section 5 and paragraph 5 as added by section 5-a of part B of chapter 59 of the laws of 2013, and paragraph 6 as amended by section 9 of part D of chapter 59 of the laws of 2023, are amended to read as follows:

(3) (i) A taxpayer shall not be eligible for the credit established by this section for qualified post production costs, excluding the costs for visual effects and animation, unless the qualified post production costs, excluding the costs for visual effects and animation, at a qualified post production facility meet or exceed **one million dollars or** seventy-five percent of the total post production costs, excluding the costs for visual effects and animation, paid or incurred in the post production of the qualified film at any post production facility**, whichever is less**. (ii) A taxpayer shall not be eligible for the credit established by this section for qualified post production costs which are costs for visual effects or animation unless the qualified post production costs for visual effects or animation at a qualified post production facility meet or exceed [~~three million~~] **five hundred thousand** dollars or [~~twenty~~] **ten** percent of the total post production costs for visual effects or animation paid or incurred in the post production of a qualified film at any post production facility, whichever is less. (iii)

A taxpayer may claim a credit for qualified post production costs excluding the costs for visual effects and animation, and for qualified post production costs of visual effects and animation, provided that the criteria in subparagraphs (i) and (ii) of this paragraph are both satisfied. The credit shall be allowed for the taxable year in which the production of such qualified film is completed.

(5) If the amount of the credit is at least one million dollars but less than five million dollars, the credit shall be claimed over a two year period beginning in the first taxable year in which the credit may be claimed and in the next succeeding taxable year, with one-half of the amount of credit allowed being claimed in each year. If the amount of the credit is at least five million dollars, the credit shall be claimed over a three year period beginning in the first taxable year in which the credit may be claimed and in the next two succeeding taxable years, with one-third of the amount of the credit allowed being claimed in each year. **Provided, however, in the case of a qualified film for which the taxpayer filed an initial application on or after January first, two thousand twenty-five, the credit shall be claimed for the taxable year in which such qualified film is completed.**

(6) For the period two thousand fifteen through two thousand [~~thirty-four~~] **thirty-six**, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the amount of wages or salaries paid to individuals directly employed (excluding those employed as writers, directors, composers, producers and performers, other than background actors with no scripted lines) for services performed by those individuals in one of the counties specified in this paragraph in connection with the post production work on a qualified film with a minimum budget of five hundred thousand dollars at a qualified post production facility in one of the counties listed in this paragraph. For purposes of this additional credit, the services must be performed in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

§ 7. Paragraph 2 of subdivision b of section 31 of the tax law, as added by section 12 of part Q of chapter 57 of the laws of 2010, is amended and a new paragraph 5 is added to read as follows:

(2) "Post production costs" means production of original content for a qualified film employing traditional, emerging and new workflow techniques used in post-production for picture, sound and music editorial, rerecording and mixing, visual effects, graphic design, [~~original scoring,~~] animation, and musical composition **in the state**; but shall not include the editing of previously produced content for a qualified film.

§ 8. Section 31 of the tax law is amended by adding a new subdivision (f) to read as follows:

(f) Credit recapture. If a certificate of tax credit issued by the department of economic development pursuant to this section is revoked by such department because the taxpayer does not meet the eligibility requirements of this section, the amount of credit described in this section and claimed by the taxpayer prior to that revocation shall be

added back to tax in the taxable year in which any such revocation becomes final.

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

§ 24-d. Empire state independent film production credit. (a) (1) Allowance of credit. A taxpayer which is a qualified independent film production company, or which is a sole proprietor of or a member of a partnership which is a qualified independent film production company, and which is subject to tax under articles nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (c) of this section, to be computed as hereinafter provided.

(2) (i) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership) of thirty percent and the qualified production costs paid or incurred in the production of a qualified film, provided that the qualified production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film equal or exceed seventy-five percent of the production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at any film production facility within and without the state in the production of such qualified film. However, if the qualified production costs (excluding post production costs) which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film is less than three million dollars, then the portion of the qualified production costs attributable to the use of tangible property or the performance of services in the production of such qualified film outside of a qualified film production facility shall be allowed only if the shooting days spent in New York outside of a film production facility in the production of such qualified film equal or exceed seventy-five percent of the total shooting days spent within and without the state outside of a film production facility in the production of such qualified film. The credit shall be allowed for the taxable year in which the production of such qualified film is completed. A taxpayer shall not be eligible for a tax credit established by this section for the production of more than two qualified films per calendar year.

(ii) In addition to the amount of credit established in subparagraph (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the wages, salaries or other compensation constituting qualified production costs as defined in paragraph one of subdivision (b) of this section, paid to individuals directly employed by a qualified independent film production company for services performed by those individuals in one of the counties specified in this subparagraph in connection with a qualified independent film with a minimum budget of five hundred thousand dollars, and (B) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the qualified production costs (excluding wages, salaries or other compensation) paid or incurred in the production of a qualified film where the property constituting such qualified production costs was used, and the services constituting such qualified production costs were performed in any of the counties speci-

fied in this subparagraph in connection with a qualified film with a minimum budget of five hundred thousand dollars where the majority of principal photography shooting days in the production of such film were shot in any of the counties specified in this paragraph. Provided, however, that the aggregate total eligible qualified production costs constituting wages, salaries or other compensation, for writers, directors, composers, producers, and performers shall not exceed forty percent of the aggregate sum total of all other qualified production costs. For purposes of the credit, the services must be performed and the property must be used in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

(3) No qualified production costs used by a taxpayer either as the basis for the allowance of the credit provided for under this section or used in the calculation of the credit provided for under this section shall be used by such taxpayer to claim any other credit allowed pursuant to this chapter.

(4) Notwithstanding the foregoing provisions of this subdivision, a qualified independent film production company that has applied for credit under the provisions of this section, agrees as a condition for the granting of the credit: (i) to include in each qualified film distributed by DVD, or other media for the secondary market, a New York promotional video approved by the governor's office of motion picture and television development or to include in the end credits of each qualified film "Filmed With the Support of the New York State Governor's Office of Motion Picture and Television Development" and a logo provided by the governor's office of motion picture and television development, and (ii) to certify that it will purchase taxable tangible property and services, defined as qualified production costs pursuant to paragraph one of subdivision (b) of this section, only from companies registered to collect and remit state and local sales and use taxes pursuant to articles twenty-eight and twenty-nine of this chapter.

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

(1) "Qualified production costs" means production costs only to the extent such costs, excluding labor costs, do not exceed sixty million dollars and are attributable to the use of tangible property or the performance of services within the state directly and predominantly in the production (including pre-production and post production) of a qualified film. In the case of an eligible relocated television series, the term "qualified production costs" shall include, in the first season that the eligible relocated television series is produced in New York after relocation, qualified relocation costs. Provided, however, that the aggregate total eligible qualified production costs for producers, writers, directors, performers (other than background actors with no scripted lines), and composers shall not exceed forty percent of the aggregate sum total of all other qualified production costs.

(2) "Production costs" means any costs for tangible property used and services performed directly and predominantly in the production (including pre-production and post production) of a qualified film.

"Production costs" shall not include costs for a story, script or scenario to be used for a qualified film. "Production costs" generally include writers, directors, composers and performers, technical and crew production costs, such as expenditures for film production facilities, or any part thereof, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing and meals.

(3) "Qualified film" means a scripted narrative feature-length film, television film, relocated television series or television series, regardless of the medium by means of which the film or series is created or conveyed. For the purposes of the credit provided by this section only, a "qualified film" whose majority of principal photography shooting days in the production of the qualified film are shot in Westchester, Rockland, Nassau, or Suffolk county or any of the five New York City boroughs shall have a minimum budget of one million dollars. A "qualified film", whose majority of principal photography shooting days in the production of the qualified film are shot in any other county of the state than those listed in the preceding sentence shall have a minimum budget of two hundred fifty thousand dollars. "Qualified film" shall not include: (i) a television pilot, documentary film, news or current affairs program, interview or talk program, "how-to" (i.e., instructional) film or program, film or program consisting primarily of stock footage, sporting event or sporting program, game show, award ceremony, film or program intended primarily for industrial, corporate or institutional end-users, fundraising film or program, daytime drama (i.e., daytime "soap opera"), commercials, music videos or "reality" program; (ii) a production for which records are required under section 2257 of title 18, United States code, to be maintained with respect to any performer in such production (reporting of books, films, etc. with respect to sexually explicit conduct); or (iii) a television series commonly known as variety entertainment, variety sketch and variety talk, i.e., a program with components of improvisational or scripted content (monologues, sketches, interviews), either exclusively or in combination with other entertainment elements such as musical performances, dancing, cooking, crafts, pranks, stunts, and games and which may be further defined in regulations of the commissioner of economic development.

(4) "Film production facility" shall mean a building and/or complex of buildings and their improvements and associated back-lot facilities in which films are or are intended to be regularly produced and which contain at least one sound stage, provided, however, that an armory owned by the state or city of New York located in the city of New York shall not be considered to be a "film production facility" unless such facility is used by a qualified independent film production company.

(5) "Qualified film production facility" shall mean a film production facility in the state, which contains at least one sound stage having a minimum of seven thousand square feet of contiguous production space.

(6) "Qualified independent film production company" is a corporation, partnership, limited partnership, or other entity or individual, that or who (i) is principally engaged in the production of a qualified film, (ii) is not publicly traded, and (iii) is not majority owned, fifty-one percent or more, by a company publicly traded on a United States stock exchange.

(7) "Relocated television series" shall mean the first two years of a regularly occurring production intended to run in its initial broadcast, regardless of the medium or mode of its distribution, in a series of

narrative and/or thematically related episodes, each of which has a running time of at least thirty minutes in length (inclusive of commercial advertisement and interstitial programming, if any), which had filmed a minimum of six episodes of the television series outside the state immediately prior to relocating to the state, where the television series had a total minimum budget of at least one million dollars per episode. For the purposes of this definition only, a television series produced by and for media services providers described as streaming services and/or digital platforms (and excluding network/cable) shall mean a regularly occurring production intended to run in its initial release in a series of narrative and/or thematically related episodes, the aggregate length of which is at least seventy-five minutes, although the episodes themselves may vary in duration from the thirty minutes specified for network/cable production.

(8) "Qualified relocation costs" means the costs incurred, excluding wages, salaries and other compensation, in the first season that a relocated television series relocates to New York, including such costs incurred to transport sets, props and wardrobe to New York and other costs as determined by the department of economic development to the extent such costs do not exceed six million dollars.

(9) If the total amount of allocated credits applied for in any particular year is less than the aggregate amount of tax credits allowed for such year under this section, any unused portion may be carried over and added to the aggregate amount of credits allowed in the next succeeding taxable year or years.

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

(1) article 9-A: section 210-B: subdivision 20-a.

(2) article 22: section 606: subsection (gg-1).

(d) Notwithstanding any provision of this chapter, employees and officers of the governor's office of motion picture and television development and the department shall be allowed and are directed to share and exchange information regarding the credits applied for, allowed, or claimed pursuant to this section and taxpayers who are applying for credits or who are claiming credits, including information contained in or derived from credit claim forms submitted to the department and applications for credit submitted to the governor's office of motion picture and television development.

(e) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision twenty-a of section two hundred ten and subsection (gg-1) of section six hundred six of this chapter in any calendar year shall be (1) twenty million dollars for qualified films with a budget of less than ten million dollars of qualified production; and (2) eighty million dollars for qualified films with a budget of ten million dollars or more of qualified production costs. There shall be at least two application periods each year; such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing of an application for allocation of the independent film production credit with such office within each application period. If the commissioner of economic development determines that the aggregate amount of tax credits available for an application period under paragraph one of this subdivision have been previously allocated, and determines that the pending applications from eligible applicants for the other application period in such calendar year is insufficient to utilize the balance of unallocated tax credits for such period, then

such commissioner may allocate to productions eligible under such paragraph any credits that remain unallocated for such period pursuant to paragraph two of this subdivision. Provided, however, the total amount of allocated credits applied in any calendar year shall not exceed the aggregate amount of tax credits allowed for such year under this section.

(f) (1) The commissioner of economic development shall reduce by one-half of one percent the amount of credit allowed to a taxpayer and this reduced amount shall be reported on a certificate of tax credit issued pursuant to this section and the regulations promulgated by the commissioner of economic development to implement this credit program.

(2) By January thirty-first of each year, the commissioner of economic development shall report to the comptroller the total amount of such reductions of tax credit during the immediately preceding calendar year. On or before March thirty-first of each year, the comptroller shall transfer without appropriations from the general fund to the empire state entertainment diversity job training development fund established under section ninety-seven-ff of the state finance law an amount equal to the total amount of such reductions reported by the commissioner of economic development for the immediately preceding calendar year.

(g) Credit recapture. If a certificate of tax credit issued by the department of economic development pursuant to this section is revoked by such department because the taxpayer does not meet the eligibility requirements of this section, the amount of credit described in this section and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 10. Section 210-B of the tax law is amended by adding a new subdivision 20-a to read as follows:

20-a. Empire state independent film production credit. (a) Allowance of credit. A taxpayer who is eligible pursuant to section twenty-four-d of this chapter shall be allowed a credit to be computed as provided in such section twenty-four-d against the tax imposed by this article.

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

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

(gg-1) Empire state independent film production credit. (1) Allowance of credit. A taxpayer who is eligible pursuant to section twenty-four-d of this chapter shall be allowed a credit to be computed as provided in such section twenty-four-d against the tax imposed by this article.

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

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

(lii) Empire state film production credit under subsection (gg-1)	**Amount of credit for qualified production costs in production of a qualified film under subdivision twenty-a of section two hundred ten-B**

§ 13. This act shall take effect immediately and shall apply to initial applications received on or after January 1, 2025, provided, however, that the amendments to paragraph 4 of subdivision (e) of section 24 of the tax law made by section three of this act shall take effect on the same date and in the same manner as section 6 of chapter 683 of the laws of 2019, takes effect.

PART J

Section 1. Subdivision 13 of section 492 of the economic development law, as added by section 2 of part AAA of chapter 56 of the laws of 2024, is amended to read as follows:

13. "Independently owned" shall mean a business entity that is not[~~: (a)~~] a publicly traded entity or no more than five percent of the beneficial ownership of which is owned, directly or indirectly by a publicly traded entity[~~; (b) a subsidiary; and (c) any other criteria that the department shall determine via regulations to ensure the business is not controlled by another business entity~~].

§ 2. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2025.

PART K

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

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-five of section two hundred ten-B and subsection (nnn) of section six hundred six of this chapter in any taxable year shall be five million dollars. Such credit shall be allocated by the department of economic development in order of priority based upon the date of filing an application for allocation of digital gaming media production credit with such office. If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be treated as having been applied for on the first day of the subsequent taxable year. **Provided, however, that for taxable years beginning on or after January first, two thousand twenty-three, if the total amount of allocated credits applied for in any particular year is less than the aggregate amount of tax credits allowed for such year under this section, any unused portion may be carried over and added to the aggregate amount of credits allowed in the next succeeding taxable year or years.**

§ 2. This act shall take effect immediately.

