

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.

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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 000 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:

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

12

PART A

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

15 (qqq) Senior inflation refund credit. (1) A taxpayer who meets the
16 eligibility standards in paragraph two of this subsection shall be
17 allowed a credit against the taxes imposed by this article in the amount
18 specified in paragraph three of this subsection for tax years two thou-
19 sand twenty-five, twenty-six, and twenty-seven.

20 (2) (A) To be eligible for the credit for tax year two thousand twen-
21 ty-five, the taxpayer (or taxpayers filing joint returns) (a) must have
22 been a full-year resident in the state of New York in tax year two thou-
23 sand twenty-three, (b) must have been sixty-three years old or older at
24 the time of filing in two thousand twenty-three, or if married filing
25 jointly, one of the spouses must have been sixty-three years old or
26 older at the time of filing, and (c) (i) must have had New York adjusted
27 gross income of three hundred thousand dollars or less in tax year two
28 thousand twenty-three if they filed a New York state resident income tax
29 return as married taxpayers filing jointly or a qualified surviving
30 spouse, or (ii) must have had New York adjusted gross income of one
31 hundred fifty thousand dollars or less in tax year two thousand twenty-
32 three if they filed a New York state resident income tax return as a
33 single taxpayer, married taxpayer filing a separate return, or head of
34 household.

35 (B) To be eligible for the credit for tax year two thousand twenty-
36 six, the taxpayer (or taxpayers filing joint returns) (a) must have been
37 a full-year resident in the state of New York in tax year two thousand
38 twenty-four, (b) must have been sixty-three years old or older at the
39 time of filing in two thousand twenty-four, or if married filing joint-
40 ly, one of the spouses must have been sixty-three years old or older at
41 the time of filing, and (c) (i) must have had New York adjusted gross
42 income of three hundred thousand dollars or less in tax year two thou-
43 sand twenty-four if they filed a New York state resident income tax
44 return as married taxpayers filing jointly or a qualified surviving
45 spouse, or (ii) must have had New York adjusted gross income of one

1 hundred fifty thousand dollars or less in tax year two thousand twenty-
2 four if they filed a New York state resident income tax return as a
3 single taxpayer, married taxpayer filing a separate return, or head of
4 household.

5 (C) To be eligible for the credit in tax year two thousand twenty-sev-
6 en, the taxpayer (or taxpayers filing joint returns) (a) must have been
7 a full-year resident in the state of New York in tax year two thousand
8 twenty-five, (b) must have been sixty-three years old or older at the
9 time of filing in two thousand twenty-five, or if married filing joint-
10 ly, one of the spouses must have been sixty-three years old or older at
11 the time of filing, and (c) (i) must have had New York adjusted gross
12 income of three hundred thousand dollars or less in tax year two thou-
13 sand twenty-five if they filed a New York state resident income tax
14 return as married taxpayers filing jointly or a qualified surviving
15 spouse, or (ii) must have had New York adjusted gross income of one
16 hundred fifty thousand dollars or less in tax year two thousand twenty-
17 five if they filed a New York state resident income tax return as a
18 single taxpayer, married taxpayer filing a separate return, or head of
19 household.

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

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

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

46 § 3. This act shall take effect immediately.

47 PART B

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

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

1	If the New York taxable income is:	The tax is:
2	Not over \$17,150	4% of the New York taxable income
3	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
4		\$17,150
5	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
6		\$23,600
7	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
8		\$27,900
9	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
10		\$161,550
11	Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
12	\$2,155,350	\$323,200
13	Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
14	\$5,000,000	\$2,155,350
15	Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
16	\$25,000,000	\$5,000,000
17	Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
18		\$25,000,000

19 (vii) For taxable years beginning after two thousand [~~twenty-seven~~
20 twenty-four and before two thousand twenty-six the following rates shall
21 apply:

22	If the New York taxable income is:	The tax is:
23	Not over \$17,150	4% of the New York taxable income
24	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
25		\$17,150
26	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
27		\$23,600
28	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
29		\$27,900
30	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
31		over \$161,550
32	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
33	\$2,155,350	over \$323,200
34	Over \$2,155,350	\$143,754 plus 8.82% of excess
35		over \$2,155,350]

36	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
37	<u>Not over \$17,150</u>	<u>3.90% of the New York taxable</u>
38		<u>income</u>
39	<u>Over \$17,150 but not over \$23,600</u>	<u>\$669 plus 4.40% of excess over</u>
40		<u>\$17,150</u>
41	<u>Over \$23,600 but not over \$27,900</u>	<u>\$953 plus 5.15% of excess over</u>
42		<u>\$23,600</u>
43	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,174 plus 5.40% of excess over</u>
44		<u>\$27,900</u>
45	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,391 plus 5.90% of excess over</u>
46		<u>\$161,550</u>
47	<u>Over \$323,200 but not over</u>	<u>\$17,928 plus 6.85% of excess</u>
48	<u>\$2,155,350</u>	<u>over \$323,200</u>
49	<u>Over \$2,155,350 but not over</u>	<u>\$143,430 plus 9.65% of excess</u>
50	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
51	<u>Over \$5,000,000 but not over</u>	<u>\$417,939 plus 10.80% of excess</u>
52	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
53	<u>Over \$25,000,000</u>	<u>\$2,577,939 plus 11.40% of excess</u>
54		<u>over \$25,000,000</u>

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

4 (viii) For taxable years beginning after two thousand twenty-five and
 5 before two thousand thirty-three the following rates shall apply:

6 <u>If the New York taxable income is:</u>	7 <u>The tax is:</u>
8 <u>Not over \$17,150</u>	8 <u>3.80% of the New York taxable</u> 9 <u>income</u>
10 <u>Over \$17,150 but not over \$23,600</u>	10 <u>\$652 plus 4.30% of excess over</u> 11 <u>\$17,150</u>
12 <u>Over \$23,600 but not over \$27,900</u>	12 <u>\$929 plus 5.05% of excess over</u> 13 <u>\$23,600</u>
14 <u>Over \$27,900 but not over \$161,550</u>	14 <u>\$1,146 plus 5.30% of excess over</u> 15 <u>\$27,900</u>
16 <u>Over \$161,550 but not over \$323,200</u>	16 <u>\$8,229 plus 5.80% of excess</u> 17 <u>over \$161,550</u>
18 <u>Over \$323,200 but not over</u> 19 <u>\$2,155,350</u>	18 <u>\$17,605 plus 6.85% of excess</u> 19 <u>over \$323,200</u>
20 <u>Over \$2,155,350 but not over</u> 21 <u>\$5,000,000</u>	20 <u>\$143,107 plus 9.65% of excess</u> 21 <u>over \$2,155,350</u>
22 <u>Over \$5,000,000 but not over</u> 23 <u>\$25,000,000</u>	22 <u>\$417,616 plus 10.80% of excess</u> 23 <u>over \$5,000,000</u>
24 <u>Over \$25,000,000</u>	24 <u>\$2,577,616 plus 11.40% of excess</u> 25 <u>over \$25,000,000</u>

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

27 <u>If the New York taxable income is:</u>	28 <u>The tax is:</u>
29 <u>Not over \$17,150</u>	29 <u>3.80% of the New York taxable</u> 30 <u>income</u>
31 <u>Over \$17,150 but not over \$23,600</u>	31 <u>\$652 plus 4.30% of excess over</u> 32 <u>\$17,150</u>
33 <u>Over \$23,600 but not over \$27,900</u>	33 <u>\$929 plus 5.05% of excess over</u> 34 <u>\$23,600</u>
35 <u>Over \$27,900 but not over \$161,550</u>	35 <u>\$1,146 plus 5.30% of excess over</u> 36 <u>\$27,900</u>
37 <u>Over \$161,550 but not over \$323,200</u>	37 <u>\$8,229 plus 5.80% of excess</u> 38 <u>over \$161,550</u>
39 <u>Over \$323,200 but not over</u> 40 <u>\$2,155,350</u>	39 <u>\$17,605 plus 6.85% of excess</u> 40 <u>over \$323,200</u>
41 <u>Over \$2,155,350</u>	41 <u>\$143,107 plus 8.82% of excess</u> 42 <u>over \$2,155,350</u>

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

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

49 If the New York taxable income is:	50 The tax is:
51 Not over \$12,800	51 4% of the New York taxable income
52 Over \$12,800 but not over \$17,650	52 \$512 plus 4.5% of excess over 53 \$12,800
54 Over \$17,650 but not over \$20,900	54 \$730 plus 5.25% of excess over

1		\$17,650
2	Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over
3		\$20,900
4	Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over
5		\$107,650
6	Over \$269,300 but not over	\$15,371 plus 6.85% of excess over
7	\$1,616,450	\$269,300
8	Over \$1,616,450 but not over	\$107,651 plus 9.65% of excess over
9	\$5,000,000	\$1,616,450
10	Over \$5,000,000 but not over	\$434,163 plus 10.30% of excess over
11	\$25,000,000	\$5,000,000
12	Over \$25,000,000	\$2,494,163 plus 10.90% of excess over
13		\$25,000,000

14 (vii) For taxable years beginning after two thousand [~~twenty-seven~~
 15 twenty-four and before two thousand twenty-six the following rates shall
 16 apply:

17	[If the New York taxable income is: The tax is:	
18	Not over \$12,800	4% of the New York taxable income
19	Over \$12,800 but not over	\$512 plus 4.5% of excess over
20	\$17,650	\$12,800
21	Over \$17,650 but not over	\$730 plus 5.25% of excess over
22	\$20,900	\$17,650
23	Over \$20,900 but not over	\$901 plus 5.5% of excess over
24	\$107,650	\$20,900
25	Over \$107,650 but not over	\$5,672 plus 6.00% of excess
26	\$269,300	over \$107,650
27	Over \$269,300 but not over	\$15,371 plus 6.85% of excess
28	\$1,616,450	over \$269,300
29	Over \$1,616,450	\$107,651 plus 8.82% of excess
30		over \$1,616,450]

31	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
32	<u>Not over \$12,800</u>	<u>3.90% of the New York taxable</u>
33		<u>income</u>
34	<u>Over \$12,800 but not over</u>	<u>\$499 plus 4.40% of excess over</u>
35	<u>\$17,650</u>	<u>\$12,800</u>
36	<u>Over \$17,650 but not over</u>	<u>\$712 plus 5.15% of excess over</u>
37	<u>\$20,900</u>	<u>\$17,650</u>
38	<u>Over \$20,900 but not over</u>	<u>\$879 plus 5.40% of excess over</u>
39	<u>\$107,650</u>	<u>\$20,900</u>
40	<u>Over \$107,650 but not over</u>	<u>\$5,564 plus 5.90% of excess</u>
41	<u>\$269,300</u>	<u>over \$107,650</u>
42	<u>Over \$269,300 but not over</u>	<u>\$15,101 plus 6.85% of excess</u>
43	<u>\$1,616,450</u>	<u>over \$269,300</u>
44	<u>Over \$1,616,450 but not over</u>	<u>\$107,381 plus 9.65% of excess</u>
45	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
46	<u>Over \$5,000,000 but not over</u>	<u>\$433,894 plus 10.80% of excess</u>
47	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
48	<u>Over \$25,000,000</u>	<u>\$2,593,894 plus 11.40% of excess</u>
49		<u>over \$25,000,000</u>

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

(viii) For taxable years beginning after two thousand twenty-five and before two thousand thirty-three the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$12,800</u>	<u>3.80% of the New York taxable income</u>
<u>Over \$12,800 but not over \$17,650</u>	<u>\$486 plus 4.30% of excess over \$12,800</u>
<u>Over \$17,650 but not over \$20,900</u>	<u>\$695 plus 5.05% of excess over \$17,650</u>
<u>Over \$20,900 but not over \$107,650</u>	<u>\$859 plus 5.30% of excess over \$20,900</u>
<u>Over \$107,650 but not over \$269,300</u>	<u>\$5,457 plus 5.80% of excess over \$107,650</u>
<u>Over \$269,300 but not over \$1,616,450</u>	<u>\$14,833 plus 6.85% of excess over \$269,300</u>
<u>Over \$1,616,450 but not over \$5,000,000</u>	<u>\$107,113 plus 9.65% of excess over \$1,616,450</u>
<u>Over \$5,000,000 but not over \$25,000,000</u>	<u>\$433,626 plus 10.80% of excess over \$5,000,000</u>
<u>Over \$25,000,000</u>	<u>\$2,593,626 plus 11.40% of excess over \$25,000,000</u>

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

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$12,800</u>	<u>3.80% of the New York taxable income</u>
<u>Over \$12,800 but not over \$17,650</u>	<u>\$486 plus 4.30% of excess over \$12,800</u>
<u>Over \$17,650 but not over \$20,900</u>	<u>\$695 plus 5.05% of excess over \$17,650</u>
<u>Over \$20,900 but not over \$107,650</u>	<u>\$859 plus 5.30% of excess over \$20,900</u>
<u>Over \$107,650 but not over \$269,300</u>	<u>\$5,457 plus 5.80% of excess over \$107,650</u>
<u>Over \$269,300 but not over \$1,616,450</u>	<u>\$14,833 plus 6.85% of excess over \$269,300</u>
<u>Over \$1,616,450</u>	<u>\$107,113 plus 8.82% of excess over \$1,616,450</u>

§ 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

1		\$80,650
2	Over \$215,400 but not over	\$12,356 plus 6.85% of excess over
3	\$1,077,550	\$215,400
4	Over \$1,077,550 but not over	\$71,413 plus 9.65% of excess over
5	\$5,000,000	\$1,077,550
6	Over \$5,000,000 but not over	\$449,929 plus 10.30% of excess over
7	\$25,000,000	\$5,000,000
8	Over \$25,000,000	\$2,509,929 plus 10.90% of excess over
9		\$25,000,000

10 (vii) For taxable years beginning after two thousand [~~twenty-seven~~
 11 ~~twenty-four and before two thousand twenty-six~~ the following rates shall
 12 apply:

13	If the New York taxable income is:	The tax is:
14	Not over \$8,500	4% of the New York taxable income
15	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
16		\$8,500
17	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
18		\$11,700
19	Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
20		\$13,900
21	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess
22		over \$80,650
23	Over \$215,400 but not over	\$12,356 plus 6.85% of excess
24	\$1,077,550	over \$215,400
25	Over \$1,077,550	\$71,413 plus 8.82% of excess
26		over \$1,077,550]
27	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
28	<u>Not over \$8,500</u>	<u>3.90% of the New York taxable income</u>
29	<u>Over \$8,500 but not over \$11,700</u>	<u>\$332 plus 4.40% of excess over</u>
30		<u>\$8,500</u>
31	<u>Over \$11,700 but not over \$13,900</u>	<u>\$473 plus 5.15% of excess over</u>
32		<u>\$11,700</u>
33	<u>Over \$13,900 but not over \$80,650</u>	<u>\$586 plus 5.40% of excess over</u>
34		<u>\$13,900</u>
35	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,191 plus 5.90% of excess</u>
36		<u>over \$80,650</u>
37	<u>Over \$215,400 but not over</u>	<u>\$12,141 plus 6.85% of excess</u>
38	<u>\$1,077,550</u>	<u>over \$215,400</u>
39	<u>Over \$1,077,550 but not over</u>	<u>\$71,198 plus 9.65% of excess</u>
40	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
41	<u>Over \$5,000,000 but not over</u>	<u>\$449,714 plus 10.80% of excess</u>
42	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
43	<u>Over \$25,000,000</u>	<u>\$2,609,714 plus 11.40% of excess</u>
44		<u>over \$25,000,000</u>

