STATE OF NEW YORK

3009--B

IN SENATE

January 22, 2025

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

AN ACT to amend the tax law, in relation to the senior 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 a New York state working families tax credit (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 and the parks, recreation and historic preservation law, in relation to authorizing the pass-through or transfer of the credits for rehabilitation of historic properties (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); and to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B)(Part F); intentionally omitted (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program; and to repeal article 22 of the economic development law relating to 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); intentionally omitted (Part J); to amend the tax law, in relation to the eligibility criteria for the empire state digital gaming media production tax credit, and allowing unused allowable credits to be rolled over to the following tax year (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 establishing 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

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

LBD12574-04-5

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 making the estate tax three-year gift addback rule permanent (Part T); to amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); intentionally omitted (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); intentionally omitted (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 extending 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 extending 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 upon expiration thereof (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); and 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 extend the duration of certain brownfield redevelopment and

remediation tax credits for certain sites (Part JJ); to amend the tax law, in relation to geothermal energy systems tax credits (Part KK); to repeal subdivision (jj) of section 1115 of the tax law relating to sales and compensating use taxes imposed with respect to vessels; and to repeal subdivision 13 of section 1118 of the tax law relating to sales and compensating use taxes imposed with respect to vessels (Part LL); to amend the tax law, in relation to residential solar tax credits (Part MM); to amend the tax law and the administrative code of the city of New York, in relation to treatment of gains from qualified opportunity zones in calculating taxable income (Part NN); to amend the tax law, in relation to the taxation of vapor products (Part OO); to amend the tax law, in relation to establishing a tax on noise emissions from non-essential helicopter and seaplane flights in cities with a population of one million or more (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, in relation to adding certain properties to the definition of a qualified historic home for the historic homeownership rehabilitation credit (Part RR); to amend the tax law, in relation to computation of franchise tax on taxpayers with a business income base exceeding five million dollars (Part SS); to amend the tax law, in relation to impose an excise tax on the failure of certain hedge funds owning excess single-family residences to dispose of such residences; and to amend the state finance law, in relation to establishing the housing down payment trust fund and directing the commissioner of the state division of housing and community renewal to establish a grant program (Part TT); to amend the tax law, in relation to eligibility for the farm employer overtime tax credit (Part UU); to amend part RR of chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to the effectiveness of such credit (Part VV); to amend the tax law, in relation to establishing the small business unemployment insurance credit (Part WW); to amend the tax law, in relation to tax on sales of motor fuel and petroleum products and to make conforming changes; to amend the tax law, in relation to taxes not authorized and the disposition of revenue; to repeal paragraph 3 of subdivision (f) and paragraph 4 of subdivision (g) of section 301-a of the tax law relating to manufacturing gallonage for purposes of the imposition of certain taxes; to repeal subdivisions (i), (j), and (l) of section 301-c of the tax law relating to reimbursement; to repeal section 301-d of the tax law relating to a utility credit or reimbursement; to repeal subdivision (f) of section 301-e of the tax law relating to an aviation fuel business which services four or more cities; to repeal subparagraph (xi) of paragraph 3 of subdivision (c) of section 1105 of the tax law relating to services rendered with respect to certain property; and to repeal paragraph 9 of subdivision (a) of section 1115 of the tax law relating to fuel sold to an airline for use in its airplanes (Part XX); to amend the racing, pari-mutuel wagering and breeding law, in relation to authorizing two percent of mobile sports tax revenue be used for problem gambling (Part YY); to amend the tax law, in relation to expanding a certain tax credit for farmers to include the cost of construction housing for farm workers (Part ZZ); to amend the tax law, in relation to requiring the state to keep state lottery winners identities anonymous to the general public unless the lottery winner gives their consent (Part AAA); to amend the racing, pari-mutuel wagering and breeding law, in relation to allowing

season-long proposition bets and future award winners as authorized bets (Part BBB); and to amend the tax law, in relation to providing a tax deduction for the purchase of school supplies by educators (Part CCC)

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 CCC. 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) Senior 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 years two thousand twenty-five, twenty-six, and twenty-seven.

(2) (A) To be eligible for the credit for tax year two thousand twenty-five, 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, (b) must have been sixty-three years old or older at the time of filing in two thousand twenty-three, or if married filing jointly, one of the spouses must have been sixty-three years old or older at the time of filing, and (c) (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.

(B) To be eligible for the credit for tax year two thousand twenty-six, 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-four, (b) must have been sixty-three years old or older at the time of filing in two thousand twenty-four, or if married filing jointly, one of the spouses must have been sixty-three years old or older at the time of filing, and (c) (i) must have had New York adjusted gross income of three hundred thousand dollars or less in tax year two thousand twenty-four 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-four 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.

(C) To be eligible for the credit in tax year two thousand twenty-seven, 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-five, (b) must have been sixty-three years old or older at the time of filing in two thousand twenty-five, or if married filing jointly, one of the spouses must have been sixty-three years old or older at the time of filing, and (c) (i) must have had New York adjusted gross income of three hundred thousand dollars or less in tax year two thousand twenty-five 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-five 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, two thousand twenty-four, or two thousand twenty-five. 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 twenty-six 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	3.90% of the New York taxable income
Over $17,150 but not over $23,600	$669 plus 4.40% of excess over $17,150
Over $23,600 but not over $27,900	$953 plus 5.15% of excess over $23,600
Over $27,900 but not over $161,550	$1,174 plus 5.40% of excess over $27,900
Over $161,550 but not over $323,200	$8,391 plus 5.90% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,928 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,430 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$417,939 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,577,939 plus 11.40% of excess over $25,000,000

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

(viii) For taxable years beginning after two thousand twenty-five 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	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,107 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$417,616 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,577,616 plus 11.40% of excess over $25,000,000

(ix) 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	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350	$143,107 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 twenty-six 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	3.90% of the New York taxable income
Over $12,800 but not over $17,650	$499 plus 4.40% of excess over $12,800
Over $17,650 but not over $20,900	$712 plus 5.15% of excess over $17,650
Over $20,900 but not over $107,650	$879 plus 5.40% of excess over $20,900
Over $107,650 but not over $269,300	$5,564 plus 5.90% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,101 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,381 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,894 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,593,894 plus 11.40% of excess over $25,000,000

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

(viii) For taxable years beginning after two thousand twenty-five 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	3.80% of the New York taxable income
Over $12,800 but not over $17,650	$486 plus 4.30% of excess over $12,800
Over $17,650 but not over $20,900	$695 plus 5.05% of excess over $17,650
Over $20,900 but not over $107,650	$859 plus 5.30% of excess over $20,900
Over $107,650 but not over $269,300	$5,457 plus 5.80% of excess over $107,650
Over $269,300 but not over $1,616,450	$14,833 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,113 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,626 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,593,626 plus 11.40% of excess over $25,000,000

(ix) 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	3.80% of the New York taxable income
Over $12,800 but not over $17,650	$486 plus 4.30% of excess over $12,800
Over $17,650 but not over $20,900	$695 plus 5.05% of excess over $17,650
Over $20,900 but not over $107,650	$859 plus 5.30% of excess over $20,900
Over $107,650 but not over $269,300	$5,457 plus 5.80% of excess over $107,650
Over $269,300 but not over $1,616,450	$14,833 plus 6.85% of excess over $269,300
Over $1,616,450	$107,113 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 twenty-six 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	3.90% of the New York taxable income
Over $8,500 but not over $11,700	$332 plus 4.40% of excess over $8,500
Over $11,700 but not over $13,900	$473 plus 5.15% of excess over $11,700
Over $13,900 but not over $80,650	$586 plus 5.40% of excess over $13,900
Over $80,650 but not over $215,400	$4,191 plus 5.90% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,141 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,198 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,714 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,609,714 plus 11.40% of excess over $25,000,000

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

(viii) For taxable years beginning after two thousand twenty-five 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	3.80% of the New York taxable income
Over $8,500 but not over $11,700	$323 plus 4.30% of excess over $8,500
Over $11,700 but not over $13,900	$461 plus 5.05% of excess over

	$11,700
Over $13,900 but not over $80,650	$572 plus 5.30% of excess over $13,900
Over $80,650 but not over $215,400	$4,110 plus 5.80% of excess over $80,650
Over $215,400 but not over $1,077,550	$11,926 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$70,983 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,499 plus 10.80% of excess over $5,000,000
Over $25,000,000	$2,609,499 plus 11.40% of excess over $25,000,000

(ix) 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	3.80% of the New York taxable income
Over $8,500 but not over $11,700	$323 plus 4.30% of excess over $8,500
Over $11,700 but not over $13,900	$461 plus 5.05% of excess over $11,700
Over $13,900 but not over $80,650	$572 plus 5.30% of excess over $13,900
Over $80,650 but not over $215,400	$4,110 plus 5.80% of excess over $80,650
Over $215,400 but not over $1,077,550	$11,926 plus 6.85% of excess over $215,400
Over $1,077,550	$70,983 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 three new subsections (d-5), (d-6) and (d-7) 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), (d-6) or (d-7) of this section, for taxable years beginning on or after two thousand twenty-five and before two thousand twenty-six, 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), (d-6) or (d-7) of this section shall be read as a reference to this subsection.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$807
$323,200	$2,155,350	$1,140	$3,071
$2,155,350	$5,000,000	$4,211	$60,350
$5,000,000	$25,000,000	$64,561	$57,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 5.40 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$787
$269,300	$1,616,450	$787	$2,559
$1,616,450	$5,000,000	$3,346	$45,260
$5,000,000	$25,000,000	$48,606	$57,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.90 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$80,650	$215,400	$0	$567
$215,400	$1,077,550	$567	$2,047
$1,077,550	$5,000,000	$2,614	$30,172
$5,000,000	$25,000,000	$32,786	$57,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.90 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

(d-6) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-7) of this section, for taxable years beginning on or after two thousand twenty-six 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), (d-5) or (d-7) of this section shall be read as a reference to this subsection.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$808
$323,200	$2,155,350	$1,141	$3,393
$2,155,350	$5,000,000	$4,534	$60,350
$5,000,000	$25,000,000	$64,884	$57,500

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 5.30 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$787
$269,300	$1,616,450	$787	$2,827
$1,616,450	$5,000,000	$3,614	$45,260
$5,000,000	$25,000,000	$48,874	$57,500

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

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

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

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

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$80,650	$215,400	$0	$568
$215,400	$1,077,550	$568	$2,261
$1,077,550	$5,000,000	$2,829	$30,172
$5,000,000	$25,000,000	$33,001	$57,500