PART L

Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establishing the New York state council on the arts cultural program fund, as amended by section 1 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

§ 6. This act shall take effect immediately; provided however, that sections one, two, three and four of this act shall apply to taxable years beginning on or after January 1, 2021, and before January 1, [~~2026~~] **2028** and shall expire and be deemed repealed January 1, [~~2026~~] **2028**; provided further, however that the obligations under paragraph 3 of subdivision (g) of section 24-c of the tax law, as added by section one of this act, shall remain in effect until December 31, [~~2027~~] **2029**.

§ 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section 24-c of the tax law, as amended by section 3 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

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

§ 3. Subdivision (c) of section 24-c of the tax law, as amended by section 4 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

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

§ 4. Subdivision (f) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, paragraphs 1 and 2 as amended by section 5 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

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

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

§ 5. This act shall take effect immediately; provided, however, that the amendments to section 24-c of the tax law, made by sections two, three and four of this act, shall not affect the repeal of such section and shall be deemed to be repealed therewith.

PART M

Section 1. Section 35 of the tax law, as added by section 12 of part U of chapter 61 of the laws of 2011, is amended to read as follows:

§ 35. Use of electronic means of communication. Notwithstanding any other provision of New York state law, where the department has obtained authorization of an online services account holder, in such form as may be prescribed by the commissioner, the department may use electronic means of communication to furnish any document it is required to mail per law or regulation. If the department furnishes such document in accordance with this section, department records of such transaction shall constitute appropriate and sufficient proof of delivery thereof and be admissible in any action or proceeding. **Provided, however, that if a taxpayer uses a department system to access taxpayer information, including, but not limited to, notices, documents and account balance information, that is not an electronic communication furnished in lieu of mailing in accordance with this section, such accessed information shall not give the taxpayer the right to a hearing in the division of tax appeals, unless the right to protest such information is expressly authorized by this chapter or another provision of law.**

§ 2. Subdivision 1 of section 2008 of the tax law, as amended by section 3 of subpart C of part V-1 of chapter 57 of the laws of 2009, is amended to read as follows:

1. All proceedings in the division of tax appeals shall be commenced by the filing of a petition with the division of tax appeals protesting any written notice of the division of taxation**, including any electronic notice provided in accordance with section thirty-five of this chapter,** which has advised the petitioner of a tax deficiency, a determination of tax due, a denial of a refund or credit application, a cancellation, revocation or suspension of a license, permit or registration, a denial of an application for a license, permit or registration or any other notice which **expressly** gives a person the right to a hearing in the division of tax appeals under this chapter or other law. **Provided, however, that any written communications of the division of taxation that advise a taxpayer of a past-due tax liability, as defined in section one hundred seventy-one-v of this chapter, shall not give a person the right to a hearing in the division of tax appeals.**

§ 3. This act shall take effect immediately.

PART N

Section 1. Section 6 of the tax law, as added by chapter 765 of the laws of 1985, is amended to read as follows:

§ 6. Filing of **electronic** warrants **and warrant-related records** in the department of state. [~~**Wherever under the provisions**~~] **1. Notwithstanding any provision** of this chapter **or** a [~~**warrant is required to**~~] **related statute to the contrary, all warrants and warrant-related records issued by the department shall** be filed **electronically by the department** in the department of state [~~**in order to create a lien on personal property such requirement shall be satisfied if there is filed a record of the fact of the issuance of such warrant, including the name of the person on the**~~

~~basis of whose tax liability the warrant is issued, the last known address of such person, and the amount of such tax liability, including penalties and interest~~]. No fee shall be required to be paid for such [~~filing of such warrant or such record~~] filings. [~~The term "filed" in such provisions shall mean presentation to the department of state, for filing, of such warrant or such record.~~] On the date of the electronic filing of a warrant, as confirmed by the department of state pursuant to subdivision five of this section:

(a) the amount of the tax stated in the warrant shall become a lien upon the title to and interest in all real, personal or other property located in New York state, owned by the person or persons named in the warrant. The lien so created shall:

(i) attach to all real property and rights to real property located in New York state that is owned by the person or persons named in the warrant at any time during the period of the lien, including any real property or rights to real property located in New York state that is acquired by such person or persons after the lien arises; and

(ii) apply to all personal or other property and rights to personal or other property located in New York state that is owned by the person or persons named in the warrant at any time during the period of the lien, including any personal or other property or rights to personal or other property located in New York state that is acquired by such person or persons after the lien arises; and

(b) the commissioner shall, in the right of the people of the state of New York, be deemed to have obtained a judgment against the person or persons named in the warrant for the amount of the tax stated in the warrant.

2. Enforcement of a judgment obtained pursuant to subdivision one of this section shall be as prescribed in article fifty-two of the civil practice law and rules.

3. A written or electronic copy of any electronic warrant or warrant-related record filed in the department of state shall be filed by the department in the office of the clerk of the county named in the warrant or warrant-related record.

4. Notwithstanding any provision of this chapter or a related statute to the contrary, all warrant-related records issued by the department that are authorized by applicable laws, including, but not limited to, warrant satisfactions, vacaturs, amendments and expirations, and any warrant-related record issued by the department on or after July first, two thousand twenty-five that pertains to a warrant filed prior to July first, two thousand twenty-five, shall be filed electronically by the department in the department of state. No fee shall be required to be paid for such filings. A written or electronic copy of the electronic warrant-related record filed in the department of state shall be filed by the department in the office of the clerk of the county named in the warrant-related record.

5. The department shall file warrants and warrant-related records electronically with the department of state. The department of state shall provide electronic notice to the department confirming the date of filing of the warrants and warrant-related records. The department of state shall also make information regarding the warrants and warrant-related records, including the date of filing, available to the public and searchable by the name of the person or persons listed in the tax warrant. Upon request of the commissioner, the department of state shall certify that a warrant or warrant-related record has been filed and the date of such filing.

6. Notwithstanding any other provision of this chapter concerning the place of filing of a tax warrant and the creation thereby of a tax lien and judgment, the provisions of this section shall govern such matters for purposes of any taxes imposed by or pursuant to this chapter.

§ 2. Subdivision 1 of section 174-a of the tax law, as added by chapter 176 of the laws of 1997, is amended to read as follows:

1. General rule. Notwithstanding any provision of law to the contrary, the provisions of the civil practice law and rules relating to the duration of a lien of a docketed judgment in and upon real property of a judgment debtor, and the extension of any such lien, shall apply to any warrant **or other warrant-related document electronically** filed on behalf of the commissioner against a taxpayer with the [~~clerk of a county wherein such taxpayer owns or has an interest in real property~~] **department of state**, whether such warrant is being enforced by a sheriff or an officer or employee of the department.

§ 3. Section 175 of the tax law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

§ 175. Manner of execution of instruments by the commissioner. Notwithstanding any other provision of law, whenever a statute authorizes or requires the commissioner to execute an instrument, such instrument shall be executed by having the name or title of the commissioner appear on such instrument and, underneath such name or title, such instrument shall be signed by the commissioner or by a deputy tax commissioner or by the secretary to such commissioner[~~, and the~~]**. An electronic signature may be used in lieu of a signature affixed by hand pursuant to article three of the state technology law. The** seal of such commissioner [~~shall~~] **may** be affixed or [~~shall~~] appear on such instrument as a facsimile which is engraved, printed or reproduced in any other manner. No acknowledgment of the execution of any such instrument shall be necessary for the purpose of the recordation thereof or for any other purpose.

§ 4. This act shall take effect July 1, 2025 and shall apply to warrants and warrant-related records pertaining to such warrants filed, or deemed to have been filed, on or after such date; provided, however, that the department of taxation and finance and the department of state are authorized to take any steps necessary to implement this act on or before such effective date.

PART O

Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real property tax law, as amended by section 1 of part RR of chapter 59 of the laws of 2019, is amended to read as follows:

(b-1) Income. For final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve through two thousand eighteen-two thousand nineteen school years, the parcel's affiliated income may be no greater than five hundred thousand dollars, as determined by the commissioner pursuant to subdivision fourteen of this section or section one hundred seventy-one-u of the tax law, in order to be eligible for the basic exemption authorized by this section. Beginning with the two thousand nineteen-two thousand twenty school year, for purposes of the exemption authorized by this section, the parcel's affiliated income may be no greater than two hundred fifty thousand dollars, as so determined. As used herein, the term "affiliated income" shall mean the combined income of all of the owners of the parcel who resided primarily thereon on the applicable taxable status date, and of any owners' spouses residing primarily thereon. For exemptions on final

assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year, affiliated income shall be determined based upon the parties' incomes for the income tax year ending in two thousand nine. In each subsequent school year, the applicable income tax year shall be advanced by one year. The term "income" as used herein shall have the same meaning as in subdivision four of this section**, and the provisions of clause (B) of subparagraph (ii) of paragraph (b) of subdivision four of this section shall be equally applicable to the basic exemption**.

§ 2. Paragraph (a) of subdivision 4 of section 425 of the real property tax law, as amended by section 4 of part A of chapter 405 of the laws of 1999 and subparagraph (i) as amended by section 2 of part E of chapter 83 of the laws of 2002, is amended to read as follows:

(a) Age. (i) [~~All~~] **At least one** of the owners **who resides primarily on the property** must be [~~at least~~] sixty-five years of age or older as of the date specified herein[~~, or in the case of property owned by husband and wife or by siblings, one of the owners must be at least sixty-five years of age as of that date and the property must serve as the primary residence of that owner~~]. For the two thousand--two thousand one school year, eligibility for the exemption shall be based upon age as of December thirty-first, two thousand. For each subsequent school year, the applicable date shall be advanced by one year.

(ii) [~~The term "siblings" as used herein shall have the same meaning as set forth in section four hundred sixty-seven of this article.~~

~~(iii)~~] In the case of property owned by [~~husband and wife, one of whom~~] **a married couple, if only one of the spouses** is sixty-five years of age or over, the exemption, once granted, shall not be rescinded solely because of the death of the older spouse so long as the surviving spouse is at least sixty-two years of age as of the date specified in this paragraph.

§ 3. The opening paragraph of subparagraph (i) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, as amended by section 3 of part E of chapter 83 of the laws of 2002, is amended to read as follows:

The combined income of all of the owners **who primarily reside on the property**, and of any owners' spouses **primarily** residing on the [~~premises~~] **property**, may not exceed the applicable income standard specified herein.

§ 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, as amended by section 1 of part B of chapter 59 of the laws of 2018, is amended to read as follows:

(ii) The term "income" as used herein shall mean the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity; provided that if no such return was filed for the applicable income tax year, "income" shall mean the [~~adjusted gross income~~] **amount** that would have been so reported if such a return had been filed. Provided further, that [~~effective~~]**:**

(A) Effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each

such individual must file a statement with the department showing the source or sources of [~~his or her~~] **such individual's** income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the secrecy provisions of the tax law to the same extent that a personal income tax return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department.

(B) Notwithstanding the foregoing provisions of this subparagraph, where property is owned solely by a person or persons who received the exemption for three consecutive years without having filed returns for the applicable income tax years, but who demonstrated their eligibility for the exemption to the commissioner's satisfaction by filing statements pursuant to clause (A) of this subparagraph, such person or persons shall be presumed to satisfy the applicable income-eligibility requirements each year thereafter and shall not be required to continue to file such statements in the absence of a specific request therefor from the commissioner. Nothing contained herein shall be construed to prevent the commissioner from denying an exemption pursuant to this section when the commissioner determines that a property owner has a source of income that renders that owner ineligible for that exemption.

§ 5. Clauses (C) and (D) of subparagraph (iv) of paragraph (b) of subdivision 4 of section 425 of the real property tax law are REPEALED and a new clause (C) is added to read as follows:

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

§ 6. Section 425 of the real property tax law is amended by adding a new subdivision 4-b to read as follows:

4-b. Authority of the commissioner in relation to eligibility determinations. (a) (i) Notwithstanding any provision of this section to the contrary, it shall be the responsibility of the commissioner to determine eligibility for the basic and enhanced STAR exemptions authorized by this section, in consultation with local assessors as necessary.

(ii) The commissioner's eligibility determinations shall be based upon data the commissioner has obtained from local assessment rolls, personal income tax returns, the STAR registration program, the STAR income verification program and such other data sources as may be available to the commissioner.

(iii) The process followed by the commissioner to verify eligibility for the basic and enhanced STAR exemptions shall be the same, except to the extent that differences are required by law.

(b) If the commissioner should determine that a parcel that has a basic STAR exemption is eligible for an enhanced STAR exemption, the commissioner shall so notify the assessor. The assessor shall thereupon grant the parcel an enhanced STAR exemption without requesting a new application from the owner.

(c) If the commissioner determines that property is not eligible for a STAR exemption it has been receiving, the provisions of this subdivision shall be applicable.

(i) The commissioner shall provide the property owners with notice and an opportunity to show the commissioner that the property is eligible to

receive the exemption. If the owners fail to respond to such notice within forty-five days from the mailing thereof, or if their response does not show to the commissioner's satisfaction that the property is eligible for the exemption, the commissioner shall direct the assessor or other person having custody or control of the assessment roll or tax roll to remove or deny the exemption, and to correct the roll accordingly. Such a directive shall be binding upon the assessor or other person having custody or control of the assessment roll or tax roll, and shall be implemented by such person without the need for further documentation or approval.

(ii) Neither an assessor nor a board of assessment review has the authority to consider an objection to the removal or denial of an exemption pursuant to this subdivision, nor may such an action be reviewed in a proceeding to review an assessment pursuant to title one or one-A of article seven of this chapter. Such an action may only be challenged before the department of taxation and finance. If a taxpayer is dissatisfied with the department's final determination, the taxpayer may appeal that determination to the state board of real property tax services in a form and manner to be prescribed by the commissioner. Such appeal shall be filed within forty-five days from the issuance of the department's final determination. If dissatisfied with the state board of real property tax services' determination, the taxpayer may seek judicial review thereof pursuant to article seventy-eight of the civil practice law and rules. The taxpayer shall otherwise have no right to challenge such final determination in a court action, administrative proceeding or any other form of legal recourse against the commissioner, the department of taxation and finance, the state board of real property tax services, the assessor or other person having custody or control of the assessment roll or tax roll regarding such action.

§ 7. The section heading of section 171-u of the tax law, as added by section 2 of part FF of chapter 57 of the laws of 2010, is amended to read as follows:

Verification of [~~income~~] eligibility for [~~basic~~] STAR exemption.

§ 8. Subdivisions 1, 2, 3 and 4 of section 171-u of the tax law are REPEALED, subdivision 5 is renumbered to be subdivision 2, and a new subdivision 1 is added to read as follows:

(1) The commissioner shall verify the eligibility of properties for STAR exemptions in the manner provided by section four hundred twenty-five of the real property tax law.