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

48	<u>(viii) For taxable years beginning after two thousand twenty-five and</u>	
49	<u>before two thousand thirty-three the following rates shall apply:</u>	
50	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
51	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
52	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
53		<u>\$8,500</u>
54	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>

1		<u>\$11,700</u>
2	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
3		<u>\$13,900</u>
4	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
5		<u>over \$80,650</u>
6	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
7	<u>\$1,077,550</u>	<u>over \$215,400</u>
8	<u>Over \$1,077,550 but not over</u>	<u>\$70,983 plus 9.65% of excess</u>
9	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
10	<u>Over \$5,000,000 but not over</u>	<u>\$449,499 plus 10.80% of excess</u>
11	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
12	<u>Over \$25,000,000</u>	<u>\$2,609,499 plus 11.40% of excess</u>
13		<u>over \$25,000,000</u>
14	<u>(ix) For taxable years beginning after two thousand thirty-two the</u>	
15	<u>following rates shall apply:</u>	
16	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
17	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
18	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
19		<u>\$8,500</u>
20	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
21		<u>\$11,700</u>
22	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
23		<u>\$13,900</u>
24	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
25		<u>over \$80,650</u>
26	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
27	<u>\$1,077,550</u>	<u>over \$215,400</u>
28	<u>Over \$1,077,550</u>	<u>\$70,983 plus 8.82% of excess</u>
29		<u>over \$1,077,550</u>

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

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

42 § 8. Section 601 of the tax law is amended by adding three new
 43 subsections (d-5), (d-6) and (d-7) to read as follows:

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

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

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

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

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

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

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

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

22 (iv) the supplemental tax due shall equal the sum of the recapture
 23 base and the product of (i) the incremental benefit and (ii) the phase-
 24 in fraction. Provided, however, that if the New York taxable income of
 25 the taxpayer is less than twenty-seven thousand nine hundred dollars,
 26 the supplemental tax shall equal the difference between the product of
 27 5.40 percent and New York taxable income and the tax table computation
 28 on the New York taxable income set forth in paragraph one of subsection
 29 (a) of this section, multiplied by a fraction, the numerator of which is
 30 the lesser of fifty thousand dollars or New York adjusted gross income
 31 minus one hundred seven thousand six hundred fifty dollars, and the
 32 denominator of which is fifty thousand dollars.

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

38 (2) For resident heads of households:

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

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

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

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.90 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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.80 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:

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

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

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

1 minus \$215,400
 2 \$1,077,550 \$5,000,000 New York adjusted gross income
 3 minus \$1,077,550
 4 \$5,000,000 \$25,000,000 New York adjusted gross income
 5 minus \$5,000,000

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

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

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

25 (d-7) Alternative tax table benefit recapture. Notwithstanding the
 26 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6)
 27 of this section, for taxable years beginning on or after two thousand
 28 thirty-three, there is hereby imposed a supplemental tax in addition to
 29 the tax imposed under subsections (a), (b) and (c) of this section for
 30 the purpose of recapturing the benefit of the tax tables contained in
 31 such subsections. During these taxable years, any reference in this
 32 chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6) of
 33 this section shall be read as a reference to this subsection.

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

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

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

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

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

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

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

54 (iv) the supplemental tax due shall equal the sum of the recapture
 55 base and the product of (i) the incremental benefit and (ii) the phase-
 56 in fraction. Provided, however, that if the New York taxable income of

1 the taxpayer is less than twenty-seven thousand nine hundred dollars,
 2 the supplemental tax shall equal the difference between the product of
 3 5.30 percent and New York taxable income and the tax table computation
 4 on the New York taxable income set forth in paragraph one of subsection
 5 (a) of this section, multiplied by a fraction, the numerator of which is
 6 the lesser of fifty thousand dollars or New York adjusted gross income
 7 minus one hundred seven thousand six hundred fifty dollars, and the
 8 denominator of which is fifty thousand dollars.

9 (2) For resident heads of households:

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$787</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,827</u>
<u>\$1,616,450</u>		<u>\$3,614</u>	<u>\$31,844</u>

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

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
<u>\$107,650</u>	<u>\$269,300</u>	<u>New York adjusted gross income minus \$107,650</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>New York adjusted gross income minus \$269,300</u>
<u>\$1,616,450</u>		<u>New York adjusted gross income minus \$1,616,450</u>

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

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$2,261</u>
<u>\$1,077,550</u>		<u>\$2,829</u>	<u>\$21,228</u>

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

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

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

55 (iv) the supplemental tax due shall equal the sum of the recapture
 56 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

1 office of temporary and disability assistance shall certify the date of
2 such event to the commissioner of taxation and finance, the director of
3 the division of the budget, the speaker of the assembly and the tempo-
4 rary president of the senate.

5 (9) Commencing in the taxable year two thousand twenty-five, the
6 earned income credit for taxpayers with qualifying children through age
7 seventeen, as defined in paragraph one of subsection (c-2) of this
8 section, shall be reduced over the course of four years as follows:

9 (A) In taxable year two thousand twenty-five, the applicable percent-
10 age of the earned income credit allowed under section thirty-two of the
11 internal revenue code for the same taxable year, as described in para-
12 graph one of this subsection, shall be reduced to twenty-five;

13 (B) In taxable year two thousand twenty-six, the applicable percentage
14 of the earned income credit allowed under section thirty-two of the
15 internal revenue code for the same taxable year, as described in para-
16 graph one of this subsection, shall be reduced to twenty;

17 (C) In taxable year two thousand twenty-seven, the applicable percent-
18 age of the earned income credit allowed under section thirty-two of the
19 internal revenue code for the same taxable year, as described in para-
20 graph one of this subsection, shall be reduced to fifteen;

21 (D) In taxable year two thousand twenty-eight, the applicable percent-
22 age of the earned income credit allowed under section thirty-two of the
23 internal revenue code for the same taxable year, as described in para-
24 graph one of this subsection, shall be reduced to ten.

25 (E) In taxable year two thousand twenty-nine, the applicable percent-
26 age of the earned income tax credit allowed under section thirty-two of
27 the internal revenue code for the same taxable year, as described in
28 paragraph one of this subsection, shall be reduced to zero.

29 Taxpayers with both qualifying children through age seventeen as
30 defined in paragraph one of subsection (c-2) of this section and another
31 qualifying child, as defined in 26 USC §152(c), and/or a qualifying
32 relative, as defined in 26 USC §152(d), shall not be subject to the
33 reduction of the earned income tax credit provided in subparagraphs (A)
34 through (D) of this paragraph and shall continue to receive the full
35 applicable percentage of the earned income credit allowed under section
36 thirty-two of the internal revenue code for the same taxable year, as
37 described in paragraph one of this subsection, until the fifth taxable
38 year succeeding the effective date of subsection (c-2) of this section
39 and each taxable year thereafter, at which point such taxpayer shall
40 receive such full applicable percentage only for a qualifying child, as
41 defined in 26 USC §152(c), and/or qualifying relative, as defined in 26
42 USC §152(d), who does not meet the definition of qualifying child
43 through age seventeen in paragraph one of subsection (c-2) of this
44 section.

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

48 (1) [A] For taxable years prior to the first of January, two thousand
49 twenty-five, a resident taxpayer shall be allowed a credit as provided
50 herein equal to the greater of one hundred dollars times the number of
51 qualifying children of the taxpayer or the applicable percentage of the
52 child tax credit allowed the taxpayer under section twenty-four of the
53 internal revenue code for the same taxable year for each qualifying
54 child. Provided, however, in the case of a taxpayer whose federal
55 adjusted gross income exceeds the applicable threshold amount set forth
56 by section 24(b)(2) of the Internal Revenue Code, the credit shall only

1 be equal to the applicable percentage of the child tax credit allowed
2 the taxpayer under section 24 of the Internal Revenue Code for each
3 qualifying child. For the purposes of this subsection, a qualifying
4 child shall be a child who meets the definition of qualified child under
5 section 24(c) of the internal revenue code. The applicable percentage
6 shall be thirty-three percent. For purposes of this subsection, any
7 reference to section 24 of the Internal Revenue Code shall be a refer-
8 ence to such section as it existed immediately prior to the enactment of
9 Public Law 115-97.

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

12 (c-2) New York state working families tax credit. (1) Definitions.

13 (A) "Adjusted for all inflation since two thousand twenty-three" shall
14 mean the commissioner increases the dollar amount of a credit or
15 adjusted gross income, as applicable, by an amount equal to the sum of
16 all cost-of-living adjustments calculated and published by the internal
17 revenue service pursuant to 26 USC §1(f)(3) since calendar year two
18 thousand twenty-three.

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

21 (C) "Qualifying child through age seventeen" or "qualifying children
22 through age 17" shall mean as defined in 26 USC §24(c)(1) except that
23 such term shall also include qualifying children who have not attained
24 the age of eighteen.

25 (2) (A) For taxable years beginning on and after the first of January,
26 two thousand twenty-five, a resident taxpayer shall be allowed a credit
27 equal to:

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

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

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

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

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

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

51 (i) In taxable year two thousand twenty-five, seventy-five thousand
52 dollars in the case of an individual who is not married, one hundred ten
53 thousand dollars in the case of a joint return, or seventy-five thousand
54 dollars in the case of a married individual filing a separate return;

55 (ii) In taxable year two thousand twenty-six, sixty-five thousand
56 dollars in the case of an individual who is not married, one hundred ten

1 thousand dollars in the case of a joint return, or sixty-five thousand
2 dollars in the case of a married individual filing a separate return;

3 (iii) In taxable year two thousand twenty-seven, fifty-five thousand
4 dollars in the case of an individual who is not married, one hundred ten
5 thousand dollars in the case of a joint return, or fifty-five thousand
6 dollars in the case of a married individual filing a separate return;

7 (iv) In taxable year two thousand twenty-eight, forty-five thousand
8 dollars in the case of an individual who is not married, ninety thousand
9 dollars in the case of a joint return, or forty-five thousand dollars in
10 the case of a married individual filing a separate return; and

11 (v) In taxable year two thousand twenty-nine and each taxable year
12 thereafter, twenty-five thousand dollars in the case of an individual
13 who is not married, fifty thousand dollars in the case of a joint
14 return, or twenty-five thousand dollars in the case of a married indi-
15 vidual filing a separate return, provided, however, that the dollar
16 amount herein prescribed shall be adjusted for all inflation since two
17 thousand twenty-three in taxable year two thousand twenty-nine and each
18 taxable year thereafter.

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

25 (D) Such resident taxpayer must provide the social security number or
26 individual taxpayer identification number for each qualifying child in
27 order to receive the credit described in this subsection.

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

33 (4) In the case of spouses who file a joint federal return, but who
34 are required to determine their New York taxes separately, the credit
35 allowed pursuant to this subsection may be applied against the tax
36 imposed on either or divided between them as they may elect.

37 (5) Commencing in taxable year two thousand twenty-eight, the commis-
38 sioner shall provide for the prepayment of the working families credit
39 under this subsection to qualifying taxpayers. Four advanced payments
40 shall be made to such qualifying taxpayers. An estimated annual tax
41 credit shall be determined by the commissioner in advance of the first
42 payment and shall be subject to adjustment due to changes in employment
43 or family status over the course of the year. The first three advanced
44 payments shall be made during the taxable year and shall be twenty
45 percent of the anticipated credit. The fourth advanced payment shall be
46 made after the end of the tax year and shall be adjusted to match the
47 actual credit due. Such payments shall, to the extent practicable, be
48 made available via direct deposit and via electronic benefit transfer
49 (EBT) card. The commissioner shall provide information on the availabil-
50 ity of advanced payments of the working families credit to tax prepar-
51 ers, accountants, and organizations that assist individuals in tax prep-
52 eration. Such information shall be distributed to qualifying taxpayers.
53 If a taxpayer establishes that they are requesting and receiving
54 payments under this paragraph in good faith by establishing that they
55 properly claimed payments under this subsection in the prior year and
56 that they have not experienced a substantial change in circumstances

1 such that they have a reasonable expectation of eligibility in the
2 current year, then they shall not be held responsible for an incorrect
3 prepayment/refund amount.

4 (6) Notwithstanding any provision of law to the contrary, the refunda-
5 ble credit and its payment authorized under this subsection shall be
6 treated in the same manner as the federal Earned Income Tax Credit and
7 shall not be considered as assets, income, or resources to the same
8 extent the credit and its payment would be disregarded pursuant to 26
9 U.S.C. § 6409 and the general welfare doctrine for purposes of determin-
10 ing eligibility for benefits or assistance, or the amount or extent of
11 those benefits or assistance, under any state or local program, includ-
12 ing benefits established under section ninety-five of the social
13 services law.

14 § 4. Section 616 of the tax law, as amended by chapter 28 of the laws
15 of 1987, subsection (b) as amended by chapter 760 of the laws of 1992,
16 is amended to read as follows:

17 § 616. New York exemptions of a resident individual. (a) General. For
18 taxable years beginning after nineteen hundred eighty-seven, a resident
19 individual shall be allowed a New York exemption of one thousand dollars
20 for each exemption for which [~~he is~~] they are entitled to a deduction
21 for the taxable year under section one hundred fifty-one(c) of the
22 Internal Revenue Code; and for taxable years beginning in nineteen
23 hundred eighty-seven, a resident individual other than a taxpayer whose
24 federal exemption amount is zero shall be allowed a New York exemption
25 of nine hundred dollars for each exemption for which [~~he is~~] they are
26 entitled to a deduction for the taxable year for federal income tax
27 purposes.

28 (b) [~~Husband and wife~~] Spouses. If the New York income taxes of [~~a~~
29 ~~husband and wife~~] spouses are required to be separately determined but
30 their federal income tax is determined on a joint return, each of them
31 shall be separately entitled to the New York exemptions under subsection
32 (a) of this section to which each would be separately entitled for the
33 taxable year if their federal income taxes had been determined on sepa-
34 rate returns.