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

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

		minus $215,400
$1,077,550	$5,000,000	New York adjusted gross income minus $1,077,550
$5,000,000	$25,000,000	New York adjusted gross income minus $5,000,000

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.80 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

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

(d-7) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6) 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), (d-5) 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:

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$808
$323,200	$2,155,350	$1,141	$3,393
$2,155,350		$4,534	$42,461

(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 5.30 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	$787
$269,300	$1,616,450	$787	$2,827
$1,616,450		$3,614	$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 5.80 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	$568
$215,400	$1,077,550	$568	$2,261
$1,077,550		$2,829	$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 5.80 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 (d) of section 606 of the tax law, as amended by section 1 of part Q of chapter 63 of the laws of 2000, is amended and a new paragraph 9 is added to read as follows:

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

The applicable percentage shall be (i) seven and one-half percent for taxable years beginning in nineteen hundred ninety-four, (ii) ten percent for taxable years beginning in nineteen hundred ninety-five, (iii) twenty percent for taxable years beginning after nineteen hundred ninety-five and before two thousand, (iv) twenty-two and one-half percent for taxable years beginning in two thousand, (v) twenty-five percent for taxable years beginning in two thousand one, (vi) twenty-seven and one-half percent for taxable years beginning in two thousand two, and (vii) thirty percent for taxable years beginning in two thousand three and thereafter. For taxable years beginning in two thousand twenty-five and thereafter, in the case of an eligible individual with no qualifying children, the credit percentage shall be fifteen and three-tenths to determine the amount of the earned income tax credit referenced in section 32(b)(1) of the internal revenue code and the earned income amount and the phaseout amount of such individual shall be determined as if such earned income amount and phaseout amount as referenced in section 32(b)(2)(A) of the internal revenue code are equal to the amount allowed for an eligible individual with one qualifying child as such amounts are referenced in such paragraph. Provided further, for the purpose of this subsection, an eligible individual shall be an individual who has attained nineteen years of age as opposed to twenty-five years of age, irrespective of the eligibility referenced in section 32(c)(1)(A)(ii)(II) of the internal revenue code. Provided, however, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall be twenty percent for taxable years ending on or after the date on which the reversion event occurred. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the earned income credit or to apply state general fund spending on the earned income credit toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the

office of temporary and disability assistance shall certify the date of such event to the commissioner of taxation and finance, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

(9) Commencing in the taxable year two thousand twenty-five, 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 over the course of four years as follows:

(A) In taxable year two thousand twenty-five, 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) In taxable year 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;

(C) In taxable year 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 fifteen;

(D) In taxable year 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 ten.

(E) In taxable year two thousand twenty-nine, 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 fifth taxable year succeeding the effective date of subsection (c-2) of this section 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. 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 prior to the first of January, 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.

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

(c-2) New York state working families tax credit. (1) Definitions. (A) "Adjusted for all inflation since two thousand twenty-three" shall mean the commissioner increases the dollar amount of a credit or adjusted gross income, as applicable, by an amount equal to the sum of all cost-of-living adjustments calculated and published by the internal revenue service pursuant to 26 USC §1(f)(3) since calendar year two thousand twenty-three.

(B) "Qualifying child" or "qualifying children" shall mean as defined in 26 USC §24(c)(1).

(C) "Qualifying child through age seventeen" or "qualifying children through age 17" 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) For taxable years beginning on and after the first of January, two thousand twenty-five, a resident taxpayer shall be allowed a credit equal to:

(i) In taxable year two thousand twenty-five, five hundred and fifty dollars per qualifying child;

(ii) In taxable year two thousand twenty-six, eight hundred dollars per qualifying child, provided, however, that the dollar amount herein prescribed shall be adjusted for all inflation since two thousand twenty-three;

(iii) In taxable year two thousand twenty-seven, one thousand dollars per qualifying child, provided, however, that the dollar amount herein prescribed shall be adjusted for all inflation since two thousand twenty-three;

(iv) In taxable year two thousand twenty-eight, one thousand two hundred dollars per qualifying child through age seventeen, provided, however, that the dollar amount herein prescribed shall be adjusted for all inflation since two thousand twenty-three;

(v) In taxable year two thousand twenty-nine and each taxable year thereafter, one thousand six hundred dollars per qualifying child through age seventeen, provided, however, that the dollar amount herein prescribed shall be adjusted for all inflation since two thousand twenty-three in the fifth taxable year succeeding the effective date of this subsection and each taxable year thereafter.

(B) The amount of the credit shall be reduced, however, by twenty dollars for each one thousand dollars by which the taxpayer's New York state adjusted gross income exceeds:

(i) In taxable year two thousand twenty-five, 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) In taxable year two thousand twenty-six, 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) In taxable year two thousand twenty-seven, 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) In taxable year two thousand twenty-eight, 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) In taxable year two thousand twenty-nine 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, provided, however, that the dollar amount herein prescribed shall be adjusted for all inflation since two thousand twenty-three in taxable year two thousand twenty-nine and each taxable year thereafter.

(C) Provided further, that the amount of the credit shall never be reduced below one hundred dollars per qualifying child in taxable years two thousand twenty-six and two thousand twenty-seven. In taxable year two thousand twenty-eight and each taxable year thereafter, the credit shall never be reduced below one hundred dollars per qualifying child through age seventeen.

(D) 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) Commencing in taxable year two thousand twenty-eight, the commissioner shall provide for the prepayment of the working families 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 working families 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.

§ 4. 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) Commencing in taxable year two thousand twenty-six, 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. Commencing in taxable year two thousand twenty-eight, 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. In all years on or after the effective date of subsection (c-2) of section six hundred six of this article, however, 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.

§ 5. 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. Paragraph (e) of subdivision 26 of section 210-B of the tax law, as amended by section 1 of part U of chapter 59 of the laws of 2019 is amended and two new paragraphs (g) and (h) are added to read as follows:

(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.

(g) (i) The allocation of the credit established by this subdivision may be made without regard to and in a separate manner from any federal rehabilitation credit that may be allocated with respect to a certified historic structure under section forty-seven of the internal revenue code by written agreement of the taxpayer otherwise entitled to claim such credit or by written agreement of a pass-through entity that may report such credit or otherwise elect to pass the federal rehabilitation tax credit through to a tenant taxpayer in accordance with applicable federal law.

(ii) With respect to certified historic structures that are subject to a lease arrangement whereby the landlord elects to pass the federal rehabilitation credit through to the tenant taxpayer, not only may the New York state rehabilitation credit be passed down to the tenant taxpayer and then allocated without regard to and in a separate manner

from any federal rehabilitation credit that may be allocated, but the landlord may also opt to retain the New York state rehabilitation credit. For purposes of this section, a "landlord" means the owner of the certified historic structure for federal tax purposes.

(iii) The New York state rehabilitation credit may be transferred as provided for in article fourteen-A of the parks, recreation and historic preservation law.

(h) The commissioner shall report annually, on or before the first day of November, on the aggregate amount of credits claimed pursuant to this subdivision on returns filed during the preceding calendar year. Such report shall be provided to the governor, temporary president of the senate, speaker of the assembly, chairs of the senate committees on finance and on housing, construction and community development, and chairs of the assembly committees on ways and means and on housing and shall be made publicly available on the department's website.

§ 2. Paragraph 5 of subsection (oo) of section 606 of the tax law, as amended by section 2 of part U of chapter 59 of the laws of 2019, is amended and two new paragraphs 7 and 8 are added to read as follows:

(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.

(7) (A) The allocation of the credit established by this subsection may be made without regard to and in a separate manner from any federal rehabilitation credit that may be allocated with respect to a certified historic structure under section forty-seven of the internal revenue code by written agreement of the taxpayer otherwise entitled to claim such credit or by written agreement of a pass-through entity that may report such credit or otherwise elect to pass the federal rehabilitation tax credit through to a tenant taxpayer in accordance with applicable federal law.

(B) With respect to certified historic structures that are subject to a lease arrangement whereby the landlord elects to pass the federal

rehabilitation credit through to the tenant taxpayer, not only may the New York state rehabilitation credit be passed down to the tenant taxpayer and then allocated without regard to and in a separate manner from any federal rehabilitation credit that may be allocated, but the landlord may also opt to retain the New York state rehabilitation credit. For purposes of this section, a "landlord" means the owner of the certified historic structure for federal tax purposes.

(C) The New York state rehabilitation credit may be transferred as provided for in article fourteen-A of the parks, recreation and historic preservation law.

(8) The commissioner shall report annually, on or before the first day of November, on the aggregate amount of credits claimed pursuant to this subsection on returns filed during the preceding calendar year. Such report shall be provided to the governor, temporary president of the senate, speaker of the assembly, chairs of the senate committees on finance and on housing, construction and community development, and chairs of the assembly committees on ways and means and on housing and shall be made publicly available on the department's website.

§ 3. Paragraph 5 of subdivision (y) of section 1511 of the tax law, as amended by section 3 of part U of chapter 59 of the laws of 2019, is amended and two new paragraphs 7 and 8 are added to read as follows:

(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.

(7) (A) The allocation of the credit established by this subdivision may be made without regard to and in a separate manner from any federal rehabilitation credit that may be allocated with respect to a certified historic structure under section forty-seven of the internal revenue code by written agreement of the taxpayer otherwise entitled to claim such credit or by written agreement of a pass-through entity that may report such credit or otherwise elect to pass the federal rehabilitation

tax credit through to a tenant taxpayer in accordance with applicable federal law.

(B) With respect to certified historic structures that are subject to a lease arrangement whereby the landlord elects to pass the federal rehabilitation credit through to the tenant taxpayer, not only may the New York state rehabilitation credit be passed down to the tenant taxpayer and then allocated without regard to and in a separate manner from any federal rehabilitation credit that may be allocated, but the landlord may also opt to retain the New York state rehabilitation credit. For purposes of this section, a "landlord" means the owner of the certified historic structure for federal tax purposes.

(C) The New York state rehabilitation credit may be transferred as provided for in article fourteen-A of the parks, recreation and historic preservation law.

(8) The commissioner shall report annually, on or before the first day of November, on the aggregate amount of credits claimed pursuant to this subdivision on returns filed during the preceding calendar year. Such report shall be provided to the governor, temporary president of the senate, speaker of the assembly, chairs of the senate committees on finance and on housing, construction and community development, and chairs of the assembly committees on ways and means and on housing and shall be made publicly available on the department's website.