§ 9. Subparagraphs (B) and (E) of paragraph 1 of subsection (eee) of section 606 of the tax law, subparagraph (B) as amended by section 10 of part B of chapter 59 of the laws of 2018 and subparagraph (E) as amended by section 2 of part H of chapter 59 of the laws of 2017, are amended to read as follows:

(B) (i) "Affiliated income" shall mean [~~for purposes of the basic STAR credit,~~] the combined income of all of the owners of the parcel who resided primarily thereon as of [~~December thirty-first~~] July first of the taxable year, and of any owners' spouses residing primarily thereon as of such date[~~, and for purposes of the enhanced STAR credit, the combined income of all of the owners of the parcel as of December thirty-first of the taxable year, and of any owners' spouses residing primarily thereon as of such date; provided that for both purposes~~]; provided that the income to be so combined shall be the "adjusted gross income" for the taxable year as reported for federal income tax purposes, or that would be reported as adjusted gross income if a federal income tax return were required to be filed, reduced by distributions, to the

extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity.

(ii) For taxable years beginning on and after January first, two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return pursuant to section six hundred fifty-one of this article for the applicable income tax year, then in order to be eligible for the credit authorized by this subsection, each such individual must file a statement with the department showing the source or sources of [~~his or her~~] such individual's income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the provisions of section six hundred ninety-seven of this article to the same extent that a return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department. [~~Provided further, that if the qualified taxpayer was an owner of the property during the taxable year but did not own it on December thirty-first of the taxable year, then the determination as to whether the income of an individual should be included in "affiliated income" shall be based upon the ownership and/or residency status of that individual as of the first day of the month during which the qualified taxpayer ceased to be an owner of the property, rather than as of December thirty-first of the taxable year.~~]

(iii) Notwithstanding the foregoing provisions of this subparagraph, where property is owned solely by a person or persons who received the credit for three consecutive years without having filed returns for the applicable income tax years, but who demonstrated their eligibility for the credit to the commissioner's satisfaction by filing statements pursuant to clause (ii) of this subparagraph, such person or persons shall be presumed to satisfy the applicable income-eligibility requirements each year thereafter and shall not be required to continue to file such statements in the absence of a specific request therefor from the commissioner. Nothing contained herein shall be construed to prevent the commissioner from denying a credit pursuant to this subsection when the commissioner determines that a property owner has a source of income that renders that owner temporarily or permanently ineligible for that credit.

(E) "Qualifying taxes" means the school district taxes that were or are to be levied upon the taxpayer's primary residence for the associated fiscal year [~~that were actually paid by the taxpayer during the taxable year~~]; or, in the case of a city school district that is subject to article fifty-two of the education law, the combined city and school district taxes that were or are to be levied upon the taxpayer's primary residence for the associated fiscal year [~~that were actually paid by the taxpayer during the taxable year~~]. Provided, however, that in the case of a cooperative apartment, "qualifying taxes" means the school district taxes that would have been levied upon the tenant-stockholder's primary residence if it were separately assessed, as determined by the commissioner based on the statement provided by the assessor pursuant to subparagraph (ii) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, or in the case of a cooperative apartment corporation that is described in subparagraph (iv) of paragraph (k) of subdivision two of section four hundred twenty-five

of the real property tax law, one third of such amount. In no case shall the term "qualifying taxes" be construed to include penalties or interest.

§ 10. Paragraph 2 of subsection (eee) of section 606 of the tax law is REPEALED.

§ 11. The opening paragraph of subparagraph (A) of paragraph 4 and clause (i) of subparagraph (A) of paragraph 4 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, are amended to read as follows:

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

(i) [~~All~~] At least one of the owners of the parcel that serves as the taxpayer's primary residence [~~are~~] is at least sixty-five years of age as of December thirty-first of the taxable year [~~or, in the case of property owned by a married couple or by siblings, at least one of the owners is at least sixty-five years of age as of that date. The terms "siblings" as used herein shall have the same meaning as set forth in section four hundred sixty-seven of the real property tax law~~]. In the case of property owned by a married couple, [~~one of whom~~] if only one of the spouses is sixty-five years of age or over, the credit, once allowed, shall not be disallowed because of the death of the older spouse so long as the surviving spouse is at least sixty-two years of age as of December thirty-first of the taxable year.

§ 12. Subsection (eee) of section 606 of the tax law is amended by adding a new paragraph 14 to read as follows:

(14) The process employed by the commissioner in verifying eligibility for the basic STAR credit shall be the same as for the enhanced STAR credit, except to the extent that differences are required by law.

§ 13. This act shall take effect immediately; provided, however, that sections 2, 3, 5, 6, 7, 8, 11 and 12 of this act shall take effect January 1, 2026; and the amendments to clause (i) of subparagraph (B) of paragraph 1 of subsection (eee) of section 606 of the tax law, as added by section nine of this act, shall take effect on January 1, 2026.

PART P

Intentionally Omitted

PART Q

Intentionally Omitted

PART R

Section 1. Subdivision (a) of section 213-a of the tax law, as amended by chapter 166 of the laws of 1991, is amended to read as follows:

(a) Requirement of declaration.--Every taxpayer subject to the tax imposed by section two hundred nine of this [~~chapter~~] article shall make a declaration of its estimated tax for the current privilege period, containing such information as the commissioner of taxation and finance may prescribe by regulations or instructions, if such estimated tax can reasonably be expected to exceed one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thou-

sand dollars for taxable years beginning on or after January first, two thousand twenty-six. If a taxpayer is subject to the tax surcharge imposed under section two hundred nine-B of this article and such taxpayer's estimated tax under section two hundred nine of this article can reasonably be expected to exceed one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, such taxpayer shall also make a declaration of its estimated tax surcharge for the current privilege period.

§ 2. Subdivision (a) of section 213-b of the tax law, as amended by section 4 of part Z of chapter 59 of the laws of 2019, is amended to read as follows:

(a) First installments for certain taxpayers.--In privilege periods of twelve months ending at any time during the calendar year nineteen hundred seventy and thereafter, every taxpayer subject to the tax imposed by section two hundred nine of this [~~chapter~~] article must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, for taxable years beginning before January first, two thousand sixteen, and must pay on or before the fifteenth day of the third month of such privilege periods, for taxable years beginning on or after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the second preceding year's tax if the second preceding year's tax exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the second preceding year's tax if the second preceding year's tax exceeded one hundred thousand dollars. If the second preceding year's tax under section two hundred nine of this [~~chapter~~] article exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, and the taxpayer is subject to the tax surcharge imposed by section two hundred nine-B of this [~~chapter~~] article, the taxpayer must also pay with the tax surcharge report required to be filed for the second preceding privilege period, or with an application for extension of the time for filing the report, for taxable years beginning before January first, two thousand sixteen, and must pay on or before the fifteenth day of the third month of such privilege periods, for taxable years beginning on or after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax exceeded one hundred thousand dollars. Provided, however, that every taxpayer that is a New York S corporation must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, an amount equal to (i) twenty-five percent of the preceding year's tax if the preceding year's tax exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the preceding year's tax if the preceding year's tax exceeded one hundred thousand dollars.

§ 3. This act shall take effect immediately.

PART S

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

(qqq) Organ donation credit. (1) For taxable years beginning on or after January first, two thousand twenty-five, a full-year resident taxpayer who, while living, donates one or more of their human organs to another human being for human organ transplantation will be allowed a credit against the taxes imposed by this article in the amount specified in paragraph two of this subsection. For purposes of this paragraph, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow.

(2) A taxpayer may claim the credit allowed under this subsection only once and in the taxable year in which the human organ transplantation occurs. Such credit may be claimed, in an amount not to exceed ten thousand dollars, for only the following unreimbursed expenses that are incurred by the taxpayer and related to the taxpayer's organ donation:

(A) travel expenses;

(B) lodging expenses; and

(C) lost wages.

Provided, however, that this credit shall not apply to any organ donation for which the taxpayer has received benefits under section forty-three hundred seventy-one of the public health law.

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

§ 2. Paragraph 38 of subsection (c) of section 612 of the tax law, as added by chapter 565 of the laws of 2006, the opening paragraph as amended by chapter 814 of the laws of 2022, is amended to read as follows:

(38) [~~An~~] **For taxable years beginning before January first, two thousand twenty-five, an** amount of up to ten thousand dollars if a taxpayer, while living, donates one or more of [~~his or her~~] **the taxpayer's** human organs to another human being for human organ transplantation. For purposes of this paragraph, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract modification allowed under this paragraph shall be claimed in the taxable year in which the human organ transplantation occurs. Provided, however, that this deduction shall not apply to any donation for which the taxpayer has received benefits under section forty-three hundred seventy-one of the public health law.

(A) A taxpayer shall claim the subtract modification allowed under this paragraph only once and such subtract modification shall be claimed for only the following unreimbursed expenses which are incurred by the taxpayer and related to the taxpayer's organ donation:

(i) travel expenses;

(ii) lodging expenses; and

(iii) lost wages.

(B) The subtract modification allowed under this paragraph shall not be claimed by a part-year resident or a non-resident of this state.

§ 3. This act shall take effect immediately.

PART T

Section 1. Paragraph 3 of subsection (a) of section 954 of the tax law, as amended by section 1 of part F of chapter 59 of the laws of 2019, is amended to read as follows:

(3) Increased by the amount of any taxable gift under section 2503 of the internal revenue code not otherwise included in the decedent's federal gross estate, made during the three year period ending on the decedent's date of death, but not including any gift made: (A) when the decedent was not a resident of New York state; or (B) before April first, two thousand fourteen; or (C) between January first, two thousand nineteen and January fifteenth, two thousand nineteen; or (D) that is real or tangible personal property having an actual situs outside New York state at the time the gift was made. Provided, however that this paragraph shall not apply to the estate of a decedent dying on or after January first, two thousand [~~twenty-six~~] thirty-two.

§ 2. This act shall take effect immediately.

PART U

Section 1. Paragraphs (c) and (d) of subdivision 12 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, are amended to read as follows:

(c) Amount of credit. Except as provided in paragraph (d) of this subdivision, the amount of credit for taxable years beginning before January first, two thousand twenty-five shall be thirty-five percent of the first six thousand dollars in qualified first-year wages earned by each qualified employee and for taxable years beginning on or after January first, two thousand twenty-five shall be the first five thousand dollars in qualified first-year wages earned by each qualified employee. "Qualified first-year wages" means wages paid or incurred by the taxpayer during the taxable year to qualified employees which are attributable, with respect to any such employee, to services rendered during the one-year period beginning with the day the employee begins work for the taxpayer.

(d) Credit where federal work opportunity tax credit applies. With respect to any qualified employee whose qualified first-year wages under paragraph (c) of this subdivision also constitute qualified first-year wages for purposes of the work opportunity tax credit for vocational rehabilitation referrals under section fifty-one of the internal revenue code, the amount of credit under this subdivision for taxable years beginning before January first, two thousand twenty-five shall be thirty-five percent of the first six thousand dollars in qualified second-year wages earned by each such employee and for taxable years beginning on or after January first, two thousand twenty-five shall be the first five thousand dollars in qualified second-year wages earned by each qualified employee. "Qualified second-year wages" means wages paid or incurred by the taxpayer during the taxable year to qualified employees which are attributable, with respect to any such employee, to services rendered during the one-year period beginning one year after the employee begins work for the taxpayer.

§ 2. Paragraphs 3 and 4 of subsection (o) of section 606 of the tax law, as added by chapter 142 of the laws of 1997, are amended to read as follows:

(3) Amount of credit. Except as provided in paragraph four of this subsection, the amount of credit for taxable years beginning before

January first, two thousand twenty-five shall be thirty-five percent of the first six thousand dollars in qualified first-year wages earned by each qualified employee and for taxable years beginning on or after January first, two thousand twenty-five shall be the first five thousand dollars in qualified first-year wages earned by each qualified employee. "Qualified first-year wages" means wages paid or incurred by the taxpayer during the taxable year to qualified employees which are attributable, with respect to any such employee, to services rendered during the one-year period beginning with the day the employee begins work for the taxpayer.

(4) Credit where federal work opportunity tax credit applies. With respect to any qualified employee whose qualified first-year wages under paragraph three of this subsection also constitute qualified first-year wages for purposes of the work opportunity tax credit for vocational rehabilitation referrals under section fifty-one of the internal revenue code, the amount of credit under this subsection shall be for taxable years beginning before January first, two thousand twenty-five thirty-five percent of the first six thousand dollars in qualified second-year wages earned by each such employee and for taxable years beginning on or after January first, two thousand twenty-five shall be the first five thousand dollars in qualified second-year wages earned by each qualified employee. "Qualified second-year wages" means wages paid or incurred by the taxpayer during the taxable year to qualified employees which are attributable, with respect to any such employee, to services rendered during the one-year period beginning one year after the employee begins work for the taxpayer.

§ 3. This act shall take effect immediately.

PART V

Section 1. Subdivision 3 of section 211 of the tax law, as amended by section 19 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

3. If the amount of taxable income for any year of any taxpayer (including any taxpayer which has elected to be taxed under subchapter s of chapter one of the internal revenue code), as returned to the United States treasury department is changed or corrected by the commissioner of internal revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in taxable income, such taxpayer shall report such changed or corrected taxable income, or the results of such renegotiation, within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined report under this article for such year) after the final determination of such change or correction or renegotiation, or as required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. Provided however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this chapter, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this chapter when such adjustments result in an overpayment. The allowance of a tentative carryback adjustment based upon a net operating loss carryback or net capital loss carryback pursuant to section sixty-four hundred eleven of the internal revenue code, as amended, shall be treated as a final determination for purposes of this subdivision. Any taxpayer filing an amended return with such

department shall also file within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined report under this article for such year) thereafter an amended report with the commissioner.

§ 2. Subsection (b) of section 653 of the tax law, as added by chapter 563 of the laws of 1960, is amended to read as follows:

(b) Partnerships. Any return, statement or other document required of a partnership shall be signed by one or more partners. The fact that a partner's name is signed to a return, statement, or other document, shall be prima facie evidence for all purposes that such partner is authorized to sign on behalf of the partnership.

(1) If a partnership is required to report federal adjustments arising from a partnership level audit or an administrative adjustment request pursuant to section six hundred fifty-nine-a of this part, the partnership's federal partnership representative is the New York partnership representative unless the partnership designates, in a manner determined by the commissioner, that another person shall act on behalf of the partnership.

(2) The New York partnership representative shall have the sole authority to act on behalf of the partnership and its direct and indirect partners shall be bound by these actions.