35 (c) Commencing in taxable year two thousand twenty-six, a resident
36 individual shall not be allowed the exemption described in this section
37 for any qualifying child as defined in subparagraph (B) of paragraph one
38 of subsection (c-2) of section six hundred six of this article.
39 Commencing in taxable year two thousand twenty-eight, a resident indi-
40 vidual shall not be allowed the exemption described in this section for
41 any qualifying child through age seventeen as defined in subparagraph
42 (C) of paragraph one of subsection (c-2) of section six hundred six of
43 this article. In all years on or after the effective date of subsection
44 (c-2) of section six hundred six of this article, however, a resident
45 individual shall continue to be allowed the exemption described in this
46 section for other qualifying dependents, as defined in 26 USC § 152(a),
47 who do not meet the definition of qualifying child in subparagraph (B)
48 of paragraph one of subsection (c-2) of section six hundred six of this
49 article and qualifying child through age seventeen as defined in subpar-
50 agraph (C) of paragraph one of subsection (c-2) of section six hundred
51 six of this article.

52 § 5. This act shall take effect immediately.

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

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

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

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

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

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

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

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

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

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

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

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

1 and does not apply to allowance to a taxpayer of the credit with respect
2 to an eligible low-income building for each year of the credit period.
3 § 7. This act shall take effect immediately; provided, however,
4 section two of this act shall take effect April 1, 2025; section three
5 of this act shall take effect April 1, 2026; section four of this act
6 shall take effect April 1, 2027; section five of this act shall take
7 effect April 1, 2028; and section six of this act shall take effect
8 April 1, 2029.

9

PART E

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 ARTICLE 14-A

26 HISTORIC REHABILITATION TAX CREDIT TRANSFER PROGRAM

27 Section 14.15 Definitions.

28 14.16 Transfer of rehabilitation credit.

29 14.17 Reporting.

30 14.18 Regulations, coordination with federal rehabilitation
31 credit provisions.

32 § 14.15 Definitions. As used in this article, the following terms
33 shall have the following meanings:

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

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

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

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

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

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

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

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

6 § 14.16 Transfer of rehabilitation credit. Either a 1. taxpayer or
7 pass-through entity that may report the rehabilitation credit or other-
8 wise elect to pass the federal rehabilitation credit through to a tenant
9 taxpayer in accordance with applicable federal law or 2. non-profit
10 transferee may, with prior notice in accordance with the regulations,
11 transfer the rehabilitation credit, in whole or in part, to any trans-
12 feree or non-profit transferee with the same effect as if the transferee
13 or non-profit transferee had incurred the qualified rehabilitation
14 expenditures itself; provided that no partial transfer of the rehabili-
15 tation credit may be for less than twenty-five percent of the full reha-
16 bilitation credit claimed by the taxpayer. A transferee shall use or
17 report the rehabilitation credit in the year it is allowed and may not
18 transfer the rehabilitation credit on to yet another transferee. A
19 transfer of rehabilitation credit to a non-profit transferee, where the
20 non-profit transferee is solely acting as a go-between to further trans-
21 fer the rehabilitation credit to a transferee, shall not constitute a
22 transfer for purposes of determining the single transfer limitation of
23 this section.

24 § 14.17 Reporting. If a taxpayer or a pass-through entity that may
25 report the credit or otherwise elect to pass the federal rehabilitation
26 credit through to a tenant taxpayer in accordance with applicable feder-
27 al law elects to transfer the credit as provided for in section 14.16 of
28 this article, prior to filing any tax returns claiming the rehabili-
29 tation credit, a taxpayer or a pass-through entity that may report the
30 rehabilitation credit or otherwise elect to pass the federal rehabili-
31 tation credit through to a tenant taxpayer in accordance with applicable
32 federal law shall provide an information statement to the commissioner
33 in accordance with the department's regulations. Such information state-
34 ment shall include, but may not be limited to, the identity and tax
35 identification information of any non-profit transferee and the identity
36 and tax identification information of any transferee that will claim the
37 credit.

38 § 14.18 Regulations, coordination with federal rehabilitation credit
39 provisions. The commissioner, in consultation with the commissioner of
40 the department of taxation and finance, shall promulgate rules and regu-
41 lations necessary to administer the provisions of this article.

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

44 PART F

45 Section 1. This Part enacts into law major components of legislation
46 relating to the purchase of residential real property by certain
47 purchasers, and taxation relating thereto. Each component is wholly
48 contained within a Subpart identified as Subpart A and Subpart B. The
49 effective date for each particular provision contained within such
50 Subpart is set forth in the last section of such Subpart. Any provision
51 in any section contained within a Subpart, including the effective date
52 of the Subpart, which makes a reference to a section "of this act", when
53 used in connection with that particular component, shall be deemed to
54 mean and refer to the corresponding section of the Subpart in which it

1 is found. Section three of this Part sets forth the general effective
2 date of this Part.

3 SUBPART A

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

6 ARTICLE 16

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

9 Section 520. Definitions.

10 521. Seventy-five-day waiting period.

11 522. Enforcement.

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

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

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

28 (b) "Covered entity" shall not include:

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

32 (ii) a land bank;

33 (iii) a community land trust; or

34 (iv) a creditor or its loan servicer acquiring ownership of real prop-
35 erty in full or partial satisfaction of a secured debt.

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

38 (i) owns ten or more single-family residences and/or two-family resi-
39 dences;

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

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

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

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

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

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

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

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

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

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

14 § 521. Seventy-five-day waiting period. 1. Notwithstanding any other
15 provision of law, on and after July first, two thousand twenty-five, it
16 shall be unlawful for a covered entity to purchase, acquire, or offer to
17 purchase or acquire any interest in a single-family residence or two-fa-
18 family residence unless the single-family residence or two-family resi-
19 dence has been listed for sale to the general public for at least seven-
20 ty-five days.

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

28 3. A covered entity that violates this section may be subject to civil
29 damages and penalties in an amount not to exceed two hundred fifty thou-
30 sand dollars.

31 4. Before finalizing the sale of a single-family or two-family resi-
32 dence, a covered entity purchasing such residence shall be required to
33 submit to the seller or anyone acting as an agent for such seller, a
34 form that has been signed by the covered entity purchaser, or an author-
35 ized agent thereof, and notarized, stating that the purchaser is a
36 covered entity. Any covered entity or covered entity's agent that
37 violates this section may be subject to civil damages and penalties in
38 an amount not to exceed ten thousand dollars.

39 5. The following form shall be completed by a covered entity purchas-
40 ing a single-family residence or two-family residence:

41 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

42 Pursuant to Article 16 of the New York State Real Property Law,
43 covered entities are required to wait at least 75 days after a single-
44 family residence or two-family residence has been listed for sale to the
45 general public to purchase, acquire, or offer to purchase or acquire any
46 interest in the single-family residence or two-family residence. Prior
47 to finalizing the sale, the covered entity or its agent is required to
48 complete this form stating that the purchaser is a covered entity.

49 The buyer of this single-family residence or two-family residence is a
50 covered entity as defined in New York State Real Property Law § 520. The
51 buyer is subject to the statutory 75-day waiting period. Failure to
52 comply with the 75-day waiting period may result in civil fines and
53 penalties.

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

1 IDENTIFYING INFORMATION

2 BUYER OR BUYERS OF THIS RESIDENCE:

3 _____
4 Printed Name and Mailing Address

5 _____
6 Printed Name and Mailing Address

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

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

11 _____
12 Signature Date

13 _____
14 Signature Date

15 _____
16 SIGNATURE OF WITNESSES

17 _____
18 Signature Date

19 _____
20 Signature Date

21 _____
22 NOTARY ACKNOWLEDGEMENT

23 (insert notary acknowledgement for this form here)"

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

36 § 2. Severability. If any provision of this act, or any application of
37 any provision of this act, is held to be invalid, that shall not affect
38 the validity or effectiveness of any other provision of this act, or of
39 any other application of any provision of this act, which can be given
40 effect without that provision or application; and to that end, the
41 provisions and applications of this act are severable.

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

44 SUBPART B

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

47 (c-4) Depreciation and interest deduction adjustments for covered
48 properties owned by an institutional real estate investor. (1) Notwith-
49 standing any other provision of this section, in the case of a corpo-
50 ration or combined group that is an institutional real estate investor
51 or a partner, member or shareholder of an entity that is an institu-
52 tional real estate investor, entire net income shall be computed with
53 the adjustments for depreciation and interest related to covered proper-
54 ties as set forth in this paragraph.

1 (2) Definitions. (A) "Institutional real estate investor" means an
2 entity or combined group that (i) owns ten or more covered properties,
3 (ii) manages funds pooled from investors and acts as a fiduciary with
4 respect to one or more investors, and (iii) has fifty million dollars or
5 more in net value or assets under management on any day during the taxa-
6 ble year. An entity is considered owning a covered property if it
7 directly owns the covered property or indirectly owns ten percent or
8 more of the covered property.

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

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

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

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

30 (y) Depreciation and interest adjustments for covered properties owned
31 by an institutional real estate investor. (1) Notwithstanding any other
32 provision of this section, in the case of a taxpayer that is a partner,
33 member or shareholder of an entity that is an institutional real estate
34 investor as defined in paragraph (c-4) of subdivision nine of section
35 two hundred eight of this chapter, New York adjusted gross income shall
36 be computed with adjustments for depreciation and interest related to
37 covered properties as set forth in this subsection.

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

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

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

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

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

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

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

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

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

43 PART G

44 Intentionally Omitted

45 PART H

46 Section 1. This Part enacts into law major components of legislation
47 relating to the excelsior jobs program and the empire state jobs
48 retention program. Each component is wholly contained within a Subpart
49 identified as Subpart A and Subpart B. The effective date for each
50 particular provision contained within such Subpart is set forth in the
51 last section of such Subpart. Any provision in any section contained

1 within a Subpart, including the effective date of the Subpart, which
 2 makes a reference to a section "of this act", when used in connection
 3 with that particular component, shall be deemed to mean and refer to the
 4 corresponding section of the Subpart in which it is found. Section three
 5 of this Part sets forth the general effective date of this Part.

6

SUBPART A

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

9 25. "Semiconductor supply chain project" means a project deemed by the
 10 commissioner to make products or develop technologies that are primarily
 11 aimed at supporting the growth of the semiconductor manufacturing and
 12 related equipment and material supplier sector. "Semiconductor supply
 13 chain project" shall include, but need not be limited to, semiconductor
 14 device manufacturing, producers of component parts, direct input materi-
 15 als and equipment necessary for the manufacture of semiconductor chips,
 16 machinery, equipment, and materials necessary for the operational effi-
 17 ciency of semiconductor manufacturing facilities, other such inputs
 18 directly supportive of the domestic production of semiconductor chips,
 19 and companies engaged in the assembly, testing, packaging and advanced
 20 packaging semiconductor value chain. "Semiconductor supply chain
 21 project" shall not include a project primarily composed of: (i) machin-
 22 ery, equipment, or materials that are inputs to manufacturing generally,
 23 but are not direct inputs to semiconductor manufacturing in specific;
 24 (ii) the production of products or development of technologies that
 25 would produce only marginal and incremental benefits to the semiconduc-
 26 tor manufacturing sector; (iii) projects that would otherwise qualify as
 27 a Green CHIPS project as defined in section twenty-four of this section.

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

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

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

36 (o) as a company operating in one of the industries listed in para-
 37 graphs (a) through (k) of this subdivision and engaging in a semiconduc-
 38 tor supply chain project as defined in section three hundred fifty-two
 39 of this article.

40 § 3. Subdivisions 1, 2 and 3 of section 355 of the economic develop-
 41 ment law, as amended by chapter 494 of the laws of 2022, are amended to
 42 read as follows:

43 1. Excelsior jobs tax credit component. A participant in the excelsior
 44 jobs program shall be eligible to claim a credit for each net new job it
 45 creates in New York state. In a project that is not a green project, the
 46 amount of such credit per job shall be equal to the product of the gross
 47 wages paid and up to 6.85 percent. In a green project, or a Green CHIPS
 48 project, the amount of such credit per job shall be equal to the product
 49 of the gross wages paid and up to 7.5 percent. Provided, however, given
 50 the transformational nature of Green CHIPS projects, only the first two
 51 hundred thousand dollars of gross wages per job shall be eligible for
 52 this credit. The maximum amount of gross wages per job for a Green CHIPS
 53 project may be adjusted for inflation at an annual amount determined by
 54 the commissioner in a manner substantially similar to the cost of living

1 adjustments calculated by the United States Social Security Adminis-
2 tration based on changes in consumer price indices or a rate of four
3 percent per year, whichever is higher. In a semiconductor supply chain
4 project, the amount of such credit per job shall be equal to the product
5 of the gross wages paid and up to seven percent.

6 2. Excelsior investment tax credit component. A participant in the
7 excelsior jobs program shall be eligible to claim a credit on qualified
8 investments. In a project that is not a green project, the credit shall
9 be equal to two percent of the cost or other basis for federal income
10 tax purposes of the qualified investment. In a green project, the credit
11 shall be equal to five percent of the cost or other basis for federal
12 income tax purposes of the qualified investment. In a project for child
13 care services or a Green CHIPS project, the credit shall be up to five
14 percent of the cost or other basis for federal income tax purposes of
15 the qualified investment in child care services or in the Green CHIPS
16 project as applicable. In a semiconductor supply chain project, the
17 credit shall be up to three percent of the cost or other basis for
18 federal income tax purposes of the qualified investment. A participant
19 may not claim both the excelsior investment tax credit component and the
20 investment tax credit set forth in subdivision one of section two
21 hundred ten-B, subsection (a) of section six hundred six, the former
22 subsection (i) of section fourteen hundred fifty-six, or subdivision (q)
23 of section fifteen hundred eleven of the tax law for the same property
24 in any taxable year, except that a participant may claim both the
25 excelsior investment tax credit component and the investment tax credit
26 for research and development property. In addition, a taxpayer who or
27 which is qualified to claim the excelsior investment tax credit compo-
28 nent and is also qualified to claim the brownfield tangible property
29 credit component under section twenty-one of the tax law may claim
30 either the excelsior investment tax credit component or such tangible
31 property credit component, but not both with regard to a particular
32 piece of property. A credit may not be claimed until a business enter-
33 prise has received a certificate of tax credit, provided that qualified
34 investments made on or after the issuance of the certificate of eligi-
35 bility but before the issuance of the certificate of tax credit to the
36 business enterprise, may be claimed in the first taxable year for which
37 the business enterprise is allowed to claim the credit. Expenses
38 incurred prior to the date the certificate of eligibility is issued are
39 not eligible to be included in the calculation of the credit.