§ 4. The parks, recreation and historic preservation law is amended by adding a new article 14-A to read as follows:

ARTICLE 14-A

HISTORIC REHABILITATION TAX CREDIT TRANSFER PROGRAM

Section 14.15 Definitions.

14.16 Transfer of rehabilitation credit.

14.17 Reporting.

14.18 Regulations, coordination with federal rehabilitation credit provisions.

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

1. "Federal rehabilitation credit" means the federal credit that may be allocated with respect to a certified historic structure under section forty-seven of the internal revenue code. References in this article to section forty-seven of the internal revenue code shall mean such section as amended from time to time.

2. "Pass-through entity" means an entity that is not a taxpayer under federal or state tax law, such as a limited liability company, a partnership, an S Corporation, or any other entity as determined by the commissioner of taxation and finance which is deemed to be a reporting entity for income tax purposes and files annual information returns passing through items of income, loss, credits and certain other tax attributes to each partner, member or shareholder as applicable.

3. "Qualified rehabilitation expenditures" shall have the same meaning as in section forty-seven of the internal revenue code.

4. "Regulations" means regulations adopted by the commissioner, in consultation with the commissioner of the department of taxation and finance, pursuant to section 14.18 of this article.

5. "Rehabilitation credit" means the credit provided for under subdivision twenty-six of section two hundred ten-B, subsection (oo) of section six hundred six or subdivision (y) of section fifteen hundred eleven of the tax law.

6. "Transferee" means a taxpayer or a pass-through entity that receives a transfer of the rehabilitation credit. A transferee need not

own an interest in the certified historic structure or in an entity with an ownership interest in the certified historic structure to receive a transfer of a rehabilitation credit.

7. "Non-profit transferee" means a non-profit entity that receives a transfer of the rehabilitation credit.

§ 14.16 Transfer of rehabilitation credit. Either a 1. taxpayer or pass-through entity that may report the rehabilitation credit or otherwise elect to pass the federal rehabilitation credit through to a tenant taxpayer in accordance with applicable federal law or 2. non-profit transferee may, with prior notice in accordance with the regulations, transfer the rehabilitation credit, in whole or in part, to any transferee or non-profit transferee with the same effect as if the transferee or non-profit transferee had incurred the qualified rehabilitation expenditures itself; provided that no partial transfer of the rehabilitation credit may be for less than twenty-five percent of the full rehabilitation credit claimed by the taxpayer. A transferee shall use or report the rehabilitation credit in the year it is allowed and may not transfer the rehabilitation credit on to yet another transferee. A transfer of rehabilitation credit to a non-profit transferee, where the non-profit transferee is solely acting as a go-between to further transfer the rehabilitation credit to a transferee, shall not constitute a transfer for purposes of determining the single transfer limitation of this section.

§ 14.17 Reporting. If a taxpayer or a pass-through entity that may report the credit or otherwise elect to pass the federal rehabilitation credit through to a tenant taxpayer in accordance with applicable federal law elects to transfer the credit as provided for in section 14.16 of this article, prior to filing any tax returns claiming the rehabilitation credit, a taxpayer or a pass-through entity that may report the rehabilitation credit or otherwise elect to pass the federal rehabilitation credit through to a tenant taxpayer in accordance with applicable federal law shall provide an information statement to the commissioner in accordance with the department's regulations. Such information statement shall include, but may not be limited to, the identity and tax identification information of any non-profit transferee and the identity and tax identification information of any transferee that will claim the credit.

§ 14.18 Regulations, coordination with federal rehabilitation credit provisions. The commissioner, in consultation with the commissioner of the department of taxation and finance, shall promulgate rules and regulations necessary to administer the provisions of this article.

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

ARTICLE 16

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

Section 520. Definitions.
521. Seventy-five-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;

(iii) a community land trust; or

(iv) a creditor or its loan servicer acquiring ownership of real property in full or partial satisfaction of a secured debt.

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

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

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

(iii) has fifty million dollars or more in net value 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.

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. Seventy-five-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 seventy-five days.

2. The seventy-five-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 seventy-five 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. Before finalizing the sale of a single-family or two-family residence, a covered entity purchasing such residence 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. 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 75 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. 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.

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 75-day waiting period. Failure to comply with the 75-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) "Institutional real estate investor" means an entity or combined group that (i) owns ten or more covered properties, (ii) manages funds pooled from investors and acts as a fiduciary with respect to one or more investors, and (iii) has fifty million dollars or more in net value or assets under management on any day during the taxable year. 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.

(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.

§ 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 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 are primarily aimed at supporting the growth of the semiconductor manufacturing and related equipment and material supplier sector. "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. 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.

§ 4. 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~~] **fifty**.

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.

§ 5. Article 22 of the economic development law is REPEALED.

§ 6. Paragraph (a) of subdivision 50 of section 210-B of the tax law, as added by section 2 of part O of chapter 59 of the laws of 2015, is amended to read as follows:

(a) [~~A~~] **For taxable years beginning before January first, two thousand twenty-nine, 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 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 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 will be allowed in the taxable year in which the eligible training is completed.

§ 7. Paragraph 1 of subsection (ddd) of section 606 of the tax law, as added by section 3 of part O of chapter 59 of the laws of 2015, is amended to read as follows:

(1) [~~A~~] **For taxable years beginning before January first, two thousand twenty-nine, 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 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 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 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. The credit will be allowed in the taxable year in which the eligible training is completed.

§ 8. 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. Recordkeeping and reporting requirements.
359-h. Semiconductor research and development tax credit.

§ 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 incur at least one hundred million dollars in qualified investment in New York state. 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.

7. "Jobs plan" means a component of an application submitted by applicants for tax credits under this article, where applicants are required to state, at a minimum, commitments to all of the following if awarded the credit:

(a) The minimum number of full-time equivalent jobs that will be retained and created if awarded the credit;

(b) The minimum wage and benefit amounts by job classification for nonsupervisory workers;

(c) The minimum number of jobs that will be specifically retained and created for individuals facing barriers to employment if awarded the credit;

(d) The proposed amounts for worker training and information about any existing apprenticeship program registered with the department or a federally recognized state apprenticeship agency that complies with the requirements under Parts 29 and 30 of title 29, code of federal regulations; and

(e) The proposed chemical safety training program and number of workers by job classification to receive the training.

§ 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) Include a completed jobs plan in such form as the commissioner requires. The jobs plan application shall be subject to disclosure under section eighty-seven of the public officers law and not subject to exemption under paragraph (d) of subdivision two of such section.

(b) 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;

(c) 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;

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

(e) 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;

(f) 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; and

(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 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, including compliance with the jobs plan commitments specified in 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. A participant may claim such benefits for the next nine consec-

utive 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-h 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. Recordkeeping and reporting requirements. Each business entity participating in the program shall maintain all relevant records and must submit regular performance reports in such form as the commissioner may require, for the duration of its program participation plus three years.

§ 359-h. 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.

§ 9. 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.

§ 10. 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.

§ 11. The economic development law is amended by adding a new article 28 to read as follows:

ARTICLE 28

SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

Section 501. Definitions.
502. Eligibility criteria.
503. Application and approval process.
504. Powers and duties of the commissioner.
505. Recordkeeping and reporting requirements.
506. Cap on tax credit.

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

1. "Approved provider" means an entity approved by the commissioner that may provide eligible training to employees of a business entity participating in the semiconductor manufacturing workforce training incentive program. Such criteria shall ensure that any approved provider possesses adequate credentials to provide the training described in an application by a business entity to the commissioner to participate in the semiconductor manufacturing workforce training incentive program. Labor organizations shall automatically be considered approved providers under this article.

2. "Eligible training" means training provided to an employee hired within twelve months of the business entity applying for this program by an approved provider that is:

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

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

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

(d) a program with a standardized curriculum resulting in an industry-recognized credential for permanent employees that includes measurable goals, regular reporting, and accountability standards to assess program effectiveness. Examples of such programs include apprenticeship programs registered in accordance with article twenty-three of the labor law, in the trades in which they are performing work and workforce training provided through a community-labor partnership agreement.

3. "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.

4. "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.

5. "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.

6. "Workforce training plan" means a detailed plan outlining at a minimum:

(a) The total dollar cost of each training program to the business entity;

(b) The number of full-time non-temporary existing employees and new hires trained or to be trained, by job classification;

(c) Detailed information about each training program, including a list of applicable transferrable credentialing opportunities that will be provided and information on whether or not the program is a registered apprenticeship program;

(d) Detailed information on any training opportunities geared to facilitate the direct entry of local and/or disadvantaged workers, including the number of participants and description of wraparound services provided; and

(e) Information on any formalized agreements or partnerships with community or labor organizations to support the training program.

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

1. The business entity must operate in the state as a semiconductor manufacturing business or a manufacturing business as defined in this article;

2. The business entity must demonstrate that it is conducting eligible training or obtaining eligible training from an approved provider;

3. The business entity must demonstrate a commitment to providing training opportunities for disadvantaged and underrepresented individuals in order to create high quality jobs within the state for historically disadvantaged groups; and

4. 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.

§ 503. 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 a workforce training plan and any such additional 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. Information submitted in the workforce training plan, other than specific training content, shall be subject to disclosure under section eighty-seven of the public officers law and not subject to exemption under paragraph (d) of subdivision two of such section;

(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; and

(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 manufacturing workforce training incentive 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.

3. The commissioner may approve an application from a business entity upon determining that such business entity meets the eligibility criteria established in section five hundred two of this article. Following approval by the commissioner of an application by a business entity to participate in the semiconductor manufacturing workforce 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. For eligible training as defined by subdivision two of section five hundred 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 (rrr) of section six hundred six of the tax law.

§ 504. Powers and duties of the commissioner. 1. The commissioner shall 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 semiconductor manufacturing workforce training incentive program, procedures for the receipt and evaluation of applications from business entities to participate in the program, regular reporting and evaluation of program participants, 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 section five hundred two of this article or for making a material misrepresentation with respect to its participation in the program.

§ 505. Recordkeeping and reporting requirements. Each business entity participating in the program must submit documentation showing proof of compliance with the workforce training plan within twelve months of receiving credit and shall maintain all relevant records for the duration of its program participation plus three years.

§ 506. Cap on tax credit. 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.

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

62. Semiconductor manufacturing workforce training program tax credit. (a) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor manufacturing workforce training program and has been issued a certificate of tax credit pursuant to section five hundred 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 subdivision three of section five hundred three 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 section five hundred 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 the economic development under article twenty-eight 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.