§ 3. Section 659 of the tax law, as amended by section 8 of part J of chapter 59 of the laws of 2014, is amended to read as follows:

§ 659. Report of federal changes, corrections or disallowances. If the amount of a taxpayer's federal taxable income, total taxable amount or ordinary income portion of a lump sum distribution or includible gain of a trust reported on [~~his~~] **their** federal income tax return for any taxable year, or the amount of a taxpayer's earned income credit or credit for employment-related expenses set forth on such return, or the amount of any federal foreign tax credit affecting the calculation of the credit for Canadian provincial taxes under section six hundred twenty or six hundred twenty-A of this article, or the amount of any claim of right adjustment, is changed or corrected by the United States internal revenue service or other competent authority or as the result of a renegotiation of a contract or subcontract with the United States, or the amount an employer is required to deduct and withhold from wages for federal income tax withholding purposes is changed or corrected by such service or authority or if a taxpayer's claim for credit or refund of federal income tax is disallowed in whole or in part, the taxpayer or employer shall report such change or correction or disallowance within ninety days after the final determination of such change, correction, renegotiation or disallowance, or as otherwise required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. **Provided, however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this part, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this part when such adjustments result in an overpayment.** The allowance of a tentative carryback adjustment based upon a net operating loss carryback pursuant to section sixty-four hundred eleven of the internal revenue code shall be treated as a final determination for purposes of this section. Any taxpayer filing an amended federal income tax return and any employer filing an amended federal return of income tax withheld shall also file within ninety days thereafter an amended return under this article, and shall give such information as the commissioner may require. The commissioner may by regulation

prescribe such exceptions to the requirements of this section as [~~he or she deems~~] they deem appropriate. For purposes of this section, (i) the term "taxpayer" shall include a partnership having a resident partner or having any income derived from New York sources, and a corporation with respect to which the taxable year of such change, correction, disallowance or amendment is a year with respect to which the election provided for in subsection (a) of section six hundred sixty of this article is in effect, and (ii) the term "federal income tax return" shall include the returns of income required under sections six thousand thirty-one and six thousand thirty-seven of the internal revenue code. In the case of such a corporation, such report shall also include any change or correction of the taxes described in paragraphs two and three of subsection (f) of section thirteen hundred sixty-six of the internal revenue code. Reports made under this section by a partnership or corporation shall indicate the portion of the change in each item of income, gain, loss or deduction (and, in the case of a corporation, of each change in, or disallowance of a claim for credit or refund of, a tax referred to in the preceding sentence) allocable to each partner or shareholder and shall set forth such identifying information with respect to such partner or shareholder as may be prescribed by the commissioner.

§ 4. The tax law is amended by adding a new section 659-a to read as follows:

§ 659-a. Reporting of federal partnership adjustments. (a) If any item required to be shown on a federal partnership return, for any partnership that has a resident partner or any income derived from New York sources, including any gross income, gain, loss, deduction, penalty, credit, or tax for any year of such partnership, including any amount of any partner's distributive share, is changed or corrected by the commissioner of internal revenue or other officer of the United States or other competent authority, and the partnership is issued an adjustment under section sixty-two hundred twenty-five of the internal revenue code or makes a federal election for alternative payment with the United States internal revenue service as part of a partnership level audit, or files an administrative adjustment request, the partnership shall report, in the manner prescribed by the commissioner, each change or correction in sufficient detail to allow for the computation of the New York tax change or correction for the reviewed year within ninety days after the date of each final federal determination, or ninety days after the filing of an administrative adjustment request.

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

(1) "Administrative adjustment request" means an administrative adjustment request filed by a partnership under section sixty-two hundred twenty-seven of the internal revenue code.

(2) "Direct partner" means a partner that holds an interest directly in an impacted partnership during the reviewed year.

(3) "Federal election for alternative payment" means the election described in section sixty-two hundred twenty-six of the internal revenue code, relating to alternative payment of imputed underpayment by partnership.

(4) "Final federal adjustment" means a change to an item of gross income, gain, loss, deduction, penalty, credit, or a partner's distributive share, of an impacted partnership determined under section sixty-two hundred twenty-five of the internal revenue code that is considered fixed and final under the internal revenue code.

(5) "Final federal determination date" means the date on which each adjustment or resolution resulting from a United States internal revenue service examination is assessed pursuant to section sixty-two hundred three of the internal revenue code.

(6) "Impacted partnership" means a partnership that (i) was issued a final federal adjustment; or (ii) made a federal election for alternative payment with the United States internal revenue service as part of a federal partnership level audit; or (iii) filed an administrative adjustment request with the internal revenue service.

(7) "Indirect partner" means a partner, member, or shareholder in a partnership or other pass-through entity that itself held an interest indirectly, or through another indirect partner, in an impacted partnership during the reviewed year.

(8) "Reviewed year" has the meaning provided in paragraph one of subsection (d) of section sixty-two hundred twenty-five of the internal revenue code.

(9) "Tiered partner" means any partner in an impacted partnership that is a partnership, S corporation, or other pass-through entity for New York tax purposes.

(c)(1) Impacted partnerships must file any required reports and pay any New York tax due, if applicable, with respect to a final federal adjustment or an administrative adjustment request no later than ninety days after the final federal determination date, or the date an administrative adjustment request was filed, in accordance with subsection (d) of this section.

(2) Notwithstanding any election made for federal purposes under the provisions of subchapter C of chapter sixty-three of the internal revenue code, any changes or corrections made by the United States internal revenue service pursuant to such a final federal adjustment or as a result of an administrative adjustment request that increases New York taxable income must be calculated with respect to the impacted partnership in the reviewed year, and any additional New York tax owed as a result of such a final federal adjustment or administrative adjustment request must be paid by the impacted partnership as computed in accordance with subsection (d) of this section.

(3) Notwithstanding any election made for federal purposes under the provisions of subchapter C of chapter sixty-three of the internal revenue code, where changes or corrections made by the United States internal revenue service pursuant to such a final federal adjustment or as a result of an administrative adjustment request decrease New York taxable income, the partners may request any resulting overpayment as permitted under this article and articles nine-A and thirty-three of this chapter.

(d) Reporting and payment requirements for impacted partnerships and partners subject to a final federal adjustment or administrative adjustment request.

(1) Impacted partnerships must report any final federal adjustments and administrative adjustment requests regardless of tax impact. Such report must include the impacted partnership's direct and indirect partner identifying information and any other information the commissioner may require.

(2) For the partnership adjustments described in paragraph two of subsection (c) of this section, the impacted partnership must:

(A) report the sum of the following amounts attributable to each of its direct partners and indirect partners as follows:

(i) for partners subject to tax pursuant to articles nine-a or thirty-three of this chapter in the reviewed year, other than tiered part-

ners, the partner's distributive share of gross income or gain, apportioned to New York using a percentage using the apportionment rules described in article nine-A of this chapter;

(ii) for a partner subject to tax pursuant to this article that is treated as a nonresident pursuant to paragraph two of subsection (b) of section six hundred five of this article in the reviewed year, other than a tiered partner, the partner's distributive share of gross income or gain allocated to New York using the allocation rules described in this article;

(iii) for a partner subject to tax pursuant to this article that is treated as a resident pursuant to paragraph one of subsection (b) of section six hundred five of this article in the reviewed year, other than a tiered partner, the partner's federal distributive share of gross income or gain; and

(iv) for a partner subject to tax pursuant to article thirty of this chapter that is treated as a resident pursuant to subsection (a) of section thirteen hundred five of this chapter in the reviewed year, other than tiered partners, the partner's federal distributive share of gross income or gain.

(B) For purposes of computing the distributive share of gross income or gain attributable to tiered partners, the partnership shall compute the distributive share of each indirect partner that itself is not a tiered partner, based on the rules in subparagraph (A) of paragraph two of this subsection. Provided, however, if the impacted partnership lacks the necessary information to compute the distributive share of:

(i) one or more indirect partners taxable under articles nine-A and thirty-three of this chapter, such indirect partner or partners must allocate one hundred percent of such taxpayer's distributive share of the adjustment to the state.

(ii) one or more indirect partners taxable under this article, such indirect partner or partners must be treated as a resident pursuant to subsection (a) of section thirteen hundred five of this chapter.

(C) The impacted partnership shall compute tax due by computing the sum of:

(i) the cumulative distributive share of all direct and indirect partners as computed under clauses (i), (ii), (iii), and (iv) of subparagraph (A) of paragraph (2) of subsection (d) of this section, multiplied by the highest tax rate imposed under section six hundred one of this article for the reviewed year, and

(ii) the cumulative distributive share of all direct and indirect partners as computed under clause (iv) of subparagraph (A) of paragraph two of this subsection, multiplied by the highest rate imposed under section thirteen hundred four of this chapter for the reviewed year.

(D) The partnership shall be required to remit any additional amount of tax due, plus any penalty and interest computed under this article based on the due date of the originally filed return of the reviewed year.

(3) The impacted partnership must inform each direct and indirect partner of partnership adjustments described in paragraph three of subsection (c) of this section in the manner required by the commissioner.

(e) Statute of limitations for assessments of additional New York state tax, interest, and penalties arising from adjustments to federal taxable income.

(1) If the impacted partnership files a report within the period specified in subsection (c) of this section, the commissioner may assess an

impacted partnership additional tax, interest, and penalties arising from final federal adjustments or administrative adjustment requests pursuant to the provisions of section six hundred eighty-three of this article.

(2) If an impacted partnership fails to file a report as required in subsection (c) of this section, the commissioner may assess the impacted partnership additional tax, interest, and penalties arising from final federal adjustments or administrative adjustment requests pursuant to the provisions of section six hundred eighty-one of this article.

(f) Nothing in this section shall prevent the commissioner from assessing direct or indirect partners for any taxes due, using the best information available, in the event that an impacted partnership fails to timely report or remit any report or additional taxes due required by this section for any reason.

§ 5. Subsection (e) of section 681 of the tax law, as amended by chapter 381 of the laws of 1975, paragraph 1 as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(e) Exceptions where federal changes, corrections or disallowances are not reported.---

(1) If the taxpayer or employer fails to comply with section six hundred fifty-nine or section six hundred fifty-nine-a, instead of the mode and time of assessment provided for in subsection (b) of this section, the [~~tax commission~~] commissioner may assess a deficiency based upon such federal change, correction or disallowance by mailing to the taxpayer a notice of additional tax due specifying the amount of the deficiency, and such deficiency, together with the interest, additions to tax and penalties stated in such notice, shall be deemed assessed on the date such notice is mailed unless within thirty days after the mailing of such notice a report of the federal change, correction or disallowance or an amended return, where such return was required by section six hundred fifty-nine or section six hundred fifty-nine-a, is filed accompanied by a statement showing wherein such federal determination and such notice of additional tax due are erroneous.

(2) Such notice shall not be considered as a notice of deficiency for the purposes of this section, subsection (f) of section six hundred eighty-seven (limiting credits or refunds after petition to the [~~tax commission~~] division of tax appeals), or subsection (b) of section six hundred eighty-nine (authorizing the filing of a petition with the [~~tax commission~~] division of tax appeals based on a notice of deficiency), nor shall such assessment or the collection thereof be prohibited by the provisions of subsection (c).

(3) If [~~a husband and wife~~] spouses are jointly liable for tax, a notice of additional tax due may be a single joint notice, except that if the [~~tax commission~~] commissioner has been notified by either spouse that separate residences have been established, then, in lieu of the joint notice, a duplicate original of the joint notice shall be mailed to each spouse at [~~his or her~~] their last known address in or out of this state. If the taxpayer is deceased or under a legal disability, a notice of additional tax due may be mailed to [~~his~~] their last known address in or out of this state, unless the [~~tax commission~~] commissioner has received notice of the existence of a fiduciary relationship with respect to the taxpayer.

§ 6. Subsection (a) of section 682 of the tax law, as amended by section 3 of part F of chapter 60 of the laws of 2004, is amended to read as follows:

(a) Assessment date.--The amount of tax which a return shows to be due, or the amount of tax which a return would have shown to be due but for a mathematical or clerical error, shall be deemed to be assessed on the date of filing of the return (including any amended return showing an increase of tax). In the case of a return properly filed without computation of tax, the tax computed by the commissioner shall be deemed to be assessed on the date on which payment is due. If a notice of deficiency has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in subsection (b) of section six hundred eighty-one if no petition to the division of tax appeals is filed, or if a petition is filed, then upon the date when a determination or decision rendered in the division of tax appeals establishing the amount of the deficiency becomes final. If an amended return or report filed pursuant to section six hundred fifty-nine **or six hundred fifty-nine-a** concedes the accuracy of a federal change or correction, any deficiency in tax under this article resulting therefrom shall be deemed to be assessed on the date of filing such report or amended return, and such assessment shall be timely notwithstanding section six hundred eighty-three. If a notice of additional tax due, as prescribed in subsection (e) of section six hundred eighty-one, has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in such subsection unless within thirty days after the mailing of such notice a report of the federal change or correction or an amended return, where such return was required by section six hundred fifty-nine **or six hundred fifty-nine-a**, is filed accompanied by a statement showing wherein such federal determination and such notice of additional tax due are erroneous. Any amount paid as a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax, shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other provisions.

§ 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax law, paragraph 1 as amended by chapter 526 of the laws of 1973, subparagraph (C) of paragraph 1 and paragraph 3 as amended by chapter 28 of the laws of 1987, and paragraph 2 as added by chapter 1011 of 1962, are amended to read as follows:

(1) Assessment at any time.--The tax may be assessed at any time if--

(A) no return is filed,

(B) a false or fraudulent return is filed with intent to evade tax, or

(C) the taxpayer or employer fails to comply with section six hundred fifty-nine **or six hundred fifty-nine-a**.

(2) Extension by agreement.--Where, before the expiration of the time prescribed in this section for the assessment of tax, both the [~~**tax commission**~~] **commissioner** and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(3) Report of federal changes, corrections or disallowances.--If the taxpayer or employer complies with section six hundred fifty-nine **or six hundred fifty-nine-a**, the assessment (if not deemed to have been made upon the filing of the report or amended return) may be made at any time within two years after such report or amended return was filed. The amount of such assessment of tax shall not exceed the amount of the increase in New York tax attributable to such federal change or correction. The provisions of this paragraph shall not affect the time

within which or the amount for which an assessment may otherwise be made.

§ 8. Paragraph 2 of subsection (h) of section 685 of the tax law, as amended by section 5 of part I of chapter 59 of the laws of 2014, is amended to read as follows:

(2) If any partnership, S corporation, or trust required to file a return or report under subsection (c) or subsection (f) of section six hundred fifty-eight or under section six hundred fifty-nine **or six hundred fifty-nine-a** of this article for any taxable year fails to file such return or report at the time prescribed therefor (determined with regard to any extension of time for filing), or files a return or report which fails to show the information required under such subsection (c) [~~or~~] **of** section six hundred fifty-nine of this article, **or files a return or report which fails to show the information required under subsection (d) of section six hundred fifty-nine-a of this article,** unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall, upon notice and demand by the commissioner and in the same manner as tax, be paid by the partnership or S corporation a penalty for each month (or fraction thereof) during which such failure continues (but not to exceed five months). The amount of such penalty for any month is the product of fifty dollars, multiplied by the number of partners in the partnership or shareholders in the S corporation during any part of the taxable year who were subject to tax under this article during any part of such taxable year, except that, in the case of a trust, the penalty shall be equal to one hundred fifty dollars a month up to a maximum of fifteen hundred dollars per taxable year.