40 3. Excelsior research and development tax credit component. A partic-
41 ipant in the excelsior jobs program shall be eligible to claim a credit
42 equal to fifty percent of the portion of the participant's federal
43 research and development tax credit that relates to the participant's
44 research and development expenditures in New York state during the taxa-
45 ble year; provided however, if not a green project, the excelsior
46 research and development tax credit shall not exceed six percent of the
47 qualified research and development expenditures attributable to activi-
48 ties conducted in New York state, or, if a green project or a Green
49 CHIPS project, the excelsior research and development tax credit shall
50 not exceed eight percent of the research and development expenditures
51 attributable to activities conducted in New York state, or if a semicon-
52 ductor supply chain project, the excelsior research and development tax
53 credit shall not exceed seven percent of the qualified research and
54 development expenditures attributable to activities conducted in New
55 York state. If the federal research and development credit has expired,
56 then the research and development expenditures relating to the federal

1 that year to either: (i) businesses accepted into the program under
2 subdivision four of section three hundred fifty-three of this article or
3 (ii) businesses accepted into the program under subdivision three of
4 section three hundred fifty-three of this article, the commissioner may
5 allocate any remaining tax credits to businesses referenced in this
6 paragraph as needed; provided, however, that under no circumstances may
7 the aggregate statutory cap for all program years be exceeded. One
8 hundred percent of the unawarded amounts remaining at the end of two
9 thousand twenty-nine may be allocated in subsequent years, notwithstand-
10 ing the fifty percent limitation on any amounts of tax credits not
11 awarded in taxable years two thousand eleven through two thousand twen-
12 ty-nine. Provided, however, no tax credits may be allowed for taxable
13 years beginning on or after January first, two thousand [~~forty~~ fifty].

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

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

23 § 6. Paragraph (a) of subdivision 50 of section 210-B of the tax law,
24 as added by section 2 of part 0 of chapter 59 of the laws of 2015, is
25 amended to read as follows:

26 (a) [~~A~~] For taxable years beginning before January first, two thousand
27 twenty-nine, a taxpayer that has been approved by the commissioner of
28 economic development to participate in the employee training incentive
29 program and has been issued a certificate of tax credit pursuant to
30 section four hundred forty-three of the economic development law shall
31 be allowed to claim a credit against the tax imposed by this article.
32 The credit shall equal fifty percent of a taxpayer's eligible training
33 costs, up to a credit of ten thousand dollars per employee completing
34 eligible training pursuant to paragraph (a) of subdivision three of
35 section four hundred forty-one of the economic development law. The
36 credit shall equal fifty percent of the stipend paid to an intern, up to
37 a credit of three thousand dollars per intern completing eligible train-
38 ing pursuant to paragraph (b) of subdivision three of section four
39 hundred forty-one of the economic development law. In no event shall a
40 taxpayer be allowed a credit greater than the amount of credit listed on
41 the certificate of tax credit issued by the commissioner of economic
42 development. The credit will be allowed in the taxable year in which the
43 eligible training is completed.

44 § 7. Paragraph 1 of subsection (ddd) of section 606 of the tax law, as
45 added by section 3 of part 0 of chapter 59 of the laws of 2015, is
46 amended to read as follows:

47 (1) [~~A~~] For taxable years beginning before January first, two thousand
48 twenty-nine, a taxpayer that has been approved by the commissioner of
49 economic development to participate in the employee training incentive
50 program and has been issued a certificate of tax credit pursuant to
51 section four hundred forty-three of the economic development law shall
52 be allowed to claim a credit against the tax imposed by this article.
53 The credit shall equal fifty percent of a taxpayer's eligible training
54 costs, up to a credit of ten thousand dollars per employee completing
55 eligible training pursuant to paragraph (a) of subdivision three of
56 section four hundred forty-one of the economic development law. The

1 credit shall equal fifty percent of the stipend paid to an intern, up to
2 a credit of three thousand dollars per intern completing eligible train-
3 ing pursuant to paragraph (b) of subdivision three of section four
4 hundred forty-one of the economic development law. In no event shall a
5 taxpayer be allowed a credit greater than the amount listed on the
6 certificate of tax credit issued by the commissioner of economic devel-
7 opment. In the case of a taxpayer who is a partner in a partnership,
8 member of a limited liability company or shareholder in an S corpo-
9 ration, the taxpayer shall be allowed its pro rata share of the credit
10 earned by the partnership, limited liability company or S corporation.
11 The credit will be allowed in the taxable year in which the eligible
12 training is completed.

13 § 8. The economic development law is amended by adding a new article
14 17-A to read as follows:

15 ARTICLE 17-A

16 SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

17 Section 359-a. Short title.

18 359-b. Statement of legislative findings and declaration.

19 359-c. Definitions.

20 359-d. Eligibility criteria.

21 359-e. Application and approval process.

22 359-f. Powers and duties of the commissioner.

23 359-g. Recordkeeping and reporting requirements.

24 359-h. Semiconductor research and development tax credit.

25 § 359-a. Short title. This article shall be known and may be cited as
26 the "semiconductor research and development project act".

27 § 359-b. Statement of legislative findings and declaration. It is
28 hereby found and declared that New York state needs, as a matter of
29 public policy, to create competitive financial incentives to attract
30 large scale semiconductor research and development projects to New York
31 state, and to position New York state to be at the center of cutting
32 edge innovations in the semiconductor industry.

33 § 359-c. Definitions. For the purposes of this article:

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

40 2. "Certificate of tax credit" means the document issued to a partic-
41 ipant by the department, after the department has verified that the
42 participant has met all applicable eligibility criteria in this article.
43 The certificate shall be issued annually if such criteria are satisfied
44 and shall specify the exact amount of the tax credit under this article
45 that a participant may claim and shall specify the taxable year in which
46 such credit may be claimed.

47 3. "Participant" means a business entity that:

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

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

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

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

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

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

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

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

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

16 (d) has a situs in this state; and

17 (e) is placed in service in the state on or after the date the certif-
18 icate of eligibility is issued to the business enterprise.

19 6. "Semiconductor research and development project" means a project
20 for a physical research and development facility, deemed by the commis-
21 sioner as being primarily aimed at supporting research and development
22 within the semiconductor manufacturing and related equipment and materi-
23 al supplier sector. Such project shall incur at least one hundred
24 million dollars in qualified investment in New York state. Such project
25 must lead to the establishment and operation of a research and develop-
26 ment facility separate and apart from new or existing semiconductor or
27 semiconductor supply chain manufacturing facilities.

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

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

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

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

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

44 (e) The proposed chemical safety training program and number of work-
45 ers by job classification to receive the training.

46 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-
47 ductor research and development project program, a business entity shall
48 operate in New York state and be undertaking a semiconductor research
49 and development project as defined in section three hundred fifty-nine-c
50 of this article.

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

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

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

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

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

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

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

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

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

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

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

42 4. In order to become a participant in the program, an applicant must
43 submit evidence that it satisfies the eligibility criteria specified in
44 section three hundred fifty-nine-d of this article and subdivision two
45 of this section in such form as the commissioner may prescribe. After
46 reviewing such evidence and finding it sufficient, the department shall
47 certify the applicant as a participant and issue to that participant a
48 certificate of tax credit for one taxable year. To receive a certificate
49 of tax credit for subsequent taxable years, the participant must submit
50 to the department a performance report demonstrating that the partic-
51 ipant continues to satisfy the eligibility criteria specified in this
52 article, including compliance with the jobs plan commitments specified
53 in subdivision two of this section.

54 5. A participant may claim tax benefits commencing in the first taxa-
55 ble year that the business enterprise receives a certificate of tax
56 credit. A participant may claim such benefits for the next nine consec-

1 utive taxable years, provided that the participant demonstrates to the
2 department that it continues to satisfy the eligibility criteria speci-
3 fied in section three hundred fifty-nine-d of this article and subdivi-
4 sion two of this section in each of those taxable years.

5 § 359-f. Powers and duties of the commissioner. 1. The commissioner
6 may promulgate regulations establishing an application process and
7 eligibility criteria, that will be applied consistent with the purposes
8 of this article, so as not to exceed the annual cap on tax credits set
9 forth in section three hundred fifty-nine-h of this article which,
10 notwithstanding any provisions to the contrary in the state administra-
11 tive procedure act, may be adopted on an emergency basis.

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

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

22 § 359-g. Recordkeeping and reporting requirements. Each business enti-
23 ty participating in the program shall maintain all relevant records and
24 must submit regular performance reports in such form as the commissioner
25 may require, for the duration of its program participation plus three
26 years.

27 § 359-h. Semiconductor research and development tax credit. 1. A
28 participant in the semiconductor research and development project
29 program shall be eligible to claim a credit on qualified investments in
30 semiconductor research and development projects in New York state. The
31 amount of such credit shall be equal to fifteen percent of the cost or
32 other basis for federal income tax purposes of the qualified investment.

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

37 § 9. Section 210-B of the tax law is amended by adding a new subdivi-
38 sion 61 to read as follows:

39 61. Semiconductor research and development tax credit. (a) Allowance
40 of credit. A taxpayer that has been approved by the commissioner of
41 economic development to participate in the semiconductor research and
42 development program and has been issued a certificate of tax credit
43 pursuant to section three hundred fifty-nine-e of the economic develop-
44 ment law shall be allowed to claim a credit against the tax imposed by
45 this article. The credit shall equal up to fifteen percent of the cost
46 or other basis for federal income tax purposes of the qualified invest-
47 ment and shall be allowable in each taxable year for which the commis-
48 sioner of economic development has issued a certificate of tax credit,
49 for up to ten consecutive taxable years. In no event shall a taxpayer be
50 allowed a credit greater than the amount of credit listed on the certif-
51 icate of tax credit issued by the commissioner of economic development.
52 No cost or expense paid or incurred by the taxpayer that is the basis
53 for this credit shall be the basis for any other tax credit provided by
54 this chapter.

55 (b) Application of credit. The credit allowed under this subdivision
56 for any taxable year may not reduce the tax due for such year to less

1 than the amount prescribed in paragraph (d) of subdivision one of
2 section two hundred ten of this article. However, if the amount of cred-
3 it allowed under this subdivision for any taxable year reduces the tax
4 to such amount, or if the taxpayer otherwise pays tax based on the fixed
5 dollar minimum amount, any amount of credit thus not deductible in that
6 taxable year will be treated as an overpayment of tax to be credited or
7 refunded in accordance with the provisions of section one thousand
8 eighty-six of this chapter. Provided, however, the provisions of
9 subsection (c) of section one thousand eighty-eight of this chapter
10 notwithstanding, no interest will be paid thereon.

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

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

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

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

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

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

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

19 § 11. The economic development law is amended by adding a new article
20 28 to read as follows:

21 ARTICLE 28

22 SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

23 Section 501. Definitions.

24 502. Eligibility criteria.

25 503. Application and approval process.

26 504. Powers and duties of the commissioner.

27 505. Recordkeeping and reporting requirements.

28 506. Cap on tax credit.

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

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

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

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

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

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

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

55 3. "Manufacturing business" means a business that is engaged in the
56 process of working raw materials into products suitable for use or which

1 gives new shapes, new quality or new combinations to matter which has
2 already gone through some artificial process by the use of machinery,
3 tools, appliances, or other similar equipment. "Manufacturing" does not
4 include an operation that involves only the assembly of components,
5 provided, however, that the assembly of motor vehicles or other high
6 value-added products shall be considered manufacturing.

7 4. "Semiconductor manufacturing business" means a business deemed by
8 the commissioner to make products or develop technologies that are
9 primarily aimed at supporting the growth of the semiconductor manufac-
10 turing and related equipment and material supplier sector. This shall
11 include, but need not be limited to, semiconductor device manufacturing,
12 producers of component parts, direct input materials and equipment
13 necessary for the manufacture of semiconductor chips, machinery, equip-
14 ment, and materials necessary for the operational efficiency of semicon-
15 ductor manufacturing facilities, other such inputs directly supportive
16 of the domestic production of semiconductor chips, and companies engaged
17 in the assembly, testing, packaging and advanced packaging semiconductor
18 value chain. The "semiconductor and supply chain" tier shall not
19 include a project primarily composed of: (a) machinery, equipment, or
20 materials that are inputs to manufacturing generally, but are not direct
21 inputs to semiconductor manufacturing in specific; or (b) the production
22 of products or development of technologies that would produce only
23 marginal and incremental benefits to the semiconductor manufacturing
24 sector.

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

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

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

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

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

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

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

45 § 502. Eligibility criteria. In order to participate in the manufac-
46 turing workforce training incentive program, a business entity must
47 satisfy the following criteria:

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

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

53 3. The business entity must demonstrate a commitment to providing
54 training opportunities for disadvantaged and underrepresented individ-
55 uals in order to create high quality jobs within the state for histor-
56 ically disadvantaged groups; and

1 4. The business entity must be in compliance with all worker
2 protection and environmental laws and regulations. In addition, the
3 business entity may not owe past due state taxes or local property
4 taxes.

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

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

9 (a) provide a workforce training plan and any such additional documen-
10 tation as the commissioner may require in order for the commissioner to
11 determine that the business entity intends to conduct eligible training
12 or procure eligible training for its employees from an approved provid-
13 er. Information submitted in the workforce training plan, other than
14 specific training content, shall be subject to disclosure under section
15 eighty-seven of the public officers law and not subject to exemption
16 under paragraph (d) of subdivision two of such section;

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

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

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

27 (e) agree to allow the department and the department of taxation and
28 finance to share and exchange information contained in or derived from
29 the applications for admission into the semiconductor manufacturing
30 workforce training incentive program and the credit claim forms submit-
31 ted to the department of taxation and finance. However, any information
32 shared as a result of this agreement shall not be available for disclo-
33 sure or inspection under the state freedom of information law.

34 3. The commissioner may approve an application from a business entity
35 upon determining that such business entity meets the eligibility crite-
36 ria established in section five hundred two of this article. Following
37 approval by the commissioner of an application by a business entity to
38 participate in the semiconductor manufacturing workforce training incen-
39 tive program, the commissioner shall issue a certificate of tax credit
40 to the business entity upon its demonstrating successful completion of
41 such eligible training to the satisfaction of the commissioner. For
42 eligible training as defined by subdivision two of section five hundred
43 one of this article the amount of the credit shall be equal to seventy-
44 five percent of wages, salaries or other compensation, training costs,
45 and wrap around services, up to a credit of twenty-five thousand dollars
46 per employee receiving eligible training, up to one million dollars per
47 eligible non-semiconductor manufacturing business and up to five million
48 dollars per eligible semiconductor manufacturing business. The tax cred-
49 its shall be claimed by the qualified employer as specified in subdivi-
50 sion sixty-two of section two hundred ten-B and subsection (rrr) of
51 section six hundred six of the tax law.