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

(sss) Semiconductor workforce training program tax credit. (1) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor workforce training program and has been issued a certificate of tax credit pursuant to section five hundred 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 subdivision three of section five hundred three 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 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. 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 section five hundred 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-eight 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 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.

§ 14. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2025; provided, however, that section five of this act shall take effect December 31, 2028.

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~~] nine 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 number of jobs in New York state.~~

~~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 employes 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~~] **nine-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**, and (iii) except with respect to a qualified independent film production company or pilot, at least fifty percent of expenditures on scoring spent in the production of such qualified film must be spent on scoring performed within the state**. 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, 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, scoring, 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~~] twenty-five million dollars, and (ii) controls the qualified film during production, 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.

§ 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. Intentionally omitted.

§ 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. (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 to read as follows:

(2) "[~~Post~~] Qualified 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. Intentionally omitted.

§ 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 specified 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 twenty-five 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 with a maximum budget of twenty-five million dollars, and (ii) controls the qualified film during production, 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.

(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. 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

Intentionally Omitted

PART K

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

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-five of section two hundred ten-B and subsection (nnn) of section six hundred six of this chapter in any taxable year shall be five million dollars. Such credit shall be allocated by the department of economic development in order of priority based upon the date of filing an application for allocation of digital

gaming media production credit with such office. **An applicant shall submit an annual application which shall include all qualified digital gaming media productions for the taxable year along with an estimate of the digital gaming media production costs. The application can be submitted no earlier than ninety days prior to the first day of the applicable taxable year.** If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be treated as having been applied for on the first day of the subsequent taxable year. **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.**

(c) Definitions. As used in this section:

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

(2) "Digital gaming media production costs" means any costs for wages [~~or salaries~~] paid to individuals, [~~other than actors or writers,~~] directly employed for services performed by those individuals directly [~~and predominantly~~] in the creation of a digital gaming media production or productions. [~~Up to one hundred thousand dollars in wages and salaries paid to such employees, other than actors and writers, directly employed shall be used in the calculation of this credit.~~] Digital gaming media production costs include but shall not be limited to payments for services performed directly [~~and predominantly~~] in the development (including concept creation), [~~design,~~] production (including concept creation), design, production (including testing), editing (including encoding) and compositing (including the integration of digital files for interaction by end users) of digital gaming media. Digital gaming media production costs shall not include expenses incurred for the distribution, marketing, promotion, or advertising content generated by end users, other costs not directly [~~and predominantly~~] related to the creation, production or modification of digital gaming media or costs used by the taxpayer as a basis of the calculation of any other tax credit allowed under this chapter. In addition, [~~salaries or other income distribution~~] **wages** related to the creation of

digital gaming media for any person who **predominately** serves in **a corporate capacity in** the role of chief executive officer, chief financial officer, president, treasurer or similar **corporate** position **and who is not directly engaged in services related to the creation of a digital gaming media production or productions** shall not be included as digital gaming media production costs if the digital gaming media production entity has more then ten employees. [~~Salaries or other income~~] **Wages paid** to a person serving in such a role for the digital gaming media production entity shall also not be included if the person was employed by a related person of the digital gaming media production entity within sixty months of the date the digital gaming media production entity applied for the tax credit certificate described in subdivision (d) of this section. For purposes of the preceding sentence, a related person shall have the same meaning as the term "related person" in section four hundred sixty-five of the internal revenue code. [~~Furthermore, any income or other distribution to any individual including, but not limited to, licensing or royalty fees, who holds an ownership interest in a digital gaming media production entity, whether or not such individual is serving in the role of chief executive officer, chief financial officer, president, treasurer or similar position for such an entity, shall not be included as digital gaming media production costs. Up to four million dollars in qualified digital gaming media production costs per production shall be used in the calculation of this credit.~~] Digital gaming media production costs shall not include those costs used by the taxpayer or another taxpayer as the basis calculation of any other tax credit allowed under this chapter.

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

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

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2025 and before January 1, 2028.

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.

§ 4-a. Paragraph 4 of subdivision (b) of section 24-c of the tax law, as amended by section 2-a of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

(4) "Qualified New York city musical and theatrical production company" is a corporation, partnership, limited partnership, or other entity or individual which or who is principally engaged in the production of a qualified musical or theatrical production that is to be performed in a level one or level two qualified New York city production facility. **Starting in taxable year two thousand twenty-five, a publicly traded entity, or an entity with no more than five percent of the beneficial ownership of which is owned, directly or indirectly, by a publicly traded entity, shall not be considered a qualified New York city musical and theatrical production company.**

§ 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, four and four-a 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 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**, or five thousand 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, **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**, 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 exceeded one thousand dollars**, 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**, 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.~~] The amount by which the total tax imposed under this article exceeds the total tax that would have been imposed under this article if this paragraph did not apply shall be treated as an obligation of the decedent as of the decedent's death that is subject to the provisions of this article (but which shall not be deductible for purposes of this article).

§ 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

Intentionally Omitted

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) subdivi-

sion (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

Intentionally Omitted

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) Each gaming facility shall provide an annual fiscal report to the governor, the speaker of the assembly, the temporary president of the senate, the 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 January first of each year 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 remain in the general fund of the state treasury.

§ 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, remit a one-time payment of two million dollars to the Harry M. Zweig memorial fund, established under section seven hundred one of this chapter, to be used for the conduct of 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 on September 1, 2028.

PART JJ

Section 1. (a) Notwithstanding any provision of law, rule or regulation to the contrary, any site for which (i) a brownfield cleanup agreement with the department of environmental conservation was entered into prior to June 23, 2008 with respect to a site located within the Renaissance Commerce Park situate within the city of Lackawanna, Erie county, (ii) which received a certificate of completion on or before December 31, 2017, and (iii) that has not otherwise had property placed in service upon such a site as of the effective date of this act, shall be an eligible site for purposes of the brownfield redevelopment tax credits available to such a site pursuant to section 21 of the tax law as in effect for such a site as of the effective date of this act provided the site preparation component shall be allowed for all applicable costs incurred on such a site prior to and within the tax year in

which improvements on such a site are placed in service, and for a seven year period following the year property is first placed in service upon such a site, provided, such a date occurs prior to the 2036 tax year, the on-site ground water remediation component shall be allowed for all applicable costs incurred on such a site prior to and within the tax year in which improvements on such a site are placed in service, and for a seven year period following the year property is first placed in service upon such a site, provided, such a date occurs prior to the 2036 tax year, and the tangible property credit component shall be allowed for all applicable costs incurred on such a site prior to and within the tax year in which improvements on such a site are placed in service, and for a ten year period (120 months) following the year property is first placed in service upon such a site, provided such a date occurs prior to the 2036 tax year.

(b) In addition, any site for which (i) a brownfield cleanup agreement with the department of environmental conservation was entered into prior to June 23, 2008 with respect to a site located within the Renaissance Commerce Park situate within the city of Lackawanna, Erie county, (ii) which received a certificate of completion on or before December 31, 2017, and (iii) that has not otherwise had property placed in service upon such a site as of the effective date of this act shall be eligible to claim the tax credit for remediated brownfields available to such a site pursuant to section 22 of the tax law as in effect for such a site as of the effective date of this act provided the benefit period as applicable thereto shall be deemed to be a ten-consecutive-tax-year period beginning with the tax year in which improvements on such a site are placed in service where said benefit period shall begin no later than the 2036 tax year.

(c) Further, any site for which (i) a brownfield cleanup agreement with the department of environmental conservation was entered into prior to June 23, 2008 with respect to a site located within the Renaissance Commerce Park situate within the city of Lackawanna, Erie county, (ii) which received a certificate of completion on or before December 31, 2017, and (iii) that has not otherwise had property placed in service upon such a site as of the effective date of this act, shall be an eligible site for purposes of claiming the tax credit for remediated brownfields available to such a site pursuant to section 22 of the tax law, provided that such developer as defined under section 22 of the tax law has purchased or in any other way has been conveyed all or any portion of such a site from any other party who or which has been issued a certificate of completion with respect to such site and further provided that such purchase or conveyance occurs no later than the 2036 tax year.

§ 2. This act shall take effect immediately.

PART KK

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

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

sand dollars for qualified geothermal energy equipment placed in service on or after July first, two thousand twenty-five.

(9) Carryover of credit and refundability. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. For taxable years beginning on or after January first, two thousand twenty-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. Any refund paid pursuant to this paragraph shall be deemed to be a refund of an overpayment of tax as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 2. This act shall take effect immediately.

PART LL

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

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

§ 3. This act shall take effect June 1, 2025.

PART MM

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 accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.**

§ 2. This act shall take effect immediately.

PART NN

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

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

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

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

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

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

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

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

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

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

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

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

§ 7. Paragraph (b) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 23 to read as follows:

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

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

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

§ 9. Paragraph (b) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding a new subparagraph 24 to read as follows:

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

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

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

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

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

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

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

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

PART OO

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 article and such modifications as may be necessary in order to adapt such language to the taxes so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.~~

~~(b) Notwithstanding the provisions of subdivision (a) of this section, the exemptions provided in paragraph ten of subdivision (a) of section eleven hundred fifteen of this chapter, and the provisions of section eleven hundred sixteen, except those provided in paragraphs one, two, three and six of subdivision (a) of such section, shall not apply to the taxes imposed by this article.~~] Every vapor products distributor 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, placed, stored, sold, or offered for sale. For the purposes of this section, "place of business" shall not include a residence or other real property, or any personal vehicle on or about such property, not held out as open to the public or otherwise being utilized in a business or commercial manner, unless probable cause exists to believe that such residence, real property or vehicle is being used in such a business or commercial manner for the buying or selling of vapor products.

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

(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 hear-

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

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

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

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

(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 where vapor products are distributed, placed, stored, sold or offered for sale by any person who does not possess a license as described in section eleven hundred eighty-three-a of this article.

(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 is hereby authorized and empowered forthwith to seize and take possession of such flavored vapor products or flavored nicotine analogue products. Such flavored vapor products or flavored nicotine analogue products seized by a police officer or peace officer shall be turned over to the commissioner. Such seized flavored vapor products or flavored nicotine analogue products shall be forfeited to the state. If the department determines the vapor products or flavored nicotine analogue products cannot be used for law enforcement purposes, it may, within a reasonable time after the forfeiture of such vapor products or flavored nicotine analogue products, destroy such forfeited vapor products or flavored nicotine analogue products.

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

§ 6. This act shall take effect immediately.