§ 9. Subsection (c) of section 687 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(c) Notice of federal change or correction.--A claim for credit or refund of any overpayment of tax attributable to a federal change or correction required to be reported pursuant to section six hundred fifty-nine **or by a partner of a partnership required to report a federal change or correction pursuant to section six hundred fifty-nine-a** shall be filed by the taxpayer within two years from the time the notice of such change or correction or such amended return was required to be filed with the commissioner of taxation and finance. If the report or amended return required by section six hundred fifty-nine **or six hundred fifty-nine-a** is not filed within the ninety day period therein specified, no interest shall be payable on any claim for credit or refund of the overpayment attributable to the federal change or correction. The amount of such credit or refund shall not exceed the amount of the reduction in tax attributable to such federal change, correction or items amended on the taxpayer's amended federal income tax return. This subsection shall not affect the time within which or the amount for which a claim for credit or refund may be filed apart from this subsection.

§ 10. Subsection (g) of section 688 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(g) Cross-reference.--For provision with respect to interest after failure to file notice of federal change under section six hundred fifty-nine **or six hundred fifty-nine-a**, see subsection (c) of section six hundred eighty-seven.

§ 11. Subsection (a) of section 1312 of the tax law, as amended by section 9 of part Q of chapter 407 of the laws of 1999, is amended to read as follows:

(a) Except as otherwise provided in this article, any tax imposed pursuant to the authority of this article shall be administered and collected by the commissioner in the same manner as the tax imposed by article twenty-two of this chapter is administered and collected by the commissioner. All of the provisions of article twenty-two of this chapter relating to or applicable to payment of estimated tax, returns, payment of tax, claim of right adjustment, withholding of tax from wages, employer's statements and returns, employer's liability for taxes required to be withheld and all other provisions of article twenty-two of this chapter relating to or applicable to the administration, collection, liability for and review of the tax imposed by article twenty-two of this chapter, including sections six hundred fifty-two through six hundred fifty-four, sections six hundred fifty-seven through [~~six hundred fifty-nine~~] six hundred fifty-nine-a, sections six hundred sixty-one and six hundred sixty-two, sections six hundred seventy-one and six hundred seventy-two, sections six hundred seventy-four through six hundred seventy-eight and sections six hundred eighty-one through six hundred ninety-seven of this chapter, inclusive, shall apply to a tax imposed pursuant to the authority of this article with the same force and effect as if those provisions had been incorporated in full into this article, and had expressly referred to the tax imposed pursuant to the authority of this article, except where inconsistent with a provision of this article. Whenever there is joint collection of state and city personal income taxes, it shall be deemed that such collections shall represent proportionately the applicable state and city personal income taxes in determining the amount to be remitted to the city.

§ 12. Paragraph 1 of subdivision (e) of section 1515 of the tax law, as amended by chapter 770 of the laws of 1992, is amended to read as follows:

(1) If the amount of the life insurance company taxable income (which shall include, in the case of a stock life insurance company which has an existing policyholders surplus account, the amount of direct and indirect distributions during the taxable year to shareholders from such account), taxable income of a partnership or taxable income, as the case may be, or alternative minimum taxable income for any year of any taxpayer as returned to the United States treasury department is changed or corrected by the commissioner of internal revenue or other officer of the United States or other competent authority, such taxpayer shall report such change or corrected taxable income or alternative minimum taxable income within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined return under this article for such year) after the final determination of such change or correction or as required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. **Provided, however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this chapter, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this chapter when such adjustments result in an overpayment.** Any taxpayer filing an amended return with such department shall also file within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined return under this article for such year) thereafter an amended return with the commissioner which shall contain such information as the commissioner shall require. The allowance of a tentative carryback adjustment based upon a net operating loss carryback or net capital loss carryback pursuant to section sixty-four hundred eleven of

the internal revenue code or upon an operations loss carryback pursuant to section eight hundred ten of the internal revenue code, shall be treated as a final determination for purposes of this subdivision.

§ 13. This act shall take effect immediately; provided, however, that adjustments to a taxpayer's federal taxable income or tax liability with a final determination date or administrative adjustment request occurring prior to the effective date of this act must be reported within one year of such effective date; provided further that no interest shall accrue on adjustments occurring prior to the effective date of this act.

PART W

Section 1. Section 1310 of the tax law is amended by adding a new subsection (h) to read as follows:

(h) 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-five, 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 city taxpayers who filed a resident income tax return as married taxpayers filing jointly or a qualified surviving spouse:

If the number of dependents is:	Income no greater than:
1	$36,789
2	$46,350
3	$54,545
4	$61,071
5	$68,403
6	$75,204
7 or more	$91,902

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

If the number of dependents is:	Income no greater than:
1	$31,503
2	$36,824
3	$46,512
4	$53,711
5	$59,928
6	$65,712
7	$74,565
8 or more	$88,361

(iii) for any taxable year beginning on or after January first, two thousand twenty-six, 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-four;

(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. Section 11-1706 of the administrative code of the city of New York is amended by adding a new subdivision (h) to read as follows:

(h) Credit for certain taxpayers with incomes below certain thresholds. (1) Notwithstanding any other provision of law to the contrary, for any taxable year beginning on or after January first, two thousand twenty-five, a credit shall be allowed to a taxpayer against the taxes imposed pursuant to the authority of this chapter in an amount equal to the tax otherwise due under this chapter for such taxable year reduced by all the credits permitted by this chapter 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 city taxpayers who filed a resident income tax return as married taxpayers filing jointly or a qualified surviving spouse:

If the number of dependents is:	Income no greater than:
1	$36,789
2	$46,350
3	$54,545
4	$61,071

5	$68,403
6	$75,204
7 or more	$91,902

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

If the number of dependents is:	Income no greater than:
1	$31,503
2	$36,824
3	$46,512
4	$53,711
5	$59,928
6	$65,712
7	$74,565
8 or more	$88,361

(iii) for any taxable year beginning on or after January first, two thousand twenty-six, the commissioner of the state department of taxation and finance 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-four;

(C) such taxpayer is not allowed a credit pursuant to: (i) subsection (a) of section eight hundred sixty-three of the tax law against the tax imposed pursuant to article twenty-two of such law; or (ii) subdivision (g) of this section against the tax imposed pursuant to this chapter;

(D) such taxpayer does not report disqualified income in excess of ten thousand dollars in the taxable year, as such term is 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 subdivision 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 subdivision, 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 subdivision and the denominator of which is five thousand dollars.

(3) For purposes of this subdivision:

(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 a taxable year.

§ 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

PART X

Intentionally Omitted

PART Y

Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax law, as amended by section 1 of part K of chapter 59 of the laws of 2022, is amended to read as follows:

(a) General. A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheating fuel, used for space heating or hot water production for residential purposes within this state purchased before January first, two thousand [~~twenty-six~~] twenty-nine. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheating fuel, not to exceed twenty cents per gallon, purchased by such taxpayer. Provided, however, that on or after January first, two thousand seventeen, this credit shall not apply to bioheating fuel that is less than six percent biodiesel per gallon of bioheating fuel.

§ 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as amended by section 2 of part K of chapter 59 of the laws of 2022, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheating fuel, used for space heating or hot water production for residential purposes within this state and purchased on or after July first, two thousand six and before July first, two thousand seven and on or after January first, two thousand eight and before January first, two thousand [~~twenty-six~~] twenty-nine. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheating fuel, not to exceed twenty cents per gallon, purchased by such taxpayer. Provided, however, that on or after January first, two thousand seventeen, this credit shall not apply to bioheating fuel that is less than six percent biodiesel per gallon of bioheating fuel.

§ 3. This act shall take effect immediately.

PART Z

Section 1. Subdivision 6 of section 187-b of the tax law, as amended by section 1 of part P of chapter 59 of the laws of 2022, is amended to read as follows:

6. Termination. The credit allowed by subdivision two of this section shall not apply in taxable years beginning after December thirty-first, two thousand [~~twenty-five~~] twenty-eight.

§ 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law, as amended by section 2 of part P of chapter 59 of the laws of 2022, is amended to read as follows:

(f) Termination. The credit allowed by paragraph (b) of this subdivision shall not apply in taxable years beginning after December thirty-first, two thousand [~~twenty-five~~] twenty-eight.

§ 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as amended by section 3 of part P of chapter 59 of the laws of 2022, is amended to read as follows:

(6) Termination. The credit allowed by this subsection shall not apply in taxable years beginning after December thirty-first, two thousand [~~twenty-five~~] twenty-eight.

§ 4. This act shall take effect immediately.

PART AA

Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of section 1115 of the tax law, as amended by section 1 of part J of chapter 59 of the laws of 2024, is amended to read as follows:

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

§ 2. This act shall take effect immediately.

PART BB

Section 1. Subdivision (f) of section 25-b of the labor law, as added by section 2 of part Q of chapter 59 of the laws of 2022, is amended to read as follows:

(f) The tax credits provided under this program shall be applicable to taxable periods beginning before January first, two thousand [~~twenty-six~~] twenty-nine.

§ 2. This act shall take effect immediately.

PART CC

Section 1. Paragraph (a) of subdivision 29 of section 210-B of the tax law, as amended by section 1 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(a) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [~~twenty-six~~] twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section 210-B of the tax law, as amended by section 1 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(2) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [~~twenty-five~~] twenty-eight; and

§ 3. Paragraph 1 of subsection (a-2) of section 606 of the tax law, as amended by section 2 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [~~twenty-six~~] twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month

period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subsection, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section 606 of the tax law, as amended by section 2 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [~~twenty-five~~] twenty-eight; and

§ 5. Paragraph 1 of subdivision (g-1) of section 1511 of the tax law, as amended by section 3 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [~~twenty-six~~] twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section 1511 of the tax law, as amended by section 3 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [~~twenty-five~~] twenty-eight; and

§ 7. This act shall take effect immediately.

PART DD

Section 1. Section 5 of part HH of chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, as amended by section 1 of part HH of chapter 59 of the laws of 2021, is amended to read as follows:

§ 5. This act shall take effect immediately, provided that section two of this act shall take effect on January 1, 2015, and shall apply to taxable years beginning on or after January 1, 2015, with respect to "qualified production expenditures" and "transportation expenditures" paid or incurred on or after such effective date, regardless of whether the production of the qualified musical or theatrical production commenced before such date, provided further that this act shall expire and be deemed repealed January 1, [~~2026~~] 2030.

§ 2. This act shall take effect immediately.

PART EE

Section 1. Section 2 of part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, as amended by section 1 of part A of chapter 59 of the laws of 2020, is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire April 1, [~~2025~~] **2030** when upon such date the provisions of this act shall be deemed repealed.

§ 2. This act shall take effect immediately.

PART FF

Section 1. This act enacts into law major components of legislation necessary to implement certain provisions regarding simplifying the pari-mutuel tax rate system. Each component is wholly contained within a Subpart identified as Subparts A through B. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this act sets forth the general effective date of this act.

SUBPART A

Section 1. Subdivision 1 of section 236 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 corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting on races run thereat, except as provided in section two hundred thirty-eight of this article with respect to the franchised corporation, shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, providing such tickets be presented for payment before April first of the year following the year of their purchase, less an amount that shall be established and retained by such racing corporation of between fourteen to twenty percent of the total deposits in pools resulting from regular on-track bets and less sixteen to twenty-two percent of the total deposits in pools resulting from multiple on-track bets and less twenty to thirty percent of the total deposits in pools resulting from exotic on-track bets and less twenty to thirty-six percent of the total pools resulting from super exotic on-track 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 and [~~breaks~~] **"breaks"** are hereby defined as the odd cents over any multiple of five for **all** 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~~]**, regardless of payoff amount**. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. Of the amount so retained there shall be paid by such corporation to the department of taxation and finance as

a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meeting held by such corporation, which tax is hereby levied, the following percentages of the total pool, plus fifty-five percent of the breaks; the applicable rates for regular and multiple bets shall be one and one-half percent; the applicable rates for exotic bets shall be six and three-quarter percent and the applicable rate for super exotic bets shall be seven and three-quarter percent. Effective on and after September first, nineteen hundred ninety-four, the applicable tax rate shall be one percent of all wagers, provided that, an amount equal to one-half the difference between the taxation rate for on-track regular, multiple and exotic bets as of December thirty-first, nineteen hundred ninety-three and the rates on such on-track wagers as herein provided shall be used exclusively for purses. Provided, however, that 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 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. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

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

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

§ 3. The second undesignated paragraph of subdivision 1 of section 318 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:

"Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter, "super exotic bets" shall have the meaning set forth in 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~~] **five for all payoffs, regardless of bet type and payoff amount**.

§ 4. 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 hundred five of this chapter 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. "Exotic bet" or "exotic wager" shall mean a single bet or wager on three or more horses, evidenced by a single ticket and representing an interest in a single betting pool. The [~~breaks~~] **"breaks"** for [~~regular bets and multiple~~] **all** bets are hereby defined as the odd cents over any multiple of [~~ten or for exotic bets, over any multiple of fifty~~] **five** calculated on the basis of one dollar and otherwise payable to a patron. Of the sum so retained the applicable tax rates for regular bets shall be three percent; the applicable tax rates for multiple bets shall be three and one-half percent; the applicable tax rates for exotic bets shall be eight percent, plus sixty-five percent of the amount of the breaks from on-track regular, multiple and exotic bets shall be paid by such corporation or association to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the quarter horse race meetings held by such corporation or association, which tax is hereby levied, and the balance of the retained percentage of such pool and of the breaks may be held by such corporation or association for its own use and purposes. The payment of such state tax shall be made to the department of taxation and finance at such regular intervals as the department of taxation and finance may require, and shall be accompanied by a report under oath showing the total of all such contributions together with such other

information as the department of taxation and finance may require. A penalty of five percent and interest at the rate of one percent per month from the date the report is required to be filed to the date of payment of the tax shall be payable in case any tax imposed by this section is not paid when due. If the department of taxation and finance determines that any moneys received under this section were paid in error, it may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with it within one year from the time the erroneous payment was made. Such taxes, interest and penalties when collected, after the deduction of refunds of taxes erroneously paid, shall be paid by the department of taxation and finance into the general fund of the state treasury. Ten percent of the breaks shall be paid to the New York state quarter horse breeding and development fund.

§ 5. This act shall take effect September 1, 2025.

SUBPART B

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues

shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [~~twenty-five~~] twenty-six; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [~~twenty-five~~] twenty-six; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

§ 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

tracks located in another state or foreign country subject to the following provisions:

§ 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

§ 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

§ 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

§ 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

§ 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed

repealed on July 1, [~~2025~~] 2026; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

§ 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, [~~2025~~] 2026; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

§ 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

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

percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one-half percent plus twenty percent of the breaks, and for super exotic bets seven and one-half percent plus fifty percent of the breaks.

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

§ 10. This act shall take effect immediately.

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

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

PART GG

Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 174 of the laws of 2013, is amended to read as follows:

1. (a) For a gaming facility in zone two, there is hereby imposed a tax on gross gaming revenues. The amount of such tax imposed shall be as follows; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility:

[~~(a)~~] (1) in region two, forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

[~~(b)~~] (2) in region one, thirty-nine percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

[~~(c)~~] (3) in region five, thirty-seven percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(b) (1) Notwithstanding the tax rates on gross gaming revenue from slot machines provided in paragraph (a) of this subdivision, for the period of April first, two thousand twenty-six through June thirtieth, two thousand thirty-one, each gaming facility in zone two shall continue to be subject to the same tax rate on gross gaming revenue from slot machines as was imposed in the preceding fiscal year.