52 § 504. Powers and duties of the commissioner. 1. The commissioner
53 shall promulgate regulations consistent with the purposes of this arti-
54 cle that, notwithstanding any provisions to the contrary in the state
55 administrative procedure act, may be adopted on an emergency basis. Such
56 regulations shall include, but not be limited to, eligibility criteria

1 for business entities desiring to participate in the semiconductor manu-
2 facturing workforce training incentive program, procedures for the
3 receipt and evaluation of applications from business entities to partic-
4 ipate in the program, regular reporting and evaluation of program
5 participants, and such other provisions as the commissioner deems to be
6 appropriate in order to implement the provisions of this article.

7 2. The commissioner shall, in consultation with the department of
8 taxation and finance, develop a certificate of tax credit that shall be
9 issued by the commissioner to participating business entities. Partic-
10 ipants may be required by the commissioner of taxation and finance to
11 include the certificate of tax credit with their tax return to receive
12 any tax benefits under this article.

13 3. The commissioner shall solely determine the eligibility of any
14 applicant applying for entry into the program and shall remove any
15 participant from the program for failing to meet any of the requirements
16 set forth in section five hundred two of this article or for making a
17 material misrepresentation with respect to its participation in the
18 program.

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

24 § 506. Cap on tax credit. The total amount of tax credits listed on
25 certificates of tax credit issued by the commissioner for any taxable
26 year may not exceed twenty million dollars, and shall be allotted from
27 the funds available for tax credits under the excelsior jobs program act
28 pursuant to section three hundred fifty-nine of this chapter.

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

31 62. Semiconductor manufacturing workforce training program tax credit.

32 (a) Allowance of tax credit. A taxpayer that has been approved by the
33 commissioner of economic development to participate in the semiconductor
34 manufacturing workforce training program and has been issued a certifi-
35 cate of tax credit pursuant to section five hundred three of the
36 economic development law shall be allowed to claim a credit against the
37 tax imposed by this article. The credit shall equal seventy-five percent
38 of wages, salaries or other compensation, training costs, and wrap
39 around services, up to a credit of twenty-five thousand dollars per
40 employee receiving eligible training, up to one million dollars per
41 eligible non-semiconductor manufacturing business and up to five million
42 dollars per eligible semiconductor manufacturing business pursuant to
43 subdivision three of section five hundred three of the economic develop-
44 ment law. In no event shall a taxpayer be allowed a credit greater than
45 the amount of credit listed on the certificate of tax credit issued by
46 the commissioner of economic development. The credit shall be allowed in
47 the taxable year in which the eligible training is completed. No cost or
48 other expense paid or incurred by the taxpayer that is the basis for
49 this credit shall be the basis for any other tax credit provided by this
50 chapter.

51 (b) Application of credit. The credit allowed under this subdivision
52 for any taxable year may not reduce the tax due for such year to less
53 than the amount prescribed in paragraph (d) of subdivision one of
54 section two hundred ten of this article. However, if the amount of cred-
55 it allowed under this subdivision for any taxable year reduces the tax
56 to such amount, or if the taxpayer otherwise pays tax based on the fixed

1 dollar minimum amount, any amount of credit thus not deductible in that
2 taxable year will be treated as an overpayment of tax to be credited or
3 refunded in accordance with the provisions of section one thousand
4 eighty-six of this chapter. Provided, however, the provisions of
5 subsection (c) of section one thousand eighty-eight of this chapter
6 notwithstanding, no interest will be paid thereon.

7 (c) Reporting. The taxpayer shall attach to its tax return its certifi-
8 cate of tax credit issued by the commissioner of economic development
9 pursuant to section five hundred three of the economic development law.
10 In no event shall the taxpayer be allowed a credit greater than the
11 amount of the credit listed on the certificate of tax credit, or in the
12 case of a taxpayer who is a partner in a partnership, a member of a
13 limited liability company, or shareholder in an S corporation, its pro
14 rata share of the amount of credit listed in the certificate of tax
15 credit.

16 (d) Credit recapture. If a certificate of eligibility or a certificate
17 of tax credit issued by the department of the economic development under
18 article twenty-eight of the economic development law is revoked by such
19 department because the taxpayer does not meet the eligibility require-
20 ment set forth in subdivision three of section five hundred three of the
21 economic development law, the amount of credit described in this subdi-
22 vision and claimed by the taxpayer prior to that revocation shall be
23 added back to tax in the taxable year in which any such revocation
24 becomes final.

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

27 (sss) Semiconductor workforce training program tax credit. (1) Allow-
28 ance of tax credit. A taxpayer that has been approved by the commis-
29 sioner of economic development to participate in the semiconductor workforce
30 training program and has been issued a certificate of tax credit pursu-
31 ant to section five hundred three of the economic development law shall
32 be allowed to claim a credit against the tax imposed by this article.
33 The credit shall equal seventy-five percent of wages, salaries or other
34 compensation, training costs, and wrap around services, up to a credit
35 of twenty-five thousand dollars per employee receiving eligible train-
36 ing, up to one million dollars per eligible non-semiconductor manufac-
37 turing business and up to five million dollars per eligible semiconduc-
38 tor manufacturing business pursuant to subdivision three of section five
39 hundred three of the economic development law. In no event shall a
40 taxpayer be allowed a credit greater than the amount listed on the
41 certificate of tax credit issued by the commissioner of economic devel-
42 opment. In the case of a taxpayer who is a partner in a partnership,
43 member of a limited liability company or shareholder in an S corpo-
44 ration, the taxpayer shall be allowed its pro rata share of the credit
45 earned by the partnership, limited liability company or S corporation.
46 The credit shall be allowed in the taxable year in which the eligible
47 training is completed. No cost or expense paid or incurred by the
48 taxpayer that is the basis for this credit shall be the basis for any
49 other tax credit provided by this chapter.

50 (2) Application of credit. If the amount of the credit allowed under
51 this subsection for any taxable year exceeds the taxpayer's tax for the
52 taxable year, the excess shall be treated as an overpayment of tax to be
53 credited or refunded in accordance with the provisions of section six
54 hundred eighty-six of this article, provided, however, no interest will
55 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.~~]

1 ~~3-~~] "Certificate of eligibility" means the document issued by the
2 department to an applicant that has completed an application to be
3 admitted into the empire state jobs retention program and has been
4 accepted into the program by the department. Possession of a certificate
5 of eligibility does not by itself guarantee the eligibility to claim the
6 tax credit.

7 ~~4-~~ 2. "Certificate of tax credit" means the document issued to a
8 participant by the department, after the department has verified that
9 the participant has met all applicable eligibility criteria in this
10 article. The certificate shall be issued annually if such criteria are
11 satisfied and shall specify the exact amount of each tax credit under
12 this article that a participant may claim, pursuant to section four
13 hundred twenty-five of this article, and shall specify the taxable year
14 in which such credit may be claimed.

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

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

25 ~~7-~~ 3. "Impacted jobs" means jobs [~~existing~~] at a business enterprise
26 [~~at a location or locations within the county declared an emergency by~~
27 ~~the governor on the day immediately preceding the day on which the event~~
28 ~~leading to the emergency declaration by the governor occurred~~] existing
29 the day before an event leading to an emergency declaration by the
30 governor at a location or locations which demonstrate substantial phys-
31 ical damage and economic harm caused by the event for which the emergen-
32 cy declaration was made.

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

41 ~~9-~~ 4. "Participant" means a business entity that:
42 (a) has completed an application prescribed by the department to be
43 admitted into the program;
44 (b) has been issued a certificate of eligibility by the department;
45 (c) has demonstrated that it meets the eligibility criteria in section
46 four hundred twenty-three and subdivision two of section four hundred
47 twenty-four of this article; and
48 (d) has been certified as a participant by the commissioner.

49 ~~10-~~ 5. "Preliminary schedule of benefits" means the maximum aggre-
50 gate amount of the tax credit that a participant in the empire state
51 jobs retention program is eligible to receive pursuant to this article.
52 The schedule shall indicate the annual amount of the credit a partic-
53 ipant may claim in [~~each of~~] its [~~ten years~~] nine months of eligibility.
54 The preliminary schedule of benefits shall be issued by the department
55 when the department approves the application for admission into the
56 program. The commissioner may amend that schedule, provided that the

1 commissioner complies with the credit caps in section three hundred
2 fifty-nine of this chapter.

3 ~~[11.]~~ 6. "Related person" means a related person pursuant to subpara-
4 graph (c) of paragraph three of subsection (b) of section four hundred
5 sixty-five of the internal revenue code.

6 ~~[12. "Scientific research and development" means conducting research
7 and experimental development in the physical, engineering, and life
8 sciences, including but not limited to agriculture, electronics, envi-
9 ronmental, biology, botany, biotechnology, computers, chemistry, food,
10 fisheries, forests, geology, health, mathematics, medicine, oceanogra-
11 phy, pharmacy, physics, veterinary, and other allied subjects. For the
12 purposes of this article, scientific research and development does not
13 include medical or veterinary laboratory testing facilities.~~

14 ~~13. "Software development" means the creation of coded computer
15 instructions and includes new media as defined by the commissioner in
16 regulations.]~~

17 7. "Business entity" means a for profit business duly authorized to do
18 business in and in good standing in the state of New York.

19 § 3. Section 423 of the economic development law, as added by section
20 1 of part E of chapter 56 of the laws of 2011, is amended to read as
21 follows:

22 § 423. Eligibility criteria. 1. ~~[To be a participant in the empire
23 state jobs retention program, a business entity shall operate in New
24 York state predominantly]~~

25 ~~(a) as a financial services data center or a financial services back
26 office operation;~~

27 ~~(b) in manufacturing;~~

28 ~~(c) in software development and new media;~~

29 ~~(d) in scientific research and development;~~

30 ~~(e) in agriculture;~~

31 ~~(f) in the creation or expansion of back office operations in the
32 state; or~~

33 ~~(g) in a distribution center.~~

34 ~~2. When determining whether an applicant is operating predominantly in
35 one of the industries listed in subdivision one of this section, the
36 commissioner will examine the nature of the business activity at the
37 location for the proposed project and will make eligibility determi-
38 nations based on such activity.~~

39 ~~3.]~~ For the purposes of this article, in order to participate in the
40 empire state jobs retention program~~[, a business entity operating in one
41 of the strategic industries listed in subdivision one of this section~~

42 ~~(a) must be located in a county in which an emergency has been declared
43 by the governor]~~ on or after ~~[January]~~ June first, two thousand ~~[eleven]~~

44 twenty-five, ~~[(b)]~~ a business entity must demonstrate substantial phys-
45 ical damage and economic harm at a location or locations within an area

46 for which the governor has issued an emergency declaration and resulting
47 from the event leading to the emergency declaration by the governor~~[,~~

48 ~~and (c) must have had at least one hundred full-time equivalent jobs in
49 the county in which an emergency has been declared by the governor on~~

50 ~~the day immediately preceding the day on which the event leading to the
51 emergency declaration by the governor occurred, and must retain or~~

52 ~~exceed that number of jobs in New York state.~~

53 ~~4. A not for profit business entity, a business entity whose primary
54 function is the provision of services including personal services, busi-
55 ness services, or the provision of utilities, a business entity engaged
56 predominantly in the retail or entertainment industry, or a company~~

~~1 engaged in the generation or distribution of electricity, the distrib-~~
~~2 ~~ution of natural gas, or the production of steam associated with the~~~~
~~3 ~~generation of electricity are not eligible to receive the tax credit~~~~
~~4 ~~described in this article~~].~~

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

11 § 4. Section 424 of the economic development law, as added by section
12 1 of part E of chapter 56 of the laws of 2011, is amended to read as
13 follows:

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

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

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

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

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

37 (d) agree to be permanently disqualified for empire zone tax benefits
38 at any location or locations that qualify for empire state jobs
39 retention program benefits if admitted into the empire state jobs
40 retention program.

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

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

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

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

52 (f) provide a clear and detailed presentation of all related persons
53 to the applicant to assure the department that jobs are not being shift-
54 ed within the state.

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

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

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

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

34 § 5. Section 425 of the economic development law, as added by section
35 1 of part E of chapter 56 of the laws of 2011, is amended to read as
36 follows:

37 § 425. Empire state jobs retention program credit. 1. A participant in
38 the empire state jobs retention program shall be eligible to claim a
39 credit for the impacted jobs. [~~The~~] For a business entity that employes
40 three to forty-nine employees, the amount of such credit shall be equal
41 to the product of the gross wages paid for the impacted jobs and [6.85]
42 up to 15 percent. For a business entity that employs fifty to one
43 hundred employees, the amount of such credit shall be equal to the prod-
44 uct of the gross wages paid for the impacted jobs and up to 7.5 percent.
45 For a business entity that employs greater than one hundred employees,
46 the amount of such credit shall be equal to the product of the gross
47 wages paid for the impacted jobs and up to 3.75 percent. An eligible
48 business entity may only receive up to \$500,000 in tax credits per event
49 triggering an emergency declaration by the governor.

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

55 3. The business enterprise shall be allowed to claim the credit as
56 prescribed in section thirty-six of the tax law[~~, provided, however, a~~

1 ~~business enterprise shall not be allowed to claim the credit prior to~~
 2 ~~tax year two thousand twelve~~].

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

8 § 6. Section 426 of the economic development law, as added by section
 9 1 of part E of chapter 56 of the laws of 2011, is amended to read as
 10 follows:

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

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

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

36 § 7. This act shall take effect immediately.

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

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

49 PART I

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

1 (2) The amount of the credit shall be the product (or pro rata share
2 of the product, in the case of a member of a partnership) of thirty
3 percent and the qualified production costs paid or incurred in the
4 production of a qualified film, provided that: (i) the qualified
5 production costs (excluding post production costs) paid or incurred
6 which are attributable to the use of tangible property or the perform-
7 ance of services at a qualified film production facility in the
8 production of such qualified film equal or exceed seventy-five percent
9 of the production costs (excluding post production costs) paid or
10 incurred which are attributable to the use of tangible property or the
11 performance of services at any film production facility within and with-
12 out the state in the production of such qualified film, and (ii) except
13 with respect to a qualified independent film production company or
14 pilot, at least ten percent of the total principal photography shooting
15 days spent in the production of such qualified film must be spent at a
16 qualified film production facility, and (iii) except with respect to a
17 qualified independent film production company or pilot, at least fifty
18 percent of expenditures on scoring spent in the production of such qual-
19 ified film must be spent on scoring performed within the state. Howev-
20 er, if the qualified production costs (excluding post production costs)
21 which are attributable to the use of tangible property or the perform-
22 ance of services at a qualified film production facility in the
23 production of such qualified film is less than three million dollars,
24 then the portion of the qualified production costs attributable to the
25 use of tangible property or the performance of services in the
26 production of such qualified film outside of a qualified film production
27 facility shall be allowed only if the shooting days spent in New York
28 outside of a film production facility in the production of such quali-
29 fied film equal or exceed seventy-five percent of the total shooting
30 days spent within and without New York outside of a film production
31 facility in the production of such qualified film. The credit shall be
32 allowed for the taxable year in which the production of such qualified
33 film is completed. However, in the case of a qualified film that
34 receives funds from additional pool 2, no credit shall be claimed before
35 the later of (1) the taxable year the production of the qualified film
36 is complete, or (2) the taxable year that includes the last day of the
37 allocation year for which the film has been allocated credit by the
38 department of economic development. If the amount of the credit is at
39 least one million dollars but less than five million dollars, the credit
40 shall be claimed over a two year period beginning in the first taxable
41 year in which the credit may be claimed and in the next succeeding taxa-
42 ble year, with one-half of the amount of credit allowed being claimed in
43 each year. If the amount of the credit is at least five million dollars,
44 the credit shall be claimed over a three year period beginning in the
45 first taxable year in which the credit may be claimed and in the next
46 two succeeding taxable years, with one-third of the amount of the credit
47 allowed being claimed in each year. Provided, however, in the case of a
48 qualified film for which the credit application was received on or after
49 January first, two thousand twenty-five, the credit shall be claimed in
50 the taxable year that includes the last day of the allocation year for
51 which the film has been allocated a credit by the department of economic
52 development.