PART PP

Section 1. The tax law is amended by adding a new article 12-B to read as follows:

ARTICLE 12-B
NOISE TAX ON NON-ESSENTIAL
HELICOPTER AND SEAPLANE FLIGHTS

Section 289-g. Definitions.
289-h. Imposition of the noise tax on non-essential helicopter and seaplane flights.
289-i. Liability for the tax.
289-j. Exemptions from the tax.
289-k. Payment and returns.
289-l. Records to be kept.
289-m. Secrecy of returns and reports.
289-n. Practice and procedure.
289-o. Deposit and disposition of revenue.

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

1. "Helicopter" means an aircraft, the support of which in the air is normally derived from airfoils mechanically rotated about an approximately vertical axis.

2. "Helicopter or seaplane operator" means a person or entity which conducts non-essential helicopter or seaplane flights within a city with a population of one million or more.

3. "Seaplane" means any aircraft defined or classified as such by federal law, rule or regulation.

4. "Non-essential flight" means a flight made by a helicopter or seaplane other than those conducted:

(a) for purposes of heavy-lift operations in support of construction and infrastructure maintenance;

(b) for purposes of public health and safety, including law enforcement, emergency response, disaster response, the provision of medical services, and providing other services; or

(c) for the benefit of the general public, including flights carried out for research or for official purposes by a news organization.

5. "Quiet aircraft" means a helicopter or seaplane of a model that has been certified as meeting the threshold to be classified as a quiet aircraft as per section two hundred eighty-nine-j of this article.

§ 289-h. Imposition of the noise tax on non-essential helicopter and seaplane flights. In addition to any other tax or assessment imposed by this chapter or any other law, there is hereby imposed beginning January first, two thousand twenty-five a noise tax on non-essential seaplane and helicopter flights at the rate of fifty dollars per seat ticket or two hundred dollars per flight, whichever is greater.

§ 289-i. Liability for the tax. Any non-essential helicopter or seaplane flight is subject to the tax imposed by this article. The tax imposed by this section shall not be imposed on any helicopter or seaplane flights if such imposition is superseded by federal law or regulation.

§ 289-j. Exemptions from the tax. 1. Any non-essential helicopter or seaplane flight conducted using a quiet aircraft is exempted from the tax imposed by section two hundred eighty-nine-h of this article.

2. The department, in consultation with the department of transportation shall create a registry of models of helicopters and seaplanes that will be defined as quiet aircraft for the purposes of this article. Such

registry shall be established by January first, two thousand twenty-seven, and shall be updated no less than every two years.

3. For a helicopter or seaplane model to be considered to be a quiet aircraft, the aircraft must be electric powered and, (a) for helicopters, create at least ten decibels less of noise, as measured under the procedures of Appendix H of 14 CFR Part 36, as a helicopter that would meet the GCNP Quiet Aircraft Technology Designation established by 14 CFR Appendix A to Subpart U of Part 93, or any federal limits on noise from helicopters enacted that are more strict than the GCNP Quiet Aircraft Technology Designation and (b) for seaplanes, create at least ten decibels less of noise, as measured under the procedures of Appendix G of 14 CFR Part 36, than a seaplane would make to comply with the stage 5 noise levels adopted under 14 CFR Parts 36 and 91, which are equal to the levels established under International Civil Aviation Organization (ICAO) Chapter 14 of Annex 16, Volume I, or any federal limits on noise from seaplanes enacted that are more strict than the stage 5 noise levels.

§ 289-k. Payment and returns. 1. Every helicopter and seaplane operator shall file a return quarterly with the commissioner. Provided, however, that if the commissioner in the exercise of their discretion deems it necessary to protect the revenues to be obtained under this article, such commissioner may give notice requiring such operator, in addition to filing a quarterly return, to file either short-form or long-form part-quarterly returns, as specified in such notice. For purposes of this article the term "long-form, part-quarterly return" shall mean a return in a form determined by the commissioner providing for the calculation of the actual taxes for the preceding month. For purposes of this article the term "short-form, part-quarterly return" shall mean a return which shall be available for use in filing as a return for the first two months of any quarter and only by a person required to file a return monthly who has had at least four successive quarterly tax periods immediately preceding the month for which the return is to be filed and who elects such use, and is in a form determined by the commissioner and providing for the calculation of one-third of the total taxes paid by the person to the commissioner in the comparable quarter of the immediately preceding year under this article.

2. The returns and information returns required by this section to be filed quarterly shall be filed for quarterly periods ending on the last day of February, May, August and November of each year, and each return and each information return shall be filed within twenty days after the end of the quarterly period covered thereby. The returns required by this section to be filed monthly shall be filed for monthly periods ending on the last day of each month and each return shall be filed within twenty days after the end of each prior month. The information returns required to be filed annually shall be filed for twelve-month periods ending on the last day of May of each year, and each such information return shall be filed within twenty days after the end of the twelve-month period covered thereby.

3. The tax commission may permit or require returns to be made covering other periods and upon such dates as it may specify. If the tax commission deems it necessary in order to ensure the payment of the taxes imposed by this article, it may require returns to be made for shorter periods than those prescribed pursuant to the foregoing subdivisions of this section, and upon such dates as it may specify.

4. The form of returns shall be prescribed by the tax commission and shall contain such information as it may deem necessary for the proper

administration of this article. The commission may require amended returns to be filed within twenty days after notice and to contain the information specified in the notice.

5. In addition to any other penalty or interest provided for under this article or other law, and unless it is shown that such failure is due to reasonable cause and not due to willful neglect, any person liable for the tax imposed by this article that fails to pay such tax when due shall be liable for a penalty in an amount equal to four hundred percent of the total tax amount that is due.

§ 289-l. Records to be kept. Every operator liable for the surcharge imposed by this article shall keep, and shall make available for review upon demand by the commissioner:

1. records of helicopter and seaplane flights undertaken by such operator;

2. total amount of taxes collected under this article;

3. any information required by the department by rule or regulation;

4. true and complete copies of any records required to be kept by any applicable regulatory department or agency; and

5. such other records and information as the commissioner may require to perform their duties under this article.

§ 289-m. Secrecy of returns and reports. 1. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the commissioner, any officer or employee of the department, any person engaged or retained by the department on an independent contract basis, or any person who in any manner may acquire knowledge of the contents of a return or report filed with the commissioner pursuant to this article, to divulge or make known in any manner any particulars set forth or disclosed in any such return or report. The officers charged with the custody of such returns and reports shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the commissioner in an action or proceeding under the provisions of this chapter, or in any other action or proceeding involving the collection of a surcharge due under this chapter to which the state, the commissioner or an agency that is authorized to permit or regulate the provision of any relevant transportation is a party or a claimant, or on behalf of any party to any action, proceeding or hearing under the provisions of this article, when the returns or the reports or the facts shown thereby are directly involved in such action, proceeding or hearing, in any of which events the court, or in the case of a hearing, the division of tax appeals, may require the production of, and may admit in evidence so much of said returns or reports or of the facts shown thereby as are pertinent to the action or proceeding and no more. Nothing herein shall be construed, however, to prohibit the commissioner, in their discretion, from allowing the inspection or delivery of a certified copy of any return or report filed under this article, or from providing any information contained in any such return or report, by or to a duly authorized officer or employee of the comptroller; nor to prohibit the inspection or delivery of a certified copy of any return or report filed under this article, or the provision of any information contained therein, by or to the attorney general or other legal representatives of the state when an action shall have been recommended or commenced pursuant to this chapter in which such returns or reports or the facts shown thereby are directly involved; nor to prohibit the commissioner from providing or certifying to the division of budget or the comptroller the total number of returns or reports filed under this

article in any reporting period and the total collections received therefrom; nor to prohibit the delivery to a person liable for the tax imposed by this article, or a duly authorized representative of such, a certified copy of any return or report filed by such person pursuant to this article, nor to prohibit the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof; nor to prohibit the disclosure, in such manner as the commissioner deems appropriate, of the names and other appropriate identifying information of those persons required to pay the tax imposed by this article.

2. Notwithstanding the provisions of subdivision one of this section, the commissioner may permit the secretary of the treasury of the United States or such secretary's delegate, or the authorized representative of either such officer, to inspect any return filed under this article, or may furnish to such officer or such officer's authorized representative an abstract of any such return or supply such person with information concerning an item contained in any such return, or disclosed by any investigation of liability under this article, but such permission shall be granted or such information furnished only if the laws of the United States grant substantially similar privileges to the commissioner or officer of this state charged with the administration of the tax imposed by this article, and only if such information is to be used for purposes of tax administration only; and provided further the commissioner may furnish to the commissioner of internal revenue or such commissioner's authorized representative such returns filed under this article and other tax information, as such commissioner may consider proper, for use in court actions or proceedings under the internal revenue code, whether civil or criminal, where a written request therefor has been made to the commissioner by the secretary of the treasury of the United States or such secretary's delegate, provided the laws of the United States grant substantially similar powers to the secretary of the treasury of the United States or their delegate. Where the commissioner has so authorized use of returns and other information in such actions or proceedings, officers and employees of the department may testify in such actions or proceedings in respect to such returns or other information.

3. (a) Any officer or employee of the state who willfully violates the provisions of subdivision one of this section shall be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) Cross-reference: For criminal penalties, see article thirty-seven of this chapter.

4. (a) Notwithstanding the provisions of subdivision one of this section, upon written request from the chairperson of the committee on ways and means of the United States House of Representatives, the chairperson of the committee on finance of the United States Senate, or the chairperson of the joint committee on taxation of the United States Congress, the commissioner shall furnish such committee with any current or prior year returns specified in such request that were filed under this article by the president of the United States, vice-president of the United States, member of the United States Congress representing New York state, or any person who served in or was employed by the executive branch of the government of the United States on the executive staff of the president, in the executive office of the president, or in an acting or confirmed capacity in a position subject to confirmation by the United States Senate; or, in New York state: a statewide elected offi-

cial, as defined in paragraph (a) of subdivision one of section seventy-three-a of the public officers law; a state officer or employee, as defined in subparagraph (i) of paragraph (c) of subdivision one of such section seventy-three-a; a political party chairperson, as defined in paragraph (h) of subdivision one of such section seventy-three-a; a local elected official, as defined in subdivisions one and two of section eight hundred ten of the general municipal law; a person appointed, pursuant to law, to serve due to vacancy or otherwise in the position of a local elected official, as defined in subdivisions one and two of section eight hundred ten of the general municipal law; a member of the state legislature; or a judge or justice of the unified court system; or filed by a partnership, firm, association, corporation, joint-stock company, trust or similar entity directly or indirectly controlled by any individual listed in this paragraph, whether by contract, through ownership or control of a majority interest in such entity, or otherwise, or filed by a partnership, firm, association, corporation, joint-stock company, trust or similar entity of which any individual listed in this paragraph holds ten percent or more of the voting securities of such entity; provided however that, prior to furnishing any return, the commissioner shall redact any copy of a federal return (or portion thereof) attached to, or any information on a federal return that is reflected on, such return, and any social security numbers, account numbers and residential address information.