(2) As a condition of the lower slot machine tax rate, the licensed gaming facility must be current on all statutory obligations to the state or have entered into and be in compliance with a repayment agreement with the state. If the commission, in its sole discretion, determines that a gaming facility has not adhered to this condition for any such time period, the gaming facility shall forfeit this lower slot machine tax rate for such time period.

(3) (i) All of the following conditions shall be met for a licensed gaming facility in the Tioga County region of zone five in order to receive the lower slot machine tax rate established in this paragraph: (A) any money realized from the decrease in their slot machine tax rate shall only be used by the facility to offer childcare for employees, food and beverage conversion, any other project or use that improves the economic infrastructure of the facility, or for rehiring laid-off workers, hiring new workers or retaining current workers at the facility; and (B) a vendor track that is located within Oneida county, within fifteen miles of a Native American class III gaming facility maintains at least seventy percent of full-time equivalent employees as they employed in the year two thousand sixteen.

(ii) Within ninety days after such reduced slot machine tax rate under clause (i) of this subparagraph goes into effect, such licensed gaming facility shall provide an initial report to the governor, the speaker of the assembly, the temporary president of the senate, and the commission detailing the projected use of funds resulting from such tax adjustment and a plan that prescribes the manner in which the licensed gaming facility receiving the reduction in its slot machine tax rate will rebuild their economic infrastructure through the offering of childcare for employees, food and beverage conversion, or any other project or use that improves the economic infrastructure of the facility, or for rehiring laid off workers, hiring new workers, or retaining current workers at the facility or the creation of new jobs. Such plan shall also clearly establish quarterly and annual employment goals of increasing full-time employees. The provisions of this subparagraph shall only apply to licensed gaming facilities in the Tioga County region of zone five.

(4) Each gaming facility shall provide an annual fiscal report to the governor, the speaker of the assembly, the temporary president of the senate, director of the division of budget and the commission detailing actual use of the funds resulting from the lower slot machine tax rate. Such report shall include, but not be limited to, any impact on employment levels since receiving the lower slot machine tax rate, an accounting of the use of such funds, any other measures implemented to improve the financial stability of the gaming facility and any other information as deemed necessary by the commission. Such report shall be due no later than April first, two thousand thirty-one and shall be posted on the commission website.

§ 2. Section 2 of part OOO of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire and be deemed repealed [~~five years after such date~~] April 1, 2026.

§ 3. This act shall take effect immediately; provided however, that section one of this act shall take effect on the same date as the reversion of subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law as provided in section 2 of part OOO of chapter 59 of the laws of 2021, as amended; provided further, that section one of this act shall expire and be deemed repealed July 1, 2031.

PART HH

Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part O of chapter 59 of the laws of 2024, is amended to read as follows:

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

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

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

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

York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

e. **Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-five to March thirty-first, two thousand twenty-six, one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the cost of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.**

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

§ 2. This act shall take effect immediately.

PART II

Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended and a new subdivision 7 is added to read as follows:

6. multi-jurisdictional account wagering providers shall pay a market origin fee equal to five percent on each wager accepted from New York residents. Multi-jurisdictional account wagering providers shall make

the required payments to the market origin account on or before the fifth business day of each month and such required payments shall cover payments due for the period of the preceding calendar month; provided, however, that such payments required to be made on April fifteenth shall be accompanied by a report under oath, showing the total of all such payments, together with such other information as the commission may require. A penalty of five percent and interest at the rate of one percent per month from the date the report is required to be filed to the date the payment shall be payable in case any payments required by this subdivision are not paid when due. If the commission determines that any moneys received under this subdivision were paid in error, the commission may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with the commission within one year from the time the erroneous payment was made. The commission shall pay into the racing regulation account, under the joint custody of the comptroller and the commission, the total amount of the fee collected pursuant to this section[~~.~~]; and

7. the multi-jurisdictional account wagering provider shall, at the same time and in addition to the fee established in subdivision six of this section, pay an additional fee equal to one percent on each wager accepted from New York residents. Such payments shall be subject to the same penalties and interest payments as the market origin fee. Moneys collected pursuant to this subdivision shall be paid by the multi-jurisdictional account wagering provider to the commission for deposit into the general fund of the state treasury.

§ 2. Section 703 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 1-a to read as follows:

1-a. In addition to the moneys specified in subdivision one of this section, up to an amount equivalent to all moneys collected pursuant to subdivision seven of section one thousand twelve-a of this chapter shall be appropriated or transferred to the fund from the general fund of the state treasury to be used for the purposes contained in the agreement established pursuant to subdivision seven of section seven hundred four of this article, provided that such amount shall not exceed what is necessary to cover all expenses as contained in such agreement.

§ 3. Section 704 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 7 to read as follows:

7. a. The moneys appropriated or transferred to the fund from the general fund of the state treasury pursuant to subdivision one-a of section seven hundred three of this article shall be expended for a three-year research proposal conducted pursuant to an agreement between the dean of the Cornell University College of Veterinary Medicine and the executive director of the commission. Such agreement shall, at a minimum, require the following:

(i) proposed research to identify the incident of fetlock fractures and pre-fracture pathology in thoroughbred racehorses, with and without lameness;

(ii) proposed research to determine the sensitivity and specificity of standing computed tomography, positron emission tomography, and magnetic resonance imaging of thoroughbred racehorses compared to that of digital radiographs;

(iii) use of photo-counting computed tomography and high field magnetic resonance imaging to further define early bone pathology in thoroughbred racehorses that suffer fatal fractures of the fetlock joint, to further characterize blood biomarker findings in healthy and clinically lame horses in a large population of thoroughbred racehorses; and

(iv) attempted refinement of a risk factor index for fatal musculoskeletal injury for thoroughbred racing based on epidemiological findings, preliminary scanning technology, clinical examination, and advance imaging.

b. The moneys appropriated or transferred to the fund from the general fund of the state treasury pursuant to subdivision one-a of section seven hundred three of this article may be used to purchase equipment and fund staffing needs necessary to carry out the research tasks specified in paragraph a of this subdivision.

c. Any residual unexpended funds collected pursuant to subdivision seven of section one thousand twelve-a of this chapter shall be paid for deposit into the racing regulation account established pursuant to section ninety-nine-i of the state finance law.

d. Any data, research findings, or other educational materials generated from the research proposal outlined in this subdivision shall be shared with the commission and any entity licensed or franchised pursuant to article two of this chapter.

e. To the extent that the research tasks specified in paragraph a of this subdivision involve preventative screening and advanced imaging services for thoroughbred racehorses, such screening and imaging services shall be conducted: (i) at locations proximate to the Belmont Park and Saratoga racetracks; and (ii) for New York horsemen at or below the actual cost.

f. Any screening and imaging capital equipment purchased for the purpose of furthering the research specified in subdivision seven of this section shall be owned by the Cornell University College of Veterinary Medicine.

g. For the duration of the research proposal outlined in this subdivision, the Cornell University College of Veterinary Medicine shall publish an annual report on its website and submit said report to the speaker of the assembly, the temporary president of the senate, and the governor on or before April first of every year. The report shall include, but not be limited to, the following:

(i) an accounting of all expenditures related to the study outlined in this subdivision, including expenditures for equipment, supplies, personnel, operations, and administration;

(ii) recommendations for legislative, statutory, or regulatory changes to improve the overall effectiveness and efficiency of the study outlined in this subdivision;

(iii) the total number of horses participating in the study outlined in this subdivision, including relevant demographic information and deidentified ownership information;

(iv) a description of the procedures for selecting participants in the study outlined in this subdivision, including criteria for selection and any screening or eligibility requirements;

(v) a summary of findings gathered from the study outlined in this subdivision, including an analysis of risk factors contributing to racehorse injuries and conclusions drawn regarding safety protocols;

(vi) recommendations for legislative, statutory, or regulatory changes to improve racehorse safety, including measures to mitigate identified risks and improve the welfare of horses during training, while recovering from injury, or participating in race meets; and

(vii) any other information as deemed necessary by the commission.

§ 4. Section 208 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 10 to read as follows:

10. It is incumbent upon the franchised corporation to ensure the health and safety of its equine participants. To accomplish that goal, the franchised corporation shall, by September first, two thousand twenty-five, make a one-time expenditure of two million dollars for the exclusive purpose of purchasing the screening and imaging capital equipment to be used in furtherance of the research as specified in subdivision seven of section seven hundred four of this chapter.

§ 5. This act shall take effect immediately, and shall apply to wagers from New York residents accepted on and after September 1, 2025 through August 31, 2028; provided, however that the provisions of this act shall expire and be deemed repealed September 1, 2028.

PART JJ

Section 1. Subsection (d) of section 606 of the tax law is amended by adding a new paragraph 10 to read as follows:

(10) Notwithstanding any other provision of law to the contrary, the earned income credit for taxpayers with qualifying children through age seventeen, as defined in paragraph one of subsection (c-2) of this section, shall be reduced as follows:

(A) For taxable years beginning on and after January first, two thousand twenty-six, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to twenty-five;

(B) For taxable years beginning on and after January first, two thousand twenty-seven, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to twenty;

(C) For taxable years beginning on and after January first, two thousand twenty-eight, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to fifteen;

(D) For taxable years beginning on and after January first, two thousand twenty-nine, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to ten.

(E) For taxable years beginning on and after January first, two thousand thirty and each taxable year thereafter, the applicable percentage of the earned income tax credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to zero.

Taxpayers with both qualifying children through age seventeen as defined in paragraph one of subsection (c-2) of this section and another qualifying child, as defined in 26 USC §152(c), and/or a qualifying relative, as defined in 26 USC §152(d), shall not be subject to the reduction of the earned income tax credit provided in subparagraphs (A) through (D) of this paragraph and shall continue to receive the full applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, until the taxable year beginning on and after January first, two thousand thirty and each taxable year thereafter, at which point such taxpayer shall receive such

full applicable percentage only for a qualifying child, as defined in 26 USC §152(c), and/or qualifying relative, as defined in 26 USC §152(d), who does not meet the definition of qualifying child through age seventeen in paragraph one of subsection (c-2) of this section.

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

(c-2) New York works tax credit. (1) Definitions. (A) "Qualifying child" or "qualifying children" shall mean as defined in 26 USC §24(c)(1).

(B) "Qualifying child through age seventeen" or "qualifying children through age seventeen" shall mean as defined in 26 USC §24(c)(1) except that such term shall also include qualifying children who have not attained the age of eighteen.

(2) (A) A resident taxpayer shall be allowed a credit amount as provided herein:

(i) For taxable years beginning on and after January first, two thousand twenty-six, and before January first, two thousand twenty-seven, an amount equal to five hundred and fifty dollars per qualifying child;

(ii) For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-eight, an amount equal to eight hundred dollars per qualifying child;

(iii) For taxable years beginning on and after January first, two thousand twenty-eight, and before January first, two thousand twenty-nine, an amount equal to one thousand dollars per qualifying child;

(iv) For taxable years beginning on and after January first, two thousand twenty-nine, and before January first, two thousand thirty, an amount equal to one thousand two hundred dollars per qualifying child through age seventeen; and

(v) For taxable years beginning on and after January first, two thousand thirty and each taxable year thereafter, an amount equal to one thousand six hundred dollars per qualifying child through age seventeen.

(B) The amount of the credit shall be reduced (but not below zero) by sixteen dollars and fifty cents for each one thousand dollars by which the taxpayer's New York state adjusted gross income exceeds:

(i) For taxable years beginning on and after January first, two thousand twenty-six, and before January first, two thousand twenty-seven, seventy-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or seventy-five thousand dollars in the case of a married individual filing a separate return;

(ii) For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-eight, sixty-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or sixty-five thousand dollars in the case of a married individual filing a separate return;

(iii) For taxable years beginning on and after January first, two thousand twenty-eight, and before January first, two thousand twenty-nine, fifty-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or fifty-five thousand dollars in the case of a married individual filing a separate return;

(iv) For taxable years beginning on and after January first, two thousand twenty-nine, and before January first, two thousand thirty, forty-five thousand dollars in the case of an individual who is not married, ninety thousand dollars in the case of a joint return, or forty-five

thousand dollars in the case of a married individual filing a separate return; and

(v) For taxable years beginning on and after January first, two thousand thirty and each taxable year thereafter, twenty-five thousand dollars in the case of an individual who is not married, fifty thousand dollars in the case of a joint return, or twenty-five thousand dollars in the case of a married individual filing a separate return.

(C) Such resident taxpayer must provide the social security number or individual taxpayer identification number for each qualifying child in order to receive the credit described in this subsection.

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

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

(5) For taxable years beginning on and after January first, two thousand twenty-nine and each taxable year thereafter, the commissioner shall provide for the prepayment of the New York works credit under this subsection to qualifying taxpayers. Four advanced payments shall be made to such qualifying taxpayers. An estimated annual tax credit shall be determined by the commissioner in advance of the first payment and shall be subject to adjustment due to changes in employment or family status over the course of the year. The first three advanced payments shall be made during the taxable year and shall be twenty percent of the anticipated credit. The fourth advanced payment shall be made after the end of the tax year and shall be adjusted to match the actual credit due. Such payments shall, to the extent practicable, be made available via direct deposit and via electronic benefit transfer (EBT) card. The commissioner shall provide information on the availability of advanced payments of the New York works credit to tax preparers, accountants, and organizations that assist individuals in tax preparation. Such information shall be distributed to qualifying taxpayers. If a taxpayer establishes that they are requesting and receiving payments under this paragraph in good faith by establishing that they properly claimed payments under this subsection in the prior year and that they have not experienced a substantial change in circumstances such that they have a reasonable expectation of eligibility in the current year, then they shall not be held responsible for an incorrect prepayment/refund amount.

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

§ 3. Section 616 of the tax law, as amended by chapter 28 of the laws of 1987, subsection (b) as amended by chapter 760 of the laws of 1992, is amended to read as follows:

§ 616. New York exemptions of a resident individual. (a) General. For taxable years beginning after nineteen hundred eighty-seven, a resident individual shall be allowed a New York exemption of one thousand dollars for each exemption for which [~~he is~~] they are entitled to a deduction for the taxable year under section one hundred fifty-one(c) of the Internal Revenue Code; and for taxable years beginning in nineteen hundred eighty-seven, a resident individual other than a taxpayer whose federal exemption amount is zero shall be allowed a New York exemption of nine hundred dollars for each exemption for which [~~he is~~] they are entitled to a deduction for the taxable year for federal income tax purposes.

(b) [~~Husband and wife~~] Spouses. If the New York income taxes of [~~a husband and wife~~] spouses are required to be separately determined but their federal income tax is determined on a joint return, each of them shall be separately entitled to the New York exemptions under subsection (a) of this section to which each would be separately entitled for the taxable year if their federal income taxes had been determined on separate returns.