53 (5) For the period two thousand fifteen through two thousand [~~thirty-~~
54 ~~four~~] thirty-six, in addition to the amount of credit established in
55 paragraph two of this subdivision, a taxpayer shall be allowed a credit
56 equal to (i) the product (or pro rata share of the product, in the case

1 of a member of a partnership) of ten percent and the wages, salaries or
2 other compensation constituting qualified production costs as defined in
3 paragraph two of subdivision (b) of this section, paid to individuals
4 directly employed by a qualified film production company or a qualified
5 independent film production company for services performed by those
6 individuals in one of the counties specified in this paragraph in
7 connection with a qualified film with a minimum budget of five hundred
8 thousand dollars, and (ii) the product (or pro rata share of the prod-
9 uct, in the case of a member of a partnership) of ten percent and the
10 qualified production costs (excluding wages, salaries or other compen-
11 sation) paid or incurred in the production of a qualified film where the
12 property constituting such qualified production costs was used, and the
13 services constituting such qualified production costs were performed in
14 any of the counties specified in this paragraph in connection with a
15 qualified film with a minimum budget of five hundred thousand dollars
16 where the majority of principal photography shooting days in the
17 production of such film were shot in any of the counties specified in
18 this paragraph. Provided, however, that the aggregate total eligible
19 qualified production costs constituting wages, salaries or other compen-
20 sation, for writers, directors, composers, producers, and performers
21 shall not exceed forty percent of the aggregate sum total of all other
22 qualified production costs. For purposes of the credit, the services
23 must be performed and the property must be used in one or more of the
24 following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chau-
25 tauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutch-
26 ess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer,
27 Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara,
28 Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam,
29 Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St.
30 Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washing-
31 ton, Wayne, Wyoming, or Yates.

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

44 (ii) A taxpayer who is a qualified independent film production company
45 engaging in the production of a feature length film, television film or
46 television series as defined in the regulations promulgated for this
47 program that undertakes multiple productions in New York state may be
48 eligible for a tax credit in addition to the credit pursuant to para-
49 graph two of this subdivision. Production companies that submit at least
50 two applications to the empire state film production tax credit program
51 after January first, two thousand twenty-five the sum of which total at
52 least twenty million in qualified production costs in New York state may
53 receive an additional tax credit equal to the product of five percent
54 and the qualified production costs incurred on all subsequent films or
55 series applied for.

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

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

11 (2) "Production costs" means any costs for tangible property used and
12 services performed directly and predominantly in the production (includ-
13 ing pre-production and post production) of a qualified film.
14 "Production costs" shall not include [~~(i)~~] costs for a story, script or
15 scenario to be used for a qualified film [~~and (ii) wages or salaries or~~
16 ~~other compensation for writers, directors, composers, and performers~~
17 ~~(other than background actors with no scripted lines) to the extent~~
18 ~~those wages or salaries or other compensation exceed five hundred thou-~~
19 ~~sand dollars per individual]. "Production costs" generally include the
20 wages or salaries or other compensation for writers, directors, compos-
21 ers and performers, technical and crew production costs, such as expend-
22 itures for film production facilities, or any part thereof, props, make-
23 up, wardrobe, film processing, camera, sound recording, set
24 construction, scoring, lighting, shooting, editing and meals, and shall
25 include the wages, salaries or other compensation of no more than two
26 producers per qualified film[, ~~not to exceed five hundred thousand~~
27 ~~dollars per producer, where only one of whom is the principal individual~~
28 ~~responsible for overseeing the creative and managerial process of~~
29 ~~production of the qualified film and only one of whom is the principal~~
30 ~~individual responsible for the day-to-day operational management of~~
31 ~~production of the qualified film; provided, however, that such producers~~
32 ~~are not compensated for any other position on the qualified film by a~~
33 ~~qualified film production company or a qualified independent film~~
34 ~~production company for services performed].~~~~

35 (7) "Qualified independent film production company" is a corporation,
36 partnership, limited partnership, or other entity or individual, that or
37 who (i) is principally engaged in the production of a qualified film
38 with a maximum budget of [~~fifteen~~] twenty-five million dollars, and (ii)
39 controls the qualified film during production, and (iii) either is not a
40 publicly traded entity, or no more than five percent of the beneficial
41 ownership of which is owned, directly or indirectly, by a publicly trad-
42 ed entity.

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

46 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
47 subdivision (a) of this section shall be increased by an additional four
48 hundred twenty million dollars in each year starting in two thousand ten
49 through two thousand twenty-three and seven hundred million dollars in
50 each year starting in two thousand twenty-four through two thousand
51 [~~thirty-four~~] thirty-six, provided however, seven million dollars of the
52 annual allocation shall be available for the empire state film post
53 production credit pursuant to section thirty-one of this article in two
54 thousand thirteen and two thousand fourteen, twenty-five million dollars
55 of the annual allocation shall be available for the empire state film
56 post production credit pursuant to section thirty-one of this article in

1 each year starting in two thousand fifteen through two thousand twenty-
2 three, and forty-five million dollars of the annual allocation shall be
3 available for the empire state film post production credit pursuant to
4 section thirty-one of this article in each year starting in two thousand
5 twenty-four through two thousand [~~thirty-four~~ thirty-six. Provided
6 further, five million dollars of the annual allocation shall be made
7 available for the television writers' and directors' fees and salaries
8 credit pursuant to section twenty-four-b of this article in each year
9 starting in two thousand twenty through two thousand [~~thirty-four~~ thir-
10 ty-six. This amount shall be allocated by the department of economic
11 development among taxpayers in accordance with subdivision (a) of this
12 section. If the commissioner of economic development determines that the
13 aggregate amount of tax credits available from additional pool 2 for the
14 empire state film production tax credit have been previously allocated,
15 and determines that the pending applications from eligible applicants
16 for the empire state film post production tax credit pursuant to section
17 thirty-one of this article is insufficient to utilize the balance of
18 unallocated empire state film post production tax credits from such
19 pool, the remainder, after such pending applications are considered,
20 shall be made available for allocation in the empire state film tax
21 credit pursuant to this section, subdivision twenty of section two
22 hundred ten-B and subsection (gg) of section six hundred six of this
23 chapter. Also, if the commissioner of economic development determines
24 that the aggregate amount of tax credits available from additional pool
25 2 for the empire state film post production tax credit have been previ-
26 ously allocated, and determines that the pending applications from
27 eligible applicants for the empire state film production tax credit
28 pursuant to this section is insufficient to utilize the balance of unal-
29 located film production tax credits from such pool, then all or part of
30 the remainder, after such pending applications are considered, shall be
31 made available for allocation for the empire state film post production
32 credit pursuant to this section, subdivision thirty-two of section two
33 hundred ten-B and subsection (qq) of section six hundred six of this
34 chapter. The department of economic development must notify taxpayers of
35 their allocation year and include the allocation year on the certificate
36 of tax credit. Taxpayers eligible to claim a credit must report the
37 allocation year directly on their empire state film production credit
38 tax form for each year a credit is claimed and include a copy of the
39 certificate with their tax return. In the case of a qualified film that
40 receives funds from additional pool 2 where the taxpayer filed an
41 initial application before April first, two thousand twenty-three and
42 before January first, two thousand twenty-five, no empire state film
43 production credit shall be claimed before the later of (1) the taxable
44 year the production of the qualified film is complete, or (2) the taxa-
45 ble year immediately following the allocation year for which the film
46 has been allocated credit by the department of economic development. In
47 the case of a qualified film that receives funds from additional pool 2
48 where the taxpayer filed an initial application on or after April first,
49 two thousand twenty-three and before January first, two thousand twen-
50 ty-five, no empire state film production credit shall be claimed before
51 the later of (1) the taxable year the production of the qualified film
52 is complete, or (2) the taxable year that includes the last day of the
53 allocation year for which the film has been allocated credit by the
54 department of economic development. In the case of a qualified film for
55 which the taxpayer filed an initial application on or after January
56 first, two thousand twenty-five, the credit shall be claimed in the

1 taxable year that includes the last day of the allocation year for which
2 the production of such qualified film has been allocated a credit by the
3 department of economic development.

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

7 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
8 subdivision (a) of this section shall be increased by an additional four
9 hundred twenty million dollars in each year starting in two thousand ten
10 through two thousand twenty-three and seven hundred million dollars each
11 year starting in two thousand twenty-four through two thousand [~~thirty-~~
12 ~~four~~] thirty-six, provided however, seven million dollars of the annual
13 allocation shall be available for the empire state film post production
14 credit pursuant to section thirty-one of this article in two thousand
15 thirteen and two thousand fourteen, twenty-five million dollars of the
16 annual allocation shall be available for the empire state film post
17 production credit pursuant to section thirty-one of this article in each
18 year starting in two thousand fifteen through two thousand twenty-three,
19 and forty-five million dollars of the annual allocation shall be avail-
20 able for the empire state film post production credit pursuant to
21 section thirty-one of this article in each year starting in two thousand
22 twenty-four through two thousand [~~thirty-four~~] thirty-six. This amount
23 shall be allocated by the department of economic development among
24 taxpayers in accordance with subdivision (a) of this section. If the
25 commissioner of economic development determines that the aggregate
26 amount of tax credits available from additional pool 2 for the empire
27 state film production tax credit have been previously allocated, and
28 determines that the pending applications from eligible applicants for
29 the empire state film post production tax credit pursuant to section
30 thirty-one of this article is insufficient to utilize the balance of
31 unallocated empire state film post production tax credits from such
32 pool, the remainder, after such pending applications are considered,
33 shall be made available for allocation in the empire state film tax
34 credit pursuant to this section, subdivision twenty of section two
35 hundred ten-B and subsection (gg) of section six hundred six of this
36 chapter. Also, if the commissioner of economic development determines
37 that the aggregate amount of tax credits available from additional pool
38 2 for the empire state film post production tax credit have been previ-
39 ously allocated, and determines that the pending applications from
40 eligible applicants for the empire state film production tax credit
41 pursuant to this section is insufficient to utilize the balance of unal-
42 located film production tax credits from such pool, then all or part of
43 the remainder, after such pending applications are considered, shall be
44 made available for allocation for the empire state film post production
45 credit pursuant to this section, subdivision thirty-two of section two
46 hundred ten-B and subsection (qq) of section six hundred six of this
47 chapter. The department of economic development must notify taxpayers of
48 their allocation year and include the allocation year on the certificate
49 of tax credit. Taxpayers eligible to claim a credit must report the
50 allocation year directly on their empire state film production credit
51 tax form for each year a credit is claimed and include a copy of the
52 certificate with their tax return. In the case of a qualified film that
53 receives funds from additional pool 2 where the taxpayer filed an
54 initial application before April first, two thousand twenty-three, no
55 empire state film production credit shall be claimed before the later of
56 (1) the taxable year the production of the qualified film is complete,

1 or (2) the taxable year immediately following the allocation year for
2 which the film has been allocated credit by the department of economic
3 development. In the case of a qualified film that receives funds from
4 additional pool 2 where the taxpayer filed an initial application on or
5 after April first, two thousand twenty-three and before January first,
6 two thousand twenty-five, no empire state film production credit shall
7 be claimed before the later of (1) the taxable year the production of
8 the qualified film is complete, or (2) the taxable year that includes
9 the last day of the allocation year for which the film has been allo-
10 cated credit by the department of economic development. Provided, howev-
11 er, in the case of a qualified film for which the credit application was
12 received on or after January first, two thousand twenty-five, the credit
13 shall be claimed in the taxable year that includes the last day of the
14 allocation year for which the film has been allocated a credit by the
15 department of economic development.

16 § 5. Intentionally omitted.

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

22 (3) (i) A taxpayer shall not be eligible for the credit established by
23 this section for qualified post production costs, excluding the costs
24 for visual effects and animation, unless the qualified post production
25 costs, excluding the costs for visual effects and animation, at a quali-
26 fied post production facility meet or exceed one million dollars or
27 seventy-five percent of the total post production costs, excluding the
28 costs for visual effects and animation, paid or incurred in the post
29 production of the qualified film at any post production facility. (ii) A
30 taxpayer shall not be eligible for the credit established by this
31 section for qualified post production costs which are costs for visual
32 effects or animation unless the qualified post production costs for
33 visual effects or animation at a qualified post production facility meet
34 or exceed [~~three million~~] five hundred thousand dollars or [~~twenty~~] ten
35 percent of the total post production costs for visual effects or
36 animation paid or incurred in the post production of a qualified film at
37 any post production facility, whichever is less. (iii) A taxpayer may
38 claim a credit for qualified post production costs excluding the costs
39 for visual effects and animation, and for qualified post production
40 costs of visual effects and animation, provided that the criteria in
41 subparagraphs (i) and (ii) of this paragraph are both satisfied. The
42 credit shall be allowed for the taxable year in which the production of
43 such qualified film is completed.

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

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

22 § 7. Paragraph 2 of subdivision (b) of section 31 of the tax law, as
23 added by section 12 of part Q of chapter 57 of the laws of 2010, is
24 amended to read as follows:

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

32 § 8. Intentionally omitted.

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

35 § 24-d. Empire state independent film production credit. (a) (1)
36 Allowance of credit. A taxpayer which is a qualified independent film
37 production company, or which is a sole proprietor of or a member of a
38 partnership which is a qualified independent film production company,
39 and which is subject to tax under articles nine-A or twenty-two of this
40 chapter, shall be allowed a credit against such tax, pursuant to the
41 provisions referenced in subdivision (c) of this section, to be computed
42 as hereinafter provided.