(b) No returns shall be furnished pursuant to this subdivision unless the chairperson of the requesting committee certifies in writing that such returns have been requested related to, and in furtherance of, a legitimate task of the Congress, that the requesting committee has made a written request to the United States secretary of the treasury for related federal returns or reports or return or report information, pursuant to 26 U.S.C. Section 6103(f), and that if such requested returns are inspected by and/or submitted to another committee, to the United States House of Representatives, or to the United States Senate, then such inspection and/or submission shall occur in a manner consistent with federal law as informed by the requirements and procedures established in 26 U.S.C. Section 6103(f).

§ 289-n. Practice and procedure. The provisions of article twenty-seven of this chapter shall apply with respect to the administration of and procedure with respect to the tax imposed by this article in the same manner and with the same force and effect as if the language of such article twenty-seven had been incorporated in full into this article and had expressly referred to the surcharge imposed by this article, except to the extent that any such provision is either inconsistent with a provision of this article or is not relevant to this article.

§ 289-o. Deposit and disposition of revenue. All funds collected under this article shall be deposited into the environmental protection fund established by section ninety-two-s of the state finance law.

§ 2. This act shall take effect immediately.

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 shall 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 fifteen million dollars in total, or five million dollars for each taxable year.

(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 shall 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 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 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 shall 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

shall not exceed five hundred dollars per eligible employee per year in any given tax year.

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

§ 5. This act shall take effect April 1, 2026 and shall apply to taxable years beginning on and after January 1, 2026 and shall apply to wages paid to individuals hired on and after such effective date and shall expire and be deemed repealed December 31, 2028.

PART RR

Section 1. Clause (iv) of subparagraph (A) of paragraph 5 of subsection (pp) of section 606 of the tax law, as amended by section 3-a of part U of chapter 59 of the laws of 2019, is amended to read as follows:

(iv) (1) which is in whole or in part a targeted area residence within the meaning of section 143(j) of the internal revenue code; or (2) is located within a census tract which is identified as being at or below one hundred percent of the state median family income in the most recent federal census; or (3) which is located in a city with a population of less than one million with a poverty rate greater than fifteen percent, rounded to the nearest whole number, in the most recent five year estimate from the American community survey published by the United States census bureau; or (4) is located in a city with a population greater than one million, in a qualifying census tract as of January first, two thousand seventeen, and was owned by the applicant on January first, two thousand ten.

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

PART SS

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, the amount prescribed by this paragraph shall be nine percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph.

§ 2. This act shall take effect immediately.

PART TT

Section 1. Short title. This act shall be known and may be cited as the "End Hedge Fund Control of New York Homes Act".

§ 2. The tax law is amended by adding a new article 20-E to read as follows:

ARTICLE 20-E
EXCISE TAX ON CERTAIN TAXPAYERS FAILING
TO SELL EXCESS SINGLE-FAMILY RESIDENCES

Section 500. Definitions.
500-a. Imposition of tax.
500-b. Maximum permissible units.
500-c. Construction.
500-d. Reporting.
500-e. Tax form.
500-f. Certification.
500-g. Use of tax revenues.

§ 500. Definitions. For purposes of this article, the following definitions shall apply:

1. "Applicable date" means:

(a) the last day of the first full taxable year ending on or after the effective date of this article; or

(b) in the case of any taxpayer that changes its status during a taxable year, the last day of the taxable year immediately preceding the taxable year in which the taxpayer changed its status.

2."Applicable single-family residence" means any single-family residence which was acquired on or before the applicable date.

3. (a) "Applicable taxpayer" means a taxpayer, including a partnership, corporation, trust or other legal entity, that:

(i) manages funds pooled from investors and is a fiduciary with respect to such investors; and

(ii) is an asset manager in any of the following asset classes:

(A) public equity or fixed income securities;

(B) a hedge fund;

(C) a fund of hedge funds;

(D) private equity (including venture capital);

(E) a fund of private equity funds;

(F) a real estate investment fund;

(G) a fund of real estate funds; or

(H) any other asset class for which an applicable fiduciary-controlled entity engages external asset managers; and

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

(b) "Applicable taxpayer" shall not include:

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

(ii) an organization primarily engaged in the construction or rehabilitation of single-family residences.

4. "Disqualified sale" means any sale or transfer of a single-family residence to:

(a) a corporation or other entity engaged in a trade or business; or

(b) an individual who owns any other single-family residence at the time of such sale or transfer.

5. "Newly acquired single-family residence" means any single-family residence which was acquired by the taxpayer in any taxable year which begins after the effective date of this article.

6. "Single-family residence" means a residential property consisting of one to four dwelling units; provided that such term shall not include:

(a) any unoccupied single-family residence acquired through foreclosure;

(b) any single-family residence that is:

(i) not rented or leased, and

(ii) used as the principal residence of any person who has an ownership interest in the applicable taxpayer; or

(c) any single-family residence constructed, acquired, or operated with Federal appropriated funding sources.

7. "Trade or business" shall include any activity treated as a trade or business under paragraph (5) or (6) of section 469(c) of the Internal Revenue Code (determined without regard to the phrase 'To the extent provided in regulations' in such paragraph (6)).

§ 500-a. Imposition of tax. 1. In the case of an applicable taxpayer, there is hereby imposed a tax on the acquisition of any newly acquired single-family residence equal to fifty percent of the fair market value of such residence.

2. (a) In the case of an applicable taxpayer who fails to meet the requirements of subdivision (b) of this section there is hereby imposed a tax equal to the product of:

(i) fifty thousand dollars, and

(ii) the excess of:

(A) the number of applicable single-family residences owned by the taxpayer as of the last day of the taxable year, over

(B) the maximum permissible units for the taxable year.

(b) An applicable taxpayer meets the requirement of this subdivision for any taxable year if the number of applicable single-family residences owned by the taxpayer as of the last day of the taxable year is equal to or less than the maximum permissible units determined with respect to such taxpayer for such taxable year. For purposes of this paragraph, a single-family residence which is sold or transferred in a disqualified sale during the taxable year shall be treated as a single-family residence which is owned by the applicable taxpayer as of the last day of such taxable year.

§ 500-b. Maximum permissible units. The maximum permissible units with respect to any applicable taxpayer for any taxable year shall be determined as follows:

In the case of:	The maximum permissible units for an applicable taxpayer is:
the first full taxable year beginning after the applicable date	ninety percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the second taxable year beginning after the applicable date	eighty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the third taxable year beginning after the applicable date	seventy percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the fourth taxable year beginning after the applicable date	sixty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the fifth taxable year beginning after the applicable date	fifty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the sixth taxable year beginning after the applicable date	forty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the seventh taxable year beginning after the applicable date	thirty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the eighth taxable year beginning after the applicable date	twenty percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
the ninth taxable year beginning after the applicable date	ten percent of the number of applicable single-family residences owned by the taxpayer on the applicable date
any taxable year beginning more than nine years after the applicable date	0

§ 500-c. Construction. 1. For purposes of this article, an applicable taxpayer shall be treated:

(a) as acquiring a single-family residence if the applicable taxpayer acquires a majority ownership interest in the single-family residence, regardless of the percentage of that ownership interest; and

(b) as owning a single-family residence if the applicable taxpayer owns a majority ownership interest in the single-family residence, regardless of the percentage of that ownership interest.

2. For purposes of this article, all persons or entities that are treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code shall be treated as a single person or entity.

§ 500-d. Reporting. 1. The commissioner shall require such reporting as the commissioner determines necessary or appropriate to carry out the purposes of this section, including reporting with respect to:

(a) the dates on which single-family residences owned by an applicable taxpayer were acquired by such taxpayer; and

(b) whether any person acquiring a single-family residence from an applicable taxpayer owns any other single-family residences at the time of the acquisition.

2. Any person who fails to report information required under subdivision one of this section or who fails to include correct information in such report shall pay a penalty of twenty thousand dollars; provided, however, that no such penalty shall be imposed with respect to any failure if it is shown that such failure is due to reasonable cause and not to willful neglect. The penalty under this subdivision shall be paid upon notice and demand by the commissioner.

§ 500-e. Tax form. Not later than one hundred eighty days after the effective date of this article, the commissioner, or the commissioner's delegate, shall publish a form to be used for calculating the amount of tax owed under this article.

§ 500-f. Certification. 1. The reporting required under paragraph (b) of subdivision one of section five hundred-d of this article, shall include a certification from each individual to whom a single-family residence is sold or transferred from an applicable taxpayer.

2. The certification required under this section shall be signed by the purchaser or transferee and state the following:

(a) the name and address of the purchaser or transferee;

(b) that the sale is not a disqualified sale; and

(c) that the purchaser or transferee will be subject to the penalty imposed under subdivision two of section five hundred-d of this article for any false certification.

§ 500-g. Use of tax revenues. All revenues from taxes collected under this article shall be deposited into the housing down payment trust fund established by section eighty-b of the state finance law and shall be used only for the purposes specified in such section.

§ 3. The state finance law is amended by adding a new section 80-b to read as follows:

§ 80-b. Housing down payment trust fund. 1. There is established in custody of the state comptroller a special fund to be known as "the housing down payment trust fund" (hereinafter in this section referred to as the 'trust fund').

2. The trust fund shall consist of moneys appropriated thereto, moneys transferred from any other fund or sources, and all excise tax, penalties and forfeitures collected pursuant to article twenty-E of the tax law. Nothing contained in this section shall prevent the state from receiving grants, gifts or bequests for the purposes of the trust fund as defined in this section and depositing them into the trust fund according to law.

3. The moneys in the trust fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the state comptroller. Such moneys shall be made available to the commissioner of the state division of housing and community renewal for the grants program for down payment assistance programs as provided in subdivision four of this section.