(c) Qualifying child and dependents. For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-nine, a resident individual shall not be allowed the exemption described in this section for any qualifying child as defined in subparagraph (B) of paragraph one of subsection (c-2) of section six hundred six of this article. For taxable years beginning on and after January first, two thousand twenty-nine and each taxable year thereafter, a resident individual shall not be allowed the exemption described in this section for any qualifying child through age seventeen as defined in subparagraph (C) of paragraph one of subsection (c-2) of section six hundred six of this article. Provided, however, for taxable years beginning on and after January first, two thousand twenty-six and each taxable year thereafter, a resident individual shall continue to be allowed the exemption described in this section for other qualifying dependents, as defined in 26 USC § 152(a), who do not meet the definition of qualifying child in subparagraph (B) of paragraph one of subsection (c-2) of section six hundred six of this article and qualifying child through age seventeen as defined in subparagraph (C) of paragraph one of subsection (c-2) of section six hundred six of this article.

§ 4. This act shall take effect immediately.

PART KK

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-five, 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 in income tax return as married taxpayers filing jointly or a qualified surviving spouse:

If the number of dependents is:	Income no greater than:
1	$36,789
2	$46,350
3	$54,545
4	$61,071
5	$68,403
6	$75,204
7 or more	$91,902

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

If the number of dependents is:	Income no greater than:
1	$31,503
2	$36,824
3	$46,512
4	$53,711
5	$59,928
6	$65,712
7	$74,565
8 or more	$88,361

(iii) for any taxable year beginning on or after January first, two thousand twenty-six, 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-four;

(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 indi-

cated 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, 2025.

PART LL

Section 1. Section 606 of the tax law is amended by adding a new subsection (e-3) to read as follows:

(e-3) New York city renters tax relief credit. (1) Definitions. For purposes of this subsection:

(A) "Qualified taxpayer" means a resident individual of the state who: (i) is a resident of a city with a population of one million or more; (ii) has occupied the same residence for six months or more of the applicable taxable year; and (iii) is required or chooses to file a return under this article.

(B) "Household" or "members of the household" means a qualified taxpayer and all other persons, not necessarily related, who have the same residence and share its furnishings, facilities and accommodations. Such terms shall not include a tenant, subtenant, roomer or boarder who is not related to the qualified taxpayer in any degree specified in subparagraphs (A) through (G) of paragraph two of subsection (d) of section one hundred fifty-two of the internal revenue code. Provided, however, no person may be a member of more than one household at one time.

(C) "Household gross income" means the aggregate adjusted gross income of all members of the household for the taxable year as reported for federal income tax purposes, or which would be reported as adjusted gross income if a federal income tax return were required to be filed, with the modifications in subsection (b) of section six hundred twelve of this article but without the modifications in subsection (c) of such section, plus any portion of the gain from the sale or exchange of property otherwise excluded from such amount; earned income from sources without the United States excludable from federal gross income by section nine hundred eleven of the internal revenue code; support money not included in adjusted gross income; nontaxable strike benefits; supplemental security income payments; the gross amount of any pension or annuity benefits to the extent not included in such adjusted gross income (including, but not limited to, railroad retirement benefits and all payments received under the federal social security act and veterans' disability pensions); nontaxable interest received from the state of New York, its agencies, instrumentalities, public corporations, or political subdivisions (including a public corporation created pursuant to agreement or compact with another state or Canada); workers' compensation; the gross amount of "loss-of-time" insurance; and the amount of cash public assistance and relief, other than medical assistance for the needy, paid to or for the benefit of the qualified taxpayer or members of their household. Household gross income shall not include surplus foods or other relief in kind or payments made to individuals because of

their status as victims of Nazi persecution as defined in P.L. 103-286. Provided, further, household gross income shall only include all such income received by all members of the household while members of such household. In computing household gross income, the net amount of loss reported on Federal Schedule C, D, E, or F shall not exceed three thousand dollars per schedule. In addition, the net amount of any other separate amount of all losses included in computing household income shall not exceed fifteen thousand dollars.

(D) "Residence" means a dwelling in this state rented by the taxpayer and used by the taxpayer as their primary residence, and so much of the land abutting it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a home, and may consist of a part of a multi-dwelling or multi-purpose building including a cooperative or condominium, and rental units within a single dwelling. Residence includes a trailer or mobile home, used exclusively for residential purposes and defined as real property pursuant to paragraph (g) of subdivision twelve of section one hundred two of the real property tax law.

(E) "Real property tax equivalent" means seventeen and three-quarters percent of the adjusted rent actually paid in the taxable year by a household solely for the right of occupancy of its New York residence for the taxable year. If (i) a residence is rented to two or more individuals as cotenants, or such individuals share in the payment of a single rent for the right of occupancy of such residence, and (ii) each of such individuals is a member of a different household, one or more of which individuals shares such residence, real property tax equivalent is that portion of seventeen and three-quarters percent of the adjusted rent paid in the taxable year which reflects that portion of the rent attributable to the qualified taxpayer and the members of their household.

(F) "Adjusted rent" means rental paid for the right of occupancy of a residence, excluding charges for heat, gas, electricity, furnishings and board. Where charges for heat, gas, electricity, furnishing or board are included in rental but where such charges and the amount thereof are not separately set forth in a written rental agreement, for purposes of determining adjusted rent the qualified taxpayer shall reduce rental paid as follows:

(i) For heat, or heat and gas, deduct fifteen percent of rental paid.

(ii) For heat, gas and electricity, deduct twenty percent of rental paid.

(iii) For heat, gas, electricity and furnishings, deduct twenty-five percent of rental paid.

(iv) For heat, gas, electricity, furnishings and board, deduct fifty percent of rental paid.

If the tax commission determines that the adjusted rent shown on the return is excessive, the tax commission may reduce such rent, for purposes of the computation of the credit, to an amount substantially equivalent to rent for a comparable accommodation.

(2) Qualifications. A qualified taxpayer shall be allowed a credit as provided in paragraph three of this subsection against the taxes imposed by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced for such year under this article the qualified taxpayer may receive, and the comptroller, subject to a certificate of the state tax commission, shall pay as an overpayment, without interest, any excess between such tax as so reduced and the amount of the credit. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a

qualified taxpayer may nevertheless receive and the comptroller, subject to a certificate of the state tax commission, shall pay as an overpayment the full amount of the credit, without interest.

(3) Determination of credit.

(A) For taxable years beginning on or after January first, two thousand twenty-five and before January first, two thousand twenty-eight, the amount of the credit allowable under this subsection shall be determined as follows:

If household gross income for the taxable year is:	Excess real property taxes are the excess of real property tax equivalent over the following percentage of household gross income:	The credit amount is the following percentage of excess real property tax equivalent:
Less than $100,000	4.0	3.0
At least $100,000 and less than $150,000	4.0	2.5
At least $150,000 and less than $200,000	4.0	2.0

Notwithstanding the provisions of this subparagraph, the maximum credit allowed under this paragraph shall not exceed seven hundred fifty dollars.

(B) If a qualified taxpayer occupies a residence for a period of less than twelve months during the taxable year or occupies two or more residences during different periods in such taxable year, the credit allowed pursuant to this subsection shall be computed in such manner as the tax commission may, by regulation, prescribe in order to properly reflect the credit or portion thereof attributable to such residence or residences and such period or periods.

(C) The commissioner may prescribe that the credit under this subsection shall be determined in whole or in part by the use of tables prescribed by such commissioner. Such tables shall set forth the credit to the nearest dollar.

(D) (i) Only one credit per household and per qualified taxpayer shall be allowed per taxable year under this subsection. When two or more members of a household are able to meet the qualifications for a qualified taxpayer, the credit shall be equally divided between or among such individuals unless such individuals file with the commissioner a written agreement among such individuals setting forth a different division.

(ii) Provided, however, where a joint income tax return has been filed pursuant to the provisions of section six hundred fifty-one of this article by a qualified taxpayer and their spouse (or where both spouses are qualified taxpayers and have filed such joint return), the credit, or the portion of the credit if divided, to which the spouses are entitled shall be applied against the tax of both spouses and any overpayment shall be made to both spouses.

(iii) Where any return required to be filed pursuant to the provisions of section six hundred fifty-one of this article is combined with any

return of tax imposed pursuant to the authority of this chapter or any other law if such tax is administered by the commissioner, the credit or the portion of the credit if divided, allowed to the qualified taxpayer may be applied by the commissioner toward any liability for the aforementioned taxes.

(4) Exceptions. No credit shall be granted under this subsection:

(A) If household gross income for the taxable year exceeds two hundred thousand dollars.

(B) To an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(C) To an individual who is not a resident individual of a city within the state with a population over one million, for the entire taxable year.

(5) Right to claim credit. The right to claim a credit or the portion of a credit, where such credit has been divided under this subsection, shall be personal to the qualified taxpayer and shall not survive their death, but such right may be exercised on behalf of a claimant by their legal guardian or attorney in fact during their lifetime.

(6) Returns. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a claim for a credit may be taken on a return filed with the commissioner within three years from the time it would have been required that a return be filed pursuant to such section had the qualified taxpayer had a taxable year ending on December thirty-first. Returns under this paragraph shall be in such form as shall be prescribed by the commissioner, which shall make available such forms and instructions for filing such returns.

(7) Proof of claim. The commissioner may require a qualified taxpayer to furnish the following information in support of their claim for credit under this subsection: household gross income, rent paid, name and address of owner or managing agent of the property rented, real property taxes levied or that would have been levied in the absence of an exemption from real property tax pursuant to section four hundred sixty-seven of the real property tax law, the names of members of the household and other qualifying taxpayers occupying the same residence and their identifying numbers including social security numbers, household gross income, size and nature of property claimed as residence and all other information which may be required by the commissioner to determine the credit.

(8) Administration. (A) The provisions of this article, including the provisions of section six hundred fifty-three, six hundred fifty-eight, and six hundred fifty-nine and the provisions of part six relating to procedure and administration, including the judicial review of the decisions of the tax commission, except so much of section six hundred eighty-seven which permits a claim for credit or refund to be filed after the period provided for in this subsection and except sections six hundred fifty-seven, six hundred eighty-eight and six hundred ninety-six, shall apply to the provisions of this subsection in the same manner and with the same force and effect as if the language of those provisions had been incorporated in full into this subsection and had expressly referred to the credit allowed or returns filed under this subsection, except to the extent that any such provision is either inconsistent with a provision of this subsection or is not relevant to this subsection. As used in such sections and such part, the term "taxpayer" shall include a qualified taxpayer under this subsection and, notwithstanding the provisions of subsection (e) of section six hundred

ninety-seven of this article, where a qualified taxpayer has protested the denial of a claim for credit under this subsection and the time to file a petition for redetermination of a deficiency or for refund has not expired, such taxpayer shall, subject to such conditions as may be set by the tax commission, receive such information (i) which is contained in any return filed under this article by a member of such taxpayer's household for the taxable year for which the credit is claimed, and (ii) which the tax commission finds is relevant and material to the issue of whether such claim was properly denied. The tax commission shall have the authority to promulgate such rules and regulations as may be necessary for the processing, determination and granting of credits and refunds under this subsection.

(B) Notwithstanding any other provision of this article, the credit allowed under this subsection shall be determined after the determination and application of any other credits permitted under the provisions of this article.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

PART MM

Section 1. Subdivision (a) of section 42-a of the tax law, as added by section 2 of subpart C of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(a) Notwithstanding subdivision (f) of section forty-two of this article, a taxpayer that is a farm employer [~~or~~], an owner of a farm employer, or a professional employer organization as defined in section nine hundred sixteen of the labor law that is in a contractual relationship with an eligible farm employer shall be eligible for a credit against the tax imposed under article nine-A or twenty-two of this chapter, pursuant to the provisions referenced in subdivision (i) of this section.

§ 2. Subdivision (d) of section 42-a of the tax law, as added by section 2 of subpart C of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(d) An eligible farm employee is an individual who meets the definition of a "farm laborer" under section two of the labor law who is employed by a farm employer or a professional employer organization as defined in section nine hundred sixteen of the labor law that is in a contractual relationship with an eligible farm employer in New York state, but excluding general executive officers of the farm employer.

§ 3. This act shall take effect immediately.

PART NN

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-five 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-five 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-five 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 business income base.** The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph.

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

(1) (i) The amount prescribed by this paragraph shall be computed at .15 percent for each dollar of the taxpayer's total business capital, or the portion thereof apportioned within the state as hereinafter provided for taxable years beginning before January first, two thousand sixteen. However, in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be .04 percent until taxable years beginning on or after January first, two thousand twenty and zero percent for taxable years beginning on or after January first, two thousand twenty-one. The rate of tax for subsequent tax years shall be as follows: .125 percent for taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen; .100 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .075 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .050 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .025 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and .1875 percent for years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-seven~~] **thirty**, and zero percent for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] **thirty**. Provided however, for taxable years beginning on or after January first, two thousand twenty-one, the rate of tax for a small business as defined in paragraph (f) of this subdivision shall be zero percent. The rate of tax for a qualified New York manufacturer shall be .132 percent for taxable years beginning on or after January first, two thousand fifteen

and before January first, two thousand sixteen, .106 percent for taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen, .085 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .056 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .038 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .019 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and zero percent for years beginning on or after January first, two thousand twenty-one. (ii) In no event shall the amount prescribed by this paragraph exceed three hundred fifty thousand dollars for qualified New York manufacturers and for all other taxpayers five million dollars.

§ 3. This act shall take effect immediately.

PART OO

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

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

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

PART PP

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.

(b) Definition. For the purposes of this section, the term "small business savings account" means a tax preferred savings account which is designated at the time of establishment of the plan as a small business

savings account. Such designation shall be made in such manner as the commissioner may by regulation prescribe.

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

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

(d) Distributions. (1) Any qualified distribution from a small business savings account shall not be includible in gross income.

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

(3) For purposes of this section:

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

(i) distributed from a small business savings account during a specified period of economic hardship; and

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

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

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

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

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

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

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

(F) Any amount contributed to a small business savings account (and any earnings attributable thereto), once distributed, shall not be treated as a qualified distribution unless such distribution is made not later than eight years after the date of such contribution. For purposes of this subparagraph, amounts (and the earnings attributable thereto) 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-five, 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-five, 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-five, 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-five, 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, 2025.

PART QQ

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

§ 50. Work opportunity tax credit. (a) General. A taxpayer subject to tax under article nine-A, twenty-two, or thirty-three of this chapter shall be allowed a credit against such tax in an amount equal to one

hundred percent of the credit that is allowed to the taxpayer under section 51 of the internal revenue code that is attributable to qualified wages paid to a New York resident who is a member of a targeted group and for whom a certificate to that effect has been issued by the department of labor.

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

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

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

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

(1) article 9-A: section 210-B, subdivision 61;

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

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

§ 2. Section 210-B of the tax law is amended by adding a new subdivision 61 to read as follows:

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

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

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

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

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

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

(ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer shall be allowed a credit, to be computed as provided in section fifty of this chapter, against the tax imposed by this article. Such credit

may not exceed five hundred dollars per eligible employee per year in any given tax year.