43 (2) (i) The amount of the credit shall be the product (or pro rata
44 share of the product, in the case of a member of a partnership) of thir-
45 ty percent and the qualified production costs paid or incurred in the
46 production of a qualified film, provided that the qualified production
47 costs (excluding post production costs) paid or incurred which are
48 attributable to the use of tangible property or the performance of
49 services at a qualified film production facility in the production of
50 such qualified film equal or exceed seventy-five percent of the
51 production costs (excluding post production costs) paid or incurred
52 which are attributable to the use of tangible property or the perform-
53 ance of services at any film production facility within and without the
54 state in the production of such qualified film. However, if the quali-
55 fied production costs (excluding post production costs) which are
56 attributable to the use of tangible property or the performance of

1 services at a qualified film production facility in the production of
2 such qualified film is less than three million dollars, then the portion
3 of the qualified production costs attributable to the use of tangible
4 property or the performance of services in the production of such quali-
5 fied film outside of a qualified film production facility shall be
6 allowed only if the shooting days spent in New York outside of a film
7 production facility in the production of such qualified film equal or
8 exceed seventy-five percent of the total shooting days spent within and
9 without the state outside of a film production facility in the
10 production of such qualified film. The credit shall be allowed for the
11 taxable year in which the production of such qualified film is
12 completed. A taxpayer shall not be eligible for a tax credit established
13 by this section for the production of more than two qualified films per
14 calendar year.

15 (ii) In addition to the amount of credit established in subparagraph
16 (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A)
17 the product (or pro rata share of the product, in the case of a member
18 of a partnership) of ten percent and the wages, salaries or other
19 compensation constituting qualified production costs as defined in para-
20 graph one of subdivision (b) of this section, paid to individuals
21 directly employed by a qualified independent film production company for
22 services performed by those individuals in one of the counties specified
23 in this subparagraph in connection with a qualified independent film
24 with a minimum budget of five hundred thousand dollars, and (B) the
25 product (or pro rata share of the product, in the case of a member of a
26 partnership) of ten percent and the qualified production costs (exclud-
27 ing wages, salaries or other compensation) paid or incurred in the
28 production of a qualified film where the property constituting such
29 qualified production costs was used, and the services constituting such
30 qualified production costs were performed in any of the counties speci-
31 fied in this subparagraph in connection with a qualified film with a
32 minimum budget of five hundred thousand dollars where the majority of
33 principal photography shooting days in the production of such film
34 were shot in any of the counties specified in this paragraph. Provided,
35 however, that the aggregate total eligible qualified production costs
36 constituting wages, salaries or other compensation, for writers,
37 directors, composers, producers, and performers shall not exceed forty
38 percent of the aggregate sum total of all other qualified production
39 costs. For purposes of the credit, the services must be performed and
40 the property must be used in one or more of the following counties:
41 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
42 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
43 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
44 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
45 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
46 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-
47 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or
48 Yates.

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

54 (4) Notwithstanding the foregoing provisions of this subdivision, a
55 qualified independent film production company that has applied for cred-
56 it under the provisions of this section, agrees as a condition for the

1 granting of the credit: (i) to include in each qualified film distrib-
2 uted by DVD, or other media for the secondary market, a New York promo-
3 tional video approved by the governor's office of motion picture and
4 television development or to include in the end credits of each quali-
5 fied film "Filmed With the Support of the New York State Governor's
6 Office of Motion Picture and Television Development" and a logo provided
7 by the governor's office of motion picture and television development,
8 and (ii) to certify that it will purchase taxable tangible property and
9 services, defined as qualified production costs pursuant to paragraph
10 one of subdivision (b) of this section, only from companies registered
11 to collect and remit state and local sales and use taxes pursuant to
12 articles twenty-eight and twenty-nine of this chapter.

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

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

28 (2) "Production costs" means any costs for tangible property used and
29 services performed directly and predominantly in the production (includ-
30 ing pre-production and post production) of a qualified film.
31 "Production costs" shall not include costs for a story, script or
32 scenario to be used for a qualified film. "Production costs" generally
33 include writers, directors, composers and performers, technical and crew
34 production costs, such as expenditures for film production facilities,
35 or any part thereof, props, makeup, wardrobe, film processing, camera,
36 sound recording, set construction, lighting, shooting, editing and
37 meals.

38 (3) "Qualified film" means a scripted narrative feature-length film,
39 television film, relocated television series or television series,
40 regardless of the medium by means of which the film or series is created
41 or conveyed. For the purposes of the credit provided by this section
42 only, a "qualified film" whose majority of principal photography shoot-
43 ing days in the production of the qualified film are shot in Westches-
44 ter, Rockland, Nassau, or Suffolk county or any of the five New York
45 City boroughs shall have a minimum budget of one million dollars. A
46 "qualified film", whose majority of principal photography shooting days
47 in the production of the qualified film are shot in any other county of
48 the state than those listed in the preceding sentence shall have a mini-
49 mum budget of two hundred fifty thousand dollars. "Qualified film" shall
50 not include: (i) a television pilot, documentary film, news or current
51 affairs program, interview or talk program, "how-to" (i.e., instruc-
52 tional) film or program, film or program consisting primarily of stock
53 footage, sporting event or sporting program, game show, award ceremony,
54 film or program intended primarily for industrial, corporate or institu-
55 tional end-users, fundraising film or program, daytime drama (i.e.,
56 daytime "soap opera"), commercials, music videos or "reality" program;

1 (ii) a production for which records are required under section 2257 of
2 title 18, United States code, to be maintained with respect to any
3 performer in such production (reporting of books, films, etc. with
4 respect to sexually explicit conduct); or (iii) a television series
5 commonly known as variety entertainment, variety sketch and variety
6 talk, i.e., a program with components of improvisational or scripted
7 content (monologues, sketches, interviews), either exclusively or in
8 combination with other entertainment elements such as musical perform-
9 ances, dancing, cooking, crafts, pranks, stunts, and games and which may
10 be further defined in regulations of the commissioner of economic devel-
11 opment.

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

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

22 (6) "Qualified independent film production company" is a corporation,
23 partnership, limited partnership, or other entity or individual, that or
24 who (i) is principally engaged in the production of a qualified film
25 with a maximum budget of twenty-five million dollars, and (ii) controls
26 the qualified film during production, and (iii) either is not a publicly
27 traded entity, or no more than five percent of the beneficial ownership
28 of which is owned, directly or indirectly, by a publicly traded entity.

29 (7) "Relocated television series" shall mean the first two years of a
30 regularly occurring production intended to run in its initial broadcast,
31 regardless of the medium or mode of its distribution, in a series of
32 narrative and/or thematically related episodes, each of which has a
33 running time of at least thirty minutes in length (inclusive of commer-
34 cial advertisement and interstitial programming, if any), which had
35 filmed a minimum of six episodes of the television series outside the
36 state immediately prior to relocating to the state, where the television
37 series had a total minimum budget of at least one million dollars per
38 episode. For the purposes of this definition only, a television series
39 produced by and for media services providers described as streaming
40 services and/or digital platforms (and excluding network/cable) shall
41 mean a regularly occurring production intended to run in its initial
42 release in a series of narrative and/or thematically related episodes,
43 the aggregate length of which is at least seventy-five minutes, although
44 the episodes themselves may vary in duration from the thirty minutes
45 specified for network/cable production.

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

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

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

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

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

5 (d) Notwithstanding any provision of this chapter, employees and offi-
6 cers of the governor's office of motion picture and television develop-
7 ment and the department shall be allowed and are directed to share and
8 exchange information regarding the credits applied for, allowed, or
9 claimed pursuant to this section and taxpayers who are applying for
10 credits or who are claiming credits, including information contained in
11 or derived from credit claim forms submitted to the department and
12 applications for credit submitted to the governor's office of motion
13 picture and television development.

14 (e) Allocation of credit. There shall be at least two application
15 periods each year; such aggregate amount of credits shall be allocated
16 by the governor's office for motion picture and television development
17 among taxpayers in order of priority based upon the date of filing of an
18 application for allocation of the independent film production credit
19 with such office within each application period. If the commissioner of
20 economic development determines that the aggregate amount of tax credits
21 available for an application period under paragraph one of this subdivi-
22 sion have been previously allocated, and determines that the pending
23 applications from eligible applicants for the other application period
24 in such calendar year is insufficient to utilize the balance of unallo-
25 cated tax credits for such period, then such commissioner may allocate
26 to productions eligible under such paragraph any credits that remain
27 unallocated for such period pursuant to paragraph two of this subdivi-
28 sion. Provided, however, the total amount of allocated credits applied
29 in any calendar year shall not exceed the aggregate amount of tax cred-
30 its allowed for such year under this section.

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

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

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

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

54 20-a. Empire state independent film production credit. (a) Allowance
55 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:

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

§ 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 00 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

1 gaming media production credit with such office. An applicant shall
2 submit an annual application which shall include all qualified digital
3 gaming media productions for the taxable year along with an estimate of
4 the digital gaming media production costs. The application can be
5 submitted no earlier than ninety days prior to the first day of the
6 applicable taxable year. If the total amount of allocated credits
7 applied for in any particular year exceeds the aggregate amount of tax
8 credits allowed for such year under this section, such excess shall be
9 treated as having been applied for on the first day of the subsequent
10 taxable year. Provided, however, that for taxable years beginning on or
11 after January first, two thousand twenty-three, if the total amount of
12 allocated credits applied for in any particular year is less than the
13 aggregate amount of tax credits allowed for such year under this
14 section, any unused portion may be carried over and added to the aggre-
15 gate amount of credits allowed in the next succeeding taxable year or
16 years.

17 (c) Definitions. As used in this section:

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

37 (2) "Digital gaming media production costs" means any costs for wages
38 [~~or salaries~~] paid to individuals, [~~other than actors or writers,~~
39 directly employed for services performed by those individuals directly
40 [~~and predominantly~~] in the creation of a digital gaming media production
41 or productions. [~~Up to one hundred thousand dollars in wages and sala-~~
42 ~~ries paid to such employees, other than actors and writers, directly~~
43 ~~employed shall be used in the calculation of this credit.~~] Digital
44 gaming media production costs include but shall not be limited to
45 payments for services performed directly [~~and predominantly~~] in the
46 development (including concept creation), [~~design,~~] production (includ-
47 ing concept creation), design, production (including testing), editing
48 (including encoding) and compositing (including the integration of
49 digital files for interaction by end users) of digital gaming media.
50 Digital gaming media production costs shall not include expenses
51 incurred for the distribution, marketing, promotion, or advertising
52 content generated by end users, other costs not directly [~~and predomi-~~
53 ~~nantly~~] related to the creation, production or modification of digital
54 gaming media or costs used by the taxpayer as a basis of the calculation
55 of any other tax credit allowed under this chapter. In addition, [~~sala-~~
56 ~~ries or other income distribution~~] **wages** related to the creation of

1 digital gaming media for any person who predominately serves in a corpo-
2 rate capacity in the role of chief executive officer, chief financial
3 officer, president, treasurer or similar corporate position and who is
4 not directly engaged in services related to the creation of a digital
5 gaming media production or productions shall not be included as digital
6 gaming media production costs if the digital gaming media production
7 entity has more than ten employees. [~~Salaries or other income~~] Wages
8 paid to a person serving in such a role for the digital gaming media
9 production entity shall also not be included if the person was employed
10 by a related person of the digital gaming media production entity within
11 sixty months of the date the digital gaming media production entity
12 applied for the tax credit certificate described in subdivision (d) of
13 this section. For purposes of the preceding sentence, a related person
14 shall have the same meaning as the term "related person" in section four
15 hundred sixty-five of the internal revenue code. [~~Furthermore, any~~
16 ~~income or other distribution to any individual including, but not limit-~~
17 ~~ed to, licensing or royalty fees, who holds an ownership interest in a~~
18 ~~digital gaming media production entity, whether or not such individual~~
19 ~~is serving in the role of chief executive officer, chief financial offi-~~
20 ~~cer, president, treasurer or similar position for such an entity, shall~~
21 ~~not be included as digital gaming media production costs. Up to four~~
22 ~~million dollars in qualified digital gaming media production costs per~~
23 ~~production shall be used in the calculation of this credit.~~] Digital
24 gaming media production costs shall not include those costs used by the
25 taxpayer or another taxpayer as the basis calculation of any other tax
26 credit allowed under this chapter.

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

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

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

40

PART L

41 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws
42 of 2021 amending the tax law and the state finance law relating to
43 establishing the New York city musical and theatrical production tax
44 credit and establishing the New York state council on the arts cultural
45 program fund, as amended by section 1 of subpart E of part I of chapter
46 59 of the laws of 2023, is amended to read as follows:

47 § 6. This act shall take effect immediately; provided however, that
48 sections one, two, three and four of this act shall apply to taxable
49 years beginning on or after January 1, 2021, and before January 1,
50 [~~2026~~] 2028 and shall expire and be deemed repealed January 1, [~~2026~~]
51 2028; provided further, however that the obligations under paragraph 3
52 of subdivision (g) of section 24-c of the tax law, as added by section
53 one of this act, shall remain in effect until December 31, [~~2027~~] 2029.

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

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

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

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

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

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

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

44 § 4-a. Paragraph 4 of subdivision (b) of section 24-c of the tax law,
45 as amended by section 2-a of subpart E of part I of chapter 59 of the
46 laws of 2023, is amended to read as follows:

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

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

5 PART M

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

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

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

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

41 § 3. This act shall take effect immediately.

42 PART N

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

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

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

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

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

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

18 § 175. Manner of execution of instruments by the commissioner.
 19 Notwithstanding any other provision of law, whenever a statute author-
 20 izes or requires the commissioner to execute an instrument, such instru-
 21 ment shall be executed by having the name or title of the commissioner
 22 appear on such instrument and, underneath such name or title, such
 23 instrument shall be signed by the commissioner or by a deputy tax
 24 commissioner or by the secretary to such commissioner[~~, and the~~]. An
 25 electronic signature may be used in lieu of a signature affixed by hand
 26 pursuant to article three of the state technology law. The seal of such
 27 commissioner [~~shall~~] may be affixed or [~~shall~~] appear on such instrument
 28 as a facsimile which is engraved, printed or reproduced in any other
 29 manner. No acknowledgment of the execution of any such instrument shall
 30 be necessary for the purpose of the recordation thereof or for any other
 31 purpose.