4. The commissioner of the state division of housing and community renewal shall establish a program under which said commissioner makes grants to state housing finance agencies to establish new or supplement

existing programs that provide down payment assistance to families purchasing homes within the state. A state housing finance agency that receives a grant under this section shall give priority to families seeking assistance to purchase any single-family residence that is sold or transferred by an applicable taxpayer as defined in article twenty-E of the tax law. The commissioner of the state division of housing and community renewal shall establish the application criteria and qualifications for the state housing finance agencies for the purposes of the trust fund as defined in this section. The commissioner of the state division of housing and community renewal may enter into contracts with such qualified state housing finance agencies which may thereafter be renewed, extended or succeeded by new contracts from year to year in the discretion of the commissioner of the state division of housing and community renewal.

5. The monies shall be payable from the trust fund on the audit and warrant of the comptroller on vouchers approved and certified by the commissioner of the state division of housing and community renewal.

6. No later than the fifteenth day of January of each year the commissioner of the state division of housing and community renewal shall report to the governor, the temporary president of the senate and the speaker of the assembly on activities undertaken by the commissioner of the state division of housing and community renewal and any grantee pursuant to this section in the preceding year. The report shall include, but not be limited to, the current amount of funds available as well as the amount of money granted to any state housing finance agencies for the purposes identified in this section.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on and after the effective date of this act.

PART UU

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 on the ninetieth day after it shall have become a law.

PART VV

Section 1. 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~~] 2031.

§ 2. This act shall take effect immediately.

PART WW

Section 1. The tax law is amended by adding a new section 50 to read as follows:

§ 50. Small business unemployment insurance credit. (a) A taxpayer that is a small business or the owner of a small business shall be eligible for a credit against the tax imposed under article nine-A, twenty-two or thirty-three of this chapter, pursuant to the provisions referenced in subdivision (d) of this section.

(b) For purposes of this section, a small business is a corporation (including a New York S corporation), a sole proprietorship, a limited liability company or a partnership with fifty or fewer employees.

(c) An eligible employee is an individual pursuant to article eighteen of the labor law who has been paid wages of at least twelve thousand eight hundred dollars in tax year two thousand twenty-five or thirteen thousand dollars in tax year two thousand twenty-six.

(d) For taxable years beginning on or after January first, two thousand twenty-five and before January first, two thousand twenty-seven, the amount of the credit allowed under this section shall be equal to two hundred fifteen dollars per eligible employee.

(e) Cross references: For application of the credit provided 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 (qqq).

(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. Small business unemployment insurance 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.

(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 such 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.

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

(qqq) Small business unemployment insurance credit. (1) 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.

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

§ 4. 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) Small business unemployment insurance credit under subsection (qqq)	Amount of credit for qualified businesses under subdivision sixty-one of section two hundred ten-B

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

(ff) Small business unemployment insurance 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.

(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 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.

§ 6. This act shall take effect immediately and shall apply only to taxable years beginning on or after January 1, 2025 and before January 1, 2027.

PART XX

Section 1. Short title. This act shall be known and may be cited as the "Stop Climate Polluter Handouts Act".

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

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

that the commissioner shall require such documentary proof to qualify for any credit or reimbursement provided hereunder as the commissioner deems appropriate.

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

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

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

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

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

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

~~(5)~~] **(2)** Liquefied petroleum gases, such as butane, ethane or propane**, used for purposes other than as motor fuel in the operation of a motor vehicle or for use in the operation of a pleasure or recreational motor boat or using or consuming liquefied petroleum gas for such purpose**.

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

[~~(7)~~] **(4)** (i) Partial B20 exemption. B20 imported or caused to be imported into this state or produced, refined, manufactured or compounded in this state by a petroleum business registered under article twelve-A of this chapter, as a distributor of diesel motor fuel, and then sold by such petroleum business.

(ii) Calculation of partial exemption. The amount of the partial exemption under this paragraph shall be determined by multiplying the quantity of B20 times twenty percent of the applicable taxes otherwise imposed by this article on such fuel.

[~~(8)~~] **(5)** CNG or hydrogen.

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

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

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

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

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

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

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

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

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

(b) Sales to [~~New York state and~~] the federal government. Motor fuel and diesel motor fuel purchased in this state and sold by such purchaser in this state to an organization described in paragraph [~~one or~~] two of subdivision (a) of section eleven hundred sixteen of this chapter where (i) such motor fuel or diesel motor fuel is for such organization's own use or consumption, (ii) the tax imposed pursuant to this article has

been paid with respect to such motor fuel or diesel motor fuel and the entire amount of such tax has been absorbed by such purchaser and, (iii) such purchaser possesses documentary proof satisfactory to the commissioner of taxation and finance evidencing the absorption by it of the entire amount of the tax imposed pursuant to this article. Provided, however, that the commissioner [~~of taxation and finance~~] shall require such documentary proof to qualify for any reimbursement of tax provided by this section as the commissioner deems appropriate, including the expansion of any certification required pursuant to section two hundred eighty-five-a or two hundred eighty-five-b of this chapter to cover the taxes imposed pursuant to this article.

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

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

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

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

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

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

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

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

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

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

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

vision as adjusted in accordance with paragraph [~~five~~] **four** of this subdivision which commences on such date minus one and three-quarters cents. The resulting rate under this paragraph shall be expressed in hundredths of a cent.

[~~(5)~~] **(4)** Except as herein provided, the tax imposed under this section shall be calculated in the same respective manner as the taxes imposed by section three hundred one-a and section three hundred one-e of this article. Except [~~for section three hundred one-d and except~~] as otherwise provided in this section, all the provisions of this article applicable to the taxes imposed by sections three hundred one-a and three hundred one-e of this article, shall apply with respect to the supplemental tax imposed by this section to the same extent as if it were respectively imposed by such sections.

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

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

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

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

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

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

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

(3) except in accordance with the provisions of section twenty-b of the general city law, a tax upon gross incomes, gross operating incomes

or gross receipts of persons subject to taxation under the provisions of section one hundred eighty-six-a or one hundred eighty-six-e of this chapter, but this clause shall not be deemed to restrict the power to tax persons not subject to taxation under such section of this chapter who are otherwise subject to taxation under subdivision (a) of section twelve hundred one **of this article**, nor the power to provide for credits against any tax imposed pursuant to such subdivision, nor to limit the rates of taxes authorized to be imposed by such subdivision [~~(a) of such section twelve hundred one~~], [~~or~~]

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

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

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

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

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

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

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

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

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

(j) The exemptions provided in this section shall not apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article nor to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to

receipts from sales and uses of motor fuel or diesel motor fuel, except that the exemptions provided in [~~paragraphs nine and~~] paragraph forty-two of subdivision (a) of this section shall apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article and to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to sales and uses of [~~kero-jet fuel,~~] CNG, hydrogen and E85, provided, however, the exemption allowed for E85 shall be subject to the additional requirements provided in section eleven hundred two of this article with respect to E85. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel but only if all of such fuel is consumed other than on the public highways of this state. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel for use or consumption either in the production for sale of tangible personal property by farming or in a commercial horse boarding operation, or in both but only if all of such fuel is consumed other than on the public highways of this state (except for the use of the public highways to reach adjacent farmlands or adjacent lands used in a commercial horse boarding operation, or both).

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

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

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

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

(w) Receipts from the sale of [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature and consideration given or contracted to be given for, or for the use of, [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature purchased for use or consumption directly and exclusively to provide [~~gas or~~] electric service of whatever nature consisting of operating [~~a gas pipeline or gas distribution line or~~] an electric transmission or distribution line [~~and ensuring the~~

~~necessary working pressure in an underground gas storage facility~~] shall be exempt from sales and compensating use taxes imposed by this article. Such exempt [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature shall include, but shall not be limited to, such [~~gas or~~] electricity or [~~gas or~~] electric service of whatever nature used or consumed directly and exclusively to (1) [~~ensure necessary working pressure in a gas pipeline used to transport, transmit or distribute gas, (2) operate compressors used to transport, transmit or distribute gas through such a gas pipeline or distribution line or used to ensure necessary working pressure in such a storage facility, (3) operate heaters to prevent gas in such a pipeline or distribution line from freezing, (4) operate equipment which removes impurities and moisture from gas in such a pipeline or distribution line, (5)~~] operate substations and equipment related to electric transmission and distribution lines such as transformers, capacitors, meters, switches, communication devices and heating and cooling equipment, and [~~(6)~~] **(2)** ensure the reliability of electricity or electric service transmitted or distributed through such lines, for example, by operating reserve capacity machinery and equipment.

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

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

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

(1) Residual petroleum product and non-highway diesel motor fuel sold to an electric corporation, [~~as described in subdivision (a) of section three hundred one-d of this article,~~] **as defined in subdivision thirteen**

of section two of the public service law, subject to the supervision of the department of public service, which is registered with the department as a petroleum business tax direct pay permittee, and used by such electric corporation to fuel generators for the purpose of manufacturing or producing electricity where such electric corporation provides a copy of a direct pay permit authorized and issued by the commissioner, to the petroleum business making such sale. If so registered, such corporation shall be a taxpayer under this article and (i) such electric corporation shall file a return monthly and pay the applicable tax under this article, after the application of allowable credits, on all such purchases directly to the commissioner, (ii) such electric corporation shall be subject to all of the provisions of this article relating to the responsibilities and liabilities of taxpayers under this article with respect to such residual petroleum product and non-highway diesel motor fuel.