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

§ 5. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2025 and shall apply to wages paid to individuals hired on and after such effective date and shall expire and be deemed repealed December 31, 2027.

PART RR

Section 1. Subdivision (e) of section 42 of the tax law, as amended by section 1 of subpart B of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(e) For taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and two hundred fifty dollars. For taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and three hundred dollars. For taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and five hundred dollars. For taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and four hundred dollars. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand twenty-two, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and six hundred dollars. For taxable years beginning on or after January first, two thousand twenty-two and before January first, two thousand [~~twenty-six~~] twenty-nine, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and twelve hundred dollars.

§ 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, as amended by section 2 of subpart B of part B of chapter 59 of the laws of 2022, is amended to read as follows:

§ 5. This act shall take effect immediately and shall apply only to taxable years beginning on or after January 1, 2017 and before January 1, [~~2026~~] 2029.

§ 3. This act shall take effect immediately.

PART SS

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

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

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

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

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

chapter. (ii) Any local law, ordinance or resolution enacted by any city, county or school district, imposing the taxes authorized by this subdivision, shall omit the residential solar energy systems equipment and electricity exemption provided for in subdivision (ee), the commercial solar energy systems equipment and electricity exemption provided for in subdivision (ii), the commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption provided for in subdivision (kk)**, the commercial energy storage systems equipment and electricity exemption provided for in subdivision (mm)** and the clothing and footwear exemption provided for in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, unless such city, county or school district elects otherwise as to such residential solar energy systems equipment and electricity exemption, such commercial solar energy systems equipment and electricity exemption, commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption**, such commercial energy storage systems equipment and electricity exemption,** or such clothing and footwear exemption.

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

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

restriction provided for in section twelve hundred twenty-three of this article as to the effective date of a tax and the notice requirement provided for therein are applicable and have not been waived, the restriction and notice requirement in section twelve hundred twenty-three of this article shall also apply.

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

§ 2. This act shall take effect June 1, 2024 and shall expire and be deemed repealed June 1, [~~2026~~] 2027.

§ 5. This act shall take effect immediately; provided, however, that sections one, two and three of this act shall take effect June 1, 2025; and provided, further sections one, two and three of this act shall expire June 1, 2027 when upon such date the provisions of such sections shall be deemed repealed.

PART TT

Section 1. Subdivision (a) of section 495 of the tax law, as added by chapter 92 of the laws of 2021, is amended to read as follows:

(a) Every person on whom tax is imposed under this article shall, on or before the twentieth day of the month following each quarterly period ending on the last day of February, May, August, and November, respectively, file electronically with the commissioner a return on forms to be prescribed by the commissioner, showing the total amount of tax due in such quarterly period, and including such other information as the commissioner may require; provided, however, that a distributor on whom tax is imposed pursuant to this article may elect to file electronically with the commissioner for an annual period instead of a quarterly period, in a manner prescribed by the commissioner. If a distributor elects to file electronically for an annual period, the distributor shall file electronically with the commissioner, on or before March twentieth of each year, a return on forms to be prescribed by the commissioner, showing the total amount of tax due in such annual period, and including any such other information as the commissioner may require.

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

PART UU

Section 1. Section 1180 of the tax law is amended by adding five new subdivisions (c), (d), (e), (f), and (g) to read as follows:

(c) "Flavored nicotine analogue product" means a flavored vapor product that contains a nicotine analogue.

(d) "Flavored vapor product" shall have the same meaning as described in section thirteen hundred ninety-nine-mm-1 of the public health law.

(e) "Nicotine analogue" means a substance:

(1) (A) The chemical structure of which is substantially similar to the chemical structure of nicotine; or

(B) Which has, purports to have, or is represented to have, an effect on the central nervous system that is similar to or greater than effect on the central nervous system of nicotine.

(2) Factors relevant to determining whether a substance is a nicotine analogue include, but are not limited to, the marketing, advertising and labeling of the substance, and whether the substance has been manufactured, formulated, sold, distributed, or marketed with the intent to

avoid the provisions of this subdivision and other applicable provisions of law.

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

(g) "Wholesale price" means the price at which a vapor products dealer purchases vapor products from a vapor products distributor.

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

§ 1181. Imposition of tax. (a) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of twenty percent on [~~receipts from the retail sale of vapor products sold~~] the wholesale price of vapor products sold by a vapor products distributor to a vapor products dealer in this state. The tax is imposed on the [~~purchaser~~] vapor products dealer and collected by the vapor products [~~dealer as defined in subdivision (b) of section eleven hundred eighty of this article~~] distributor, in trust for and on account of the state. The taxes imposed under this section shall not apply to adult-use cannabis products subject to tax under article twenty-C of this chapter.

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

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

§ 3. The tax law is amended by adding two new sections 1183-a and 1183-b to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

(e) If a vapor products distributor license is suspended, cancelled or revoked and such vapor products distributor distributes or sells vapor products through more than one place of business in this state, the

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

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

(g) Every vapor products distributor who holds a license under this article shall be required to reapply for a license for the following calendar year on or before the twentieth day of September and such reapplication shall be subject to the same requirements and conditions, including grounds for refusal, as an initial license under this article, including but not limited to the payment of the three hundred dollar application fee for each business location.

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

§ 1183-b. Restrictions on sale. No person, including a vapor products dealer or any agent or employee of a vapor products dealer, shall sell or offer for sale at retail in the state or to any person in the state any flavored nicotine analogue product.

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

§ 1184. Administrative provisions. (a) [~~Except as otherwise provided for in this article, the taxes imposed by this article shall be administered and collected in a like manner as and jointly with the taxes imposed by sections eleven hundred five and eleven hundred ten of this chapter. In addition, except as otherwise provided in this article, all of the provisions of article twenty-eight of this chapter (except sections eleven hundred seven, eleven hundred eight, eleven hundred nine, and eleven hundred forty-eight) relating to or applicable to the administration, collection and review of the taxes imposed by such sections eleven hundred five and eleven hundred ten, including, but not limited to, the provisions relating to definitions, returns, exemptions, penalties, tax secrecy, personal liability for the tax, and collection of tax from the customer, shall apply to the taxes imposed by this article so far as such provisions can be made applicable to the taxes imposed by this article with such limitations as set forth in this arti-~~

~~cle and such modifications as may be necessary in order to adapt such language to the taxes so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.~~

~~(b) Notwithstanding the provisions of subdivision (a) of this section, the exemptions provided in paragraph ten of subdivision (a) of section eleven hundred fifteen of this chapter, and the provisions of section eleven hundred sixteen, except those provided in paragraphs one, two, three and six of subdivision (a) of such section, shall not apply to the taxes imposed by this article.~~] Every vapor products distributor authorized by the commissioner to make returns and pay the tax on vapor products sold, shipped, or delivered by the vapor products distributor to a person in the state shall file a return showing the quantity and wholesale price of all vapor products so sold, shipped, or delivered during the preceding calendar month. Provided, however, the commissioner may, if the commissioner deems it necessary in order to ensure the payment of the taxes imposed by this article, require returns to be made at such times and covering such periods as the commissioner may deem necessary, and, by regulation, may permit the filing of returns on a quarterly, semi-annual or annual basis, or may waive the filing of returns by a vapor products distributor for such time and upon such terms as the commissioner may deem proper if satisfied that no tax imposed by this article is or will be payable during the time for which returns are waived. Such returns shall contain such further information as the commissioner may require.

(b) Every vapor product distributor shall pay to the commissioner with the filing of such return the tax on vapor products for such month imposed under this article, less two percent, to cover the distributor's expense in the collection and remittance of the said tax.

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

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

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

(1) To enforce the provisions in this article and the provisions in section thirteen hundred ninety-nine-mm-1 of the public health law concerning flavored vapor products.

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

(b) If any person registered or who has obtained a license under this article, or their agents, refuses to give the commissioner, or the commissioner's duly authorized representatives, the means, facilities and opportunity for the inspections and examinations required by this section, the commissioner, after notice and an opportunity for a hearing, may revoke their license to distribute vapor products or to sell vapor products at retail:

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

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

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

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

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

(e) Whenever a police officer designated in section 1.20 of the criminal procedure law or a peace officer designated in subdivision four of section 2.10 of such law, acting pursuant to such officer's special duties, shall discover any flavored vapor products or flavored nicotine analogue products offered for retail sale in violation of the provisions in section thirteen hundred ninety-nine-mm-1 of the public health law or section eleven hundred eighty-three-b of this article, respectively, such police officer or peace officer shall notify the commissioner or the commissioner's duly authorized representatives.

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

§ 6. This act shall take effect immediately.

PART VV

Section 1. Subsection (g-1) of section 606 of the tax law, as amended by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by

chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the laws of 2007, is amended to read as follows:

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

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

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

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

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

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

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

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

(3) Solar energy system equipment. The term "solar energy system equipment" shall mean an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces **and may store** energy designed to provide heating, cooling, hot water or electricity for use in such residence. Such arrangement or components **may include electric energy storage equipment but** shall not include **any other** equipment connected to solar energy system equipment that is a component of part or parts of a non-solar energy system or which uses any sort of recreational facility or equipment as a storage medium. Solar energy system equipment that generates **and stores** electricity for use in a residence must conform to applicable requirements set forth in section sixty-six-j of the public service law. Provided, however, where solar energy system equipment is purchased and installed by a condominium management association or a cooperative housing corporation, for purposes of this subsection only, the term "ten kilowatts" in such section sixty-six-j shall be read as [~~"fifty~~] **"ten** kilowatts **multiplied by the number of owner-occupied units in the cooperative or condominium management association**."

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

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

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

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

(8) Carryover of credit **and refundability**. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. **For taxable years beginning on or after January first, two thousand twenty-six, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low to moderate income, as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be treated as an overpayment of tax to be credited or refunded in accord-**

ance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 2. This act shall take effect immediately.

PART WW

Section 1. Paragraph 22 of subsection (c) of section 612 of the tax law, as amended by chapter 606 of the laws of 1984, subparagraph (A) as amended by chapter 28 of the laws of 1987, and subparagraph (B) as amended by chapter 190 of the laws of 1990, is amended to read as follows:

(22) In the case of a shareholder of an S corporation (A) where the election provided for in subsection (a) of section six hundred sixty of this article has not been made with respect to such corporation, any item of income of the corporation included in federal gross income pursuant to section thirteen hundred sixty-six of the internal revenue code, [~~and~~]

(B) in the case of a New York S termination year, subparagraph (A) of this paragraph shall apply to the amounts of income determined under subsection (s) of this section, and

(C) in the case of distributions as defined by sections three hundred one and thirteen hundred sixty-eight of the internal revenue code from corporations described in subparagraph (A) of this paragraph, and that are qualified New York manufacturers as defined by subparagraph (vi) of paragraph (a) of subdivision one of section two hundred ten of this chapter, received during the tax year of the shareholder, the lesser of:

(1) the shareholder's combined separately stated items of income, loss, or deduction, described in paragraph two of subsection (a) of section thirteen hundred sixty-six of the internal revenue code and regulations promulgated thereunder, that are includable in, or deductible from, a shareholder's federal taxable income, multiplied by the highest marginal federal tax rate for individuals in section one of the internal revenue code, in effect for the shareholder's tax year, provided, however, that if there is more than one such rate in effect during such year, a blended rate, considering each rate and the number of months in effect, shall be used, and

(2) the amount of actual distributions made to the shareholder during the shareholder's tax year.

§ 2. Paragraph 2 of subsection (e) of section 612 of the tax law, as amended by chapter 166 of the laws of 1991, is amended to read as follows:

(2) Shareholders of S corporations which are New York C corporations. In the case of a shareholder of an S corporation which is a New York C corporation, (A) the modifications under this section which relate to the corporation's items of income, loss and deduction shall not apply, except for the modifications provided under paragraph nineteen of subsection (b) and paragraph twenty-two of subsection (c) of this section, and

(B) the modification for corporate distributions described in subparagraph (C) of paragraph twenty-two of subsection (c) of this section shall apply.

§ 3. Paragraph 2 of subsection (a) of section 631 of the tax law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

(2) The portion of the modifications described in subsections (b) and (c) of section six hundred twelve of this article which relate to income

derived from New York sources (including any modifications attributable to [~~him~~] **such individual** as a partner or shareholder of a New York S corporation)**, provided, however, that modifications for corporate distributions described in subparagraph (C) of paragraph twenty-two of subsection (c) of section six hundred twelve of this article shall be limited to the amount of the distributions which relate to income derived from New York sources and are included in the shareholder's New York adjusted gross income**.

§ 4. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to all tax years commencing on or after such date.

PART XX

Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding a new clause (E) to read as follows:

(E) notwithstanding clause (B) of this subparagraph, beginning on April first, two thousand twenty-five, when the vendor track is located in the county of Genesee and within forty miles of a Native American class III gaming facility as defined in 25 U.S.C. §2703(8), at a rate of forty-four percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter;

§ 2. This act shall take effect immediately.

PART YY

Section 1. Subdivision (a) of section 1421 of the tax law, as amended by section 1 of part PP of chapter 58 of the laws of 2022, is amended to read as follows:

(a) From the taxes, interest and penalties attributable to the tax imposed pursuant to section fourteen hundred two of this article, the amount of one hundred ninety-nine million three hundred thousand dollars shall be deposited by the comptroller in the environmental protection fund established pursuant to section ninety-two-s of the state finance law for the fiscal year beginning April first, two thousand nine; the amount of one hundred nineteen million one hundred thousand dollars shall be deposited in such fund for the fiscal year beginning April first, two thousand ten; the amount of two hundred fifty-seven million three hundred fifty thousand dollars shall be deposited into such fund for the fiscal year beginning April first, two thousand twenty-two; **the amount of three hundred fifty-seven million three hundred fifty thousand dollars shall be deposited into such fund for the fiscal year beginning April first, two thousand twenty-five;** and for each fiscal year thereafter. On or before June twelfth, nineteen hundred ninety-five and on or before the twelfth day of each month thereafter (excepting the first and second months of each fiscal year), the comptroller shall deposit into such fund from the taxes, interest and penalties collected pursuant to such section fourteen hundred two of this article which have been deposited and remain to the comptroller's credit in the banks, banking houses or trust companies referred to in section one hundred seventy-one-a of this chapter at the close of business on the last day of the preceding month, an amount equal to one-tenth of the annual amount required to be deposited in such fund pursuant to this section for the fiscal year in which such deposit is required to be made. In the event such amount of taxes, interest and penalties so remaining to the comptroller's credit

is less than the amount required to be deposited in such fund by the comptroller, an amount equal to the shortfall shall be deposited in such fund by the comptroller with subsequent deposits, as soon as the revenue is available. Beginning April first, nineteen hundred ninety-seven, the comptroller shall transfer monthly to the clean water/clean air fund established pursuant to section ninety-seven-bbb of the state finance law, all moneys remaining from such taxes, interest and penalties collected that are not required for deposit in the environmental protection fund.

§ 2. This act shall take effect immediately.

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

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