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

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

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

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

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

PART YY

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

8. Notwithstanding section thirteen hundred fifty-one of this article, mobile sports wagering gross gaming revenue and tax revenue shall be excluded from sports wagering gross gaming revenue and tax revenue. Mobile sports wagering tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid except as otherwise provided in this subdivision. Any interest and penalties imposed by the commission relating to those taxes, all penalties levied and collected by the commission, and the appropriate funds, cash or prizes forfeited from sports wagering shall be deposited into the state lottery fund for education. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay into the commercial gaming fund one percent of the state tax imposed on mobile sports wagering by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law;

provided however, that such amount shall be equal to **two percent of mobile sports tax revenue and no less than** six million dollars for each fiscal year thereafter. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay one percent of the state tax imposed on mobile sports wagering by this section to the general fund, a program to be administered by the office of children and family services for a statewide youth sports activities and education grant program for the purpose of providing annual awards to sports programs for underserved youth under the age of eighteen years; provided however, that such amount shall be equal to five million dollars for each fiscal year thereafter. The commission shall require at least monthly deposits by a platform provider of any payments pursuant to subdivision seven of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

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

PART ZZ

Section 1. Subparagraph (i) of paragraph (b) of subdivision 1 of section 210-B of the tax law, as amended by section 2 of part P of chapter 59 of the laws of 2017, is amended to read as follows:

(i) A credit shall be allowed under this subdivision with respect to tangible personal property and other tangible property, including buildings and structural components of buildings, which are: depreciable pursuant to section one hundred sixty-seven of the internal revenue code, have a useful life of four years or more, are acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code, have a situs in this state and are (A) principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (B) industrial waste treatment facilities or air pollution control facilities, used in the taxpayer's trade or business, (C) research and development property, or (D) principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of stocks, bonds or other securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or of commodities as defined in section four hundred seventy-five (e) of the Internal Revenue Code, (E) principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan origination services to customers in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, (F) principally used in the ordinary course of the taxpay-

er's business as an exchange registered as a national securities exchange within the meaning of sections 3(a)(1) and 6(a) of the Securities Exchange Act of 1934 or a board of trade as defined in subparagraph one of paragraph (a) of section fourteen hundred ten of the not-for-profit corporation law or as an entity that is wholly owned by one or more such national securities exchanges or boards of trade and that provides automation or technical services thereto, or (G) principally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated as such pursuant to article eighteen-B of the general municipal law, where the taxpayer is providing three or more services to any qualified film production company using the facility, including such services as a studio lighting grid, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning. For purposes of clauses (D), (E) and (F) of this subparagraph, property purchased by a taxpayer affiliated with a regulated broker, dealer, registered investment advisor, national securities exchange or board of trade, is allowed a credit under this subdivision if the property is used by its affiliated regulated broker, dealer, registered investment advisor, national securities exchange or board of trade in accordance with this subdivision. For purposes of determining if the property is principally used in qualifying uses, the uses by the taxpayer described in clauses (D) and (E) of this subparagraph may be aggregated. In addition, the uses by the taxpayer, its affiliated regulated broker, dealer and registered investment advisor under either or both of those clauses may be aggregated. Provided, however, a taxpayer shall not be allowed the credit provided by clauses (D), (E) and (F) of this subparagraph unless the property is first placed in service before October first, two thousand fifteen and (i) eighty percent or more of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such equipment are located in this state or (ii) the average number of employees that perform the administrative and support functions resulting from or related to the qualifying uses of such equipment and are located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety-five percent of the average number of employees that perform these functions and are located in this state during the thirty-six months immediately preceding the year for which the credit is claimed, or (iii) the number of employees located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety percent of the number of employees located in this state on December thirty-first, nineteen hundred ninety-eight or, if the taxpayer was not a calendar year taxpayer in nineteen hundred ninety-eight, the last day of its first taxable year ending after December thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes subject to tax in this state after the taxable year beginning in nineteen hundred ninety-eight, then the taxpayer is not required to satisfy the employment test provided in the preceding sentence of this subparagraph for its first taxable year. For purposes of clause (iii) of this subparagraph the employment test will be based on the number of employees located in this state on the last day of the first taxable year the taxpayer is subject to tax in this state. If the uses of the property must be aggregated to determine whether the property is principally used in qualifying uses, then either each affiliate using the property must satisfy this employment test or this employment test must be satisfied

through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the property. For purposes of clause (A) of this subparagraph, tangible personal property and other tangible property shall not include property principally used by the taxpayer in the production or distribution of electricity, natural gas after extraction from wells, steam, or water delivered through pipes and mains. **For purposes of the credit allowed by clause (A) of this subparagraph, for a taxpayer that is an eligible farmer as provided in paragraph (a-1) of this subdivision, the eligible cost of goods shall include the cost of standard construction materials and labor used in the construction of residential housing occupied by farm workers employed by the taxpayer to provide labor in the production of the qualifying product produced by the taxpayer, provided such costs satisfy the other requirements of this subparagraph.**

§ 2. Subparagraph (A) of paragraph 2 of subsection (a) of section 606 of the tax law, as amended by section 3 of part P of chapter 59 of the laws of 2017, is amended to read as follows:

(A) A credit shall be allowed under this subsection with respect to tangible personal property and other tangible property, including buildings and structural components of buildings, which are: depreciable pursuant to section one hundred sixty-seven of the internal revenue code, have a useful life of four years or more, are acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code, have a situs in this state and are (i) principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (ii) industrial waste treatment facilities or air pollution control facilities, used in the taxpayer's trade or business, (iii) research and development property, (iv) principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of stocks, bonds or other securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or of commodities as defined in section 475(e) of the Internal Revenue Code, (v) principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan origination services to customers in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or (vi) principally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated as such pursuant to article eighteen-B of the general municipal law, where the taxpayer is providing three or more services to any qualified film production company using the facility, including such services as a studio lighting grid, lighting and grip equipment, multiline phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning. For purposes of clauses (iv) and (v) of this subparagraph, property purchased by a taxpayer affiliated with a regulated broker, dealer, or registered investment adviser is allowed a credit under this subsection if the property is used by its

affiliated regulated broker, dealer or registered investment adviser in accordance with this subsection. For purposes of determining if the property is principally used in qualifying uses, the uses by the taxpayer described in clauses (iv) and (v) of this subparagraph may be aggregated. In addition, the uses by the taxpayer, its affiliated regulated broker, dealer and registered investment adviser under either or both of those clauses may be aggregated. Provided, however, a taxpayer shall not be allowed the credit provided by clauses (iv) and (v) of this subparagraph unless (I) eighty percent or more of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such equipment are located in this state, or (II) the average number of employees that perform the administrative and support functions resulting from or related to the qualifying uses of such equipment and are located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety-five percent of the average number of employees that perform these functions and are located in this state during the thirty-six months immediately preceding the year for which the credit is claimed, or (III) the number of employees located in this state during the taxable year for which the credit is claimed is equal to or greater than ninety percent of the number of employees located in this state on December thirty-first, nineteen hundred ninety-eight or, if the taxpayer was not a calendar year taxpayer in nineteen hundred ninety-eight, the last day of its first taxable year ending after December thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes subject to tax in this state after the taxable year beginning in nineteen hundred ninety-eight, then the taxpayer is not required to satisfy the employment test provided in the preceding sentence of this subparagraph for its first taxable year. For the purposes of clause (III) of this subparagraph the employment test will be based on the number of employees located in this state on the last day of the first taxable year the taxpayer is subject to tax in this state. If the uses of the property must be aggregated to determine whether the property is principally used in qualifying uses, then either each affiliate using the property must satisfy this employment test or this employment test must be satisfied through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the property. For purposes of clause (i) of this subparagraph, tangible personal property and other tangible property shall not include property principally used by the taxpayer in the production or distribution of electricity, natural gas after extraction from wells, steam, or water delivered through pipes and mains. **For purposes of the credit allowed by clause (i) of this subparagraph, for a taxpayer that is an eligible farmer as provided in paragraph one-a of this subsection, the eligible cost of goods shall include the cost of standard construction materials and labor used in the construction of residential housing occupied by farm workers employed by the taxpayer to provide labor in the production of the qualifying product produced by the taxpayer, provided such costs satisfy the other requirements of this subparagraph.**

§ 3. This act shall take effect on the first of January next succeeding the date upon which it shall have become a law and shall apply to tax years commencing on and after such effective date. 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.

PART AAA

Section 1. Subdivision a of section 1613 of the tax law, as amended by chapter 426 of the laws of 2006, is amended to read as follows:

a. It shall be the duty of the director to require that all prizes over five thousand dollars in any game be awarded to holders of winning tickets for that game as provided in this section and section sixteen hundred fourteen of this article. Within one week after any drawing or selection of prize winning lottery tickets, the division shall deliver to the comptroller a certified list of the tickets to which prizes are awarded and the amount of each such prize. Upon receipt of such certified list and voucher of the division, moneys sufficient for the payment of such prizes shall be paid to the division from the lottery prize account, upon audit and warrant of the comptroller. Moneys for the payment of lottery prizes shall be deposited by the director as provided in section sixteen hundred eleven of this article and the withdrawal of such moneys for the payment of prize winners shall be subject to a check signed by the director or such officers or employees of the division as the director may designate. The division shall each month provide the comptroller with a record of all such withdrawals from the director's accounts. Payment of prizes shall be made by the division to holders of the tickets to which prizes are awarded, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, may be paid pursuant to a court order granted as a result of a proceeding as provided in subdivision d of this section, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. **The division shall not publicly disclose the name, address or other identifying information of any holder of a winning ticket or require any winning ticket holder to perform any public actions in connection with the awarding, payment or collection of prize moneys unless a holder of a winning ticket gives consent to the division to do so.** The division shall be discharged of all further liability upon payment of a prize pursuant to this subdivision.

§ 2. This act shall take effect immediately.

PART BBB

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

(x) "Sports wagering" means wagering on sporting events or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, [~~or~~] combination of sporting events, **or annual awards or honors for an individual athlete or team performance during or throughout a season,** by any system or method of wagering, including, but not limited to, in-person communication and electronic communication through internet websites accessed via a mobile device or computer, and mobile device applications; provided however that sports wagers shall include, but are not limited to, single-game bets, teaser bets, parlays, over-under bets, money line, pools, in-game wagering, in-play bets, **in-game and season-long** proposition bets, and straight bets; **provided however, that such in-game and season-long proposition bets shall be limited to those wagers that the commission determines not to be at risk of undue interference, insider trading of information, or other issues that could compromise the integrity and fairness of the**

sports wagering program; and provided further, that coin toss bets that affect the gameplay of an event shall be permitted at all sporting events unless prohibited by the commission for reasons related to the integrity and fairness of the sports wagering program;

§ 2. This act shall take effect immediately.

PART CCC

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

(48) The amount of expenses not in excess of one thousand dollars actually incurred and paid by an eligible educator for school supplies. For the purposes of this paragraph, the following terms have the following meanings:

(i) "eligible educator" means a kindergarten through grade twelve teacher, instructor, counselor, principal or aide who worked in a school for at least nine hundred hours during the school year, that is employed by a school district;

(ii) "school district" means a school district, public school, board of cooperative educational services, special act school district as defined in section four thousand one of the education law, approved private residential or non-residential school for the education of students with disabilities including private schools established under chapter eight hundred fifty-three of the laws of nineteen hundred seventy-six, and a state-supported school in accordance with article eighty-five of the education law; and

(iii) "school supplies" shall include but not be limited to pens, pencils, markers, paper, cleaning supplies, educational decorations, sensory play items, fidget items, stem exploration, food and snacks, clothing, toiletries, and other essential items used to prepare and assist students to learn at school.

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

§ 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 CCC of this act shall be as specifically set forth in the last section of such Parts.