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

38 PART 0

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

42 (b-1) Income. For final assessment rolls to be used for the levy of
 43 taxes for the two thousand eleven-two thousand twelve through two thou-
 44 sand eighteen-two thousand nineteen school years, the parcel's affil-
 45 iated income may be no greater than five hundred thousand dollars, as
 46 determined by the commissioner pursuant to subdivision fourteen of this
 47 section or section one hundred seventy-one-u of the tax law, in order to
 48 be eligible for the basic exemption authorized by this section. Begin-
 49 ning with the two thousand nineteen-two thousand twenty school year, for
 50 purposes of the exemption authorized by this section, the parcel's
 51 affiliated income may be no greater than two hundred fifty thousand
 52 dollars, as so determined. As used herein, the term "affiliated income"
 53 shall mean the combined income of all of the owners of the parcel who
 54 resided primarily thereon on the applicable taxable status date, and of

1 any owners' spouses residing primarily thereon. For exemptions on final
 2 assessment rolls to be used for the levy of taxes for the two thousand
 3 eleven-two thousand twelve school year, affiliated income shall be
 4 determined based upon the parties' incomes for the income tax year
 5 ending in two thousand nine. In each subsequent school year, the appli-
 6 cable income tax year shall be advanced by one year. The term "income"
 7 as used herein shall have the same meaning as in subdivision four of
 8 this section, and the provisions of clause (B) of subparagraph (ii) of
 9 paragraph (b) of subdivision four of this section shall be equally
 10 applicable to the basic exemption.

11 § 2. Paragraph (a) of subdivision 4 of section 425 of the real proper-
 12 ty tax law, as amended by section 4 of part A of chapter 405 of the laws
 13 of 1999 and subparagraph (i) as amended by section 2 of part E of chap-
 14 ter 83 of the laws of 2002, is amended to read as follows:

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

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

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

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

36 The combined income of all of the owners who primarily reside on the
 37 property, and of any owners' spouses primarily residing on the ~~[prem-~~
 38 ~~ises]~~ property, may not exceed the applicable income standard specified
 39 herein.

40 § 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section
 41 425 of the real property tax law, as amended by section 1 of part B of
 42 chapter 59 of the laws of 2018, is amended to read as follows:

43 (ii) The term "income" as used herein shall mean the "adjusted gross
 44 income" for federal income tax purposes as reported on the applicant's
 45 federal or state income tax return for the applicable income tax year,
 46 subject to any subsequent amendments or revisions, reduced by distrib-
 47 utions, to the extent included in federal adjusted gross income,
 48 received from an individual retirement account and an individual retire-
 49 ment annuity; provided that if no such return was filed for the applica-
 50 ble income tax year, "income" shall mean the ~~[adjusted gross income]~~
 51 amount that would have been so reported if such a return had been filed.
 52 Provided further, that ~~[effective]:~~

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

1 year, then in order for the application to be considered complete, each
2 such individual must file a statement with the department showing the
3 source or sources of [~~his or her~~] such individual's income for that
4 income tax year, and the amount or amounts thereof, that would have been
5 reported on such a return if one had been filed. Such statement shall be
6 filed at such time, and in such form and manner, as may be prescribed by
7 the department, and shall be subject to the secrecy provisions of the
8 tax law to the same extent that a personal income tax return would be.
9 The department shall make such forms and instructions available for the
10 filing of such statements. The local assessor shall upon the request of
11 a taxpayer assist such taxpayer in the filing of the statement with the
12 department.

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

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

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

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

35 4-b. Authority of the commissioner in relation to eligibility determi-
36 nations. (a) (i) Notwithstanding any provision of this section to the
37 contrary, it shall be the responsibility of the commissioner to deter-
38 mine eligibility for the basic and enhanced STAR exemptions authorized
39 by this section, in consultation with local assessors as necessary.

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

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

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

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

1 (i) The commissioner shall provide the property owners with notice and
 2 an opportunity to show the commissioner that the property is eligible to
 3 receive the exemption. If the owners fail to respond to such notice
 4 within forty-five days from the mailing thereof, or if their response
 5 does not show to the commissioner's satisfaction that the property is
 6 eligible for the exemption, the commissioner shall direct the assessor
 7 or other person having custody or control of the assessment roll or tax
 8 roll to remove or deny the exemption, and to correct the roll accord-
 9 ingly. Such a directive shall be binding upon the assessor or other person
 10 having custody or control of the assessment roll or tax roll, and shall
 11 be implemented by such person without the need for further documentation
 12 or approval.

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

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

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

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

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

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

47 (B) (i) "Affiliated income" shall mean [~~for purposes of the basic STAR~~
 48 ~~credit,~~ the combined income of all of the owners of the parcel who
 49 resided primarily thereon as of [~~December thirty-first~~] July first
 50 of the taxable year, and of any owners' spouses residing primarily thereon
 51 as of such date[~~, and for purposes of the enhanced STAR credit, the~~
 52 ~~combined income of all of the owners of the parcel as of December thir-~~
 53 ~~ty-first of the taxable year, and of any owners' spouses residing prima-~~
 54 ~~rily thereon as of such date, provided that for both purposes]; provided~~
 55 that the income to be so combined shall be the "adjusted gross income"
 56 for the taxable year as reported for federal income tax purposes, or

1 that would be reported as adjusted gross income if a federal income tax
2 return were required to be filed, reduced by distributions, to the
3 extent included in federal adjusted gross income, received from an indi-
4 vidual retirement account and an individual retirement annuity.

5 (ii) For taxable years beginning on and after January first, two thou-
6 sand nineteen, where an income-eligibility determination is wholly or
7 partly based upon the income of one or more individuals who did not file
8 a return pursuant to section six hundred fifty-one of this article for
9 the applicable income tax year, then in order to be eligible for the
10 credit authorized by this subsection, each such individual must file a
11 statement with the department showing the source or sources of [~~his or~~
12 ~~her~~] such individual's income for that income tax year, and the amount
13 or amounts thereof, that would have been reported on such a return if
14 one had been filed. Such statement shall be filed at such time, and in
15 such form and manner, as may be prescribed by the department, and shall
16 be subject to the provisions of section six hundred ninety-seven of this
17 article to the same extent that a return would be. The department shall
18 make such forms and instructions available for the filing of such state-
19 ments. The local assessor shall upon the request of a taxpayer assist
20 such taxpayer in the filing of the statement with the department.

21 [~~Provided further, that if the qualified taxpayer was an owner of the~~
22 ~~property during the taxable year but did not own it on December thirty-~~
23 ~~first of the taxable year, then the determination as to whether the~~
24 ~~income of an individual should be included in "affiliated income" shall~~
25 ~~be based upon the ownership and/or residency status of that individual~~
26 ~~as of the first day of the month during which the qualified taxpayer~~
27 ~~ceased to be an owner of the property, rather than as of December thir-~~
28 ~~ty first of the taxable year.~~]

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

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

1 cooperative apartment corporation that is described in subparagraph (iv)
2 of paragraph (k) of subdivision two of section four hundred twenty-five
3 of the real property tax law, one third of such amount. In no case shall
4 the term "qualifying taxes" be construed to include penalties or inter-
5 est.

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

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

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

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

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

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

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

37 PART P

38 Intentionally Omitted

39 PART Q

40 Intentionally Omitted

41 PART R

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

44 (a) Requirement of declaration.--Every taxpayer subject to the tax
45 imposed by section two hundred nine of this chapter shall make a decla-
46 ration of its estimated tax for the current privilege period, containing
47 such information as the commissioner of taxation and finance may
48 prescribe by regulations or instructions, if such estimated tax can

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

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

13 (a) First installments for certain taxpayers.--In privilege periods of
14 twelve months ending at any time during the calendar year nineteen
15 hundred seventy and thereafter, every taxpayer subject to the tax
16 imposed by section two hundred nine of this [~~chapter~~] article must pay
17 with the report required to be filed for the preceding privilege period,
18 or with an application for extension of the time for filing the report,
19 for taxable years beginning before January first, two thousand sixteen,
20 and must pay on or before the fifteenth day of the third month of such
21 privilege periods, for taxable years beginning on or after January
22 first, two thousand sixteen, an amount equal to (i) twenty-five percent
23 of the second preceding year's tax if the second preceding year's tax
24 exceeded one thousand dollars, or five thousand dollars for taxable
25 years beginning on or after January first, two thousand twenty-six, but
26 was equal to or less than one hundred thousand dollars, or (ii) forty
27 percent of the second preceding year's tax if the second preceding
28 year's tax exceeded one hundred thousand dollars. If the second preced-
29 ing year's tax under section two hundred nine of this chapter exceeded
30 one thousand dollars, or five thousand dollars for taxable years begin-
31 ning on or after January first, two thousand twenty-six, and the taxpay-
32 er is subject to the tax surcharge imposed by section two hundred nine-B
33 of this [~~chapter~~] article, the taxpayer must also pay with the tax
34 surcharge report required to be filed for the second preceding privilege
35 period, or with an application for extension of the time for filing the
36 report, for taxable years beginning before January first, two thousand
37 sixteen, and must pay on or before the fifteenth day of the third month
38 of such privilege periods, for taxable years beginning on or after Janu-
39 ary first, two thousand sixteen, an amount equal to (i) twenty-five
40 percent of the tax surcharge imposed for the second preceding year if
41 the second preceding year's tax was equal to or less than one hundred
42 thousand dollars, or (ii) forty percent of the tax surcharge imposed for
43 the second preceding year if the second preceding year's tax exceeded
44 one hundred thousand dollars. Provided, however, that every taxpayer
45 that is a New York S corporation must pay with the report required to be
46 filed for the preceding privilege period, or with an application for
47 extension of the time for filing the report, an amount equal to (i)
48 twenty-five percent of the preceding year's tax if the preceding year's
49 tax exceeded one thousand dollars, or five thousand dollars for taxable
50 years beginning on or after January first, two thousand twenty-six, but
51 was equal to or less than one hundred thousand dollars, or (ii) forty
52 percent of the preceding year's tax if the preceding year's tax exceeded
53 one hundred thousand dollars.

54 § 3. This act shall take effect immediately.

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

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

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

16 (A) travel expenses;

17 (B) lodging expenses; and

18 (C) lost wages.

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

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

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

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

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

46 (i) travel expenses;

47 (ii) lodging expenses; and

48 (iii) lost wages.

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

51 § 3. This act shall take effect immediately.

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

4 (3) Increased by the amount of any taxable gift under section 2503 of
5 the internal revenue code not otherwise included in the decedent's
6 federal gross estate, made during the three year period ending on the
7 decedent's date of death, but not including any gift made: (A) when the
8 decedent was not a resident of New York state; or (B) before April
9 first, two thousand fourteen; or (C) between January first, two thousand
10 nineteen and January fifteenth, two thousand nineteen; or (D) that is
11 real or tangible personal property having an actual situs outside New
12 York state at the time the gift was made. [~~Provided, however that this~~
13 ~~paragraph shall not apply to the estate of a decedent dying on or after~~
14 ~~January first, two thousand twenty-six.~~] The amount by which the total
15 tax imposed under this article exceeds the total tax that would have
16 been imposed under this article if this paragraph did not apply shall be
17 treated as an obligation of the decedent as of the decedent's death that
18 is subject to the provisions of this article (but which shall not be
19 deductible for purposes of this article).

20 § 2. This act shall take effect immediately.

21 PART U

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

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

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

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

4 (3) Amount of credit. Except as provided in paragraph four of this
5 subsection, the amount of credit for taxable years beginning before
6 January first, two thousand twenty-five shall be thirty-five percent of
7 the first six thousand dollars in qualified first-year wages earned by
8 each qualified employee and for taxable years beginning on or after
9 January first, two thousand twenty-five shall be the first five thousand
10 dollars in qualified first-year wages earned by each qualified employee.

11 "Qualified first-year wages" means wages paid or incurred by the taxpay-
12 er during the taxable year to qualified employees which are attribut-
13 able, with respect to any such employee, to services rendered during the
14 one-year period beginning with the day the employee begins work for the
15 taxpayer.

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

32 § 3. This act shall take effect immediately.

33 PART V

34 Intentionally Omitted

35 PART W

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

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

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

48 (B) such taxpayer meets the following income thresholds for such taxa-
49 ble year:

50 (i) for city taxpayers who filed a resident income tax return as
51 married taxpayers filing jointly or a qualified surviving spouse;

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

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

	<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
13	<u>1</u>	<u>\$31,503</u>
14	<u>2</u>	<u>\$36,824</u>
15	<u>3</u>	<u>\$46,512</u>
16	<u>4</u>	<u>\$53,711</u>
17	<u>5</u>	<u>\$59,928</u>
18	<u>6</u>	<u>\$65,712</u>
19	<u>7</u>	<u>\$74,565</u>
20	<u>8 or more</u>	<u>\$88,361</u>

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

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

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

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

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

39 (2) Where the income of a taxpayer exceeds the amount indicated in
 40 subparagraph (B) of paragraph one of this subsection for such taxpayer
 41 by five thousand dollars or less, and such taxpayer satisfies subpara-
 42 graph (A) and subparagraphs (C) and (D) of paragraph one of this
 43 subsection, a credit shall be allowed in the amount determined by multi-
 44 plying: (A) the tax otherwise due under this article for such taxable
 45 year reduced by all the credits permitted by this article for such taxa-
 46 ble year by (B) a fraction the numerator of which is five thousand
 47 dollars minus the amount by which such income exceeds the amount indi-
 48 cated in subparagraph (B) of paragraph one of this subsection and the
 49 denominator of which is five thousand dollars.

50 (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:

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

(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:

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

(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-

1 sion (g) of this section against the tax imposed pursuant to this chap-
2 ter;

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

6 (2) Where the income of a taxpayer exceeds the amount indicated in
7 subparagraph (B) of paragraph one of this subdivision for such taxpayer
8 by five thousand dollars or less, and such taxpayer satisfies subpara-
9 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-
10 vision, a credit shall be allowed in the amount determined by multiply-
11 ing: (A) the tax otherwise due under this article for such taxable year
12 reduced by all the credits permitted by this article for such taxable
13 year by (B) a fraction the numerator of which is five thousand dollars
14 minus the amount by which such income exceeds the amount indicated in
15 subparagraph (B) of paragraph one of this subdivision and the denomina-
16 tor of which is five thousand dollars.

17 (3) For purposes of this subdivision:

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

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

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

26 PART X

27 Intentionally Omitted

28 PART Y

29 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
30 law, as amended by section 1 of part K of chapter 59 of the laws of
31 2022, is amended to read as follows:

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

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

45 (1) A taxpayer shall be allowed a credit against the tax imposed by
46 this article. Such credit, to be computed as hereinafter provided, shall
47 be allowed for bioheating fuel, used for space heating or hot water
48 production for residential purposes within this state and purchased on
49 or after July first, two thousand six and before July first, two thou-
50 sand seven and on or after January first, two thousand eight and before
51 January first, two thousand [~~twenty-six~~] twenty-nine. Such credit shall

1 be \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to
2 exceed twenty cents per gallon, purchased by such taxpayer. Provided,
3 however, that on or after January first, two thousand seventeen, this
4 credit shall not apply to bioheating fuel that is less than six percent
5 biodiesel per gallon of bioheating fuel.
6 § 3. This act shall take effect immediately.

7 PART Z

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

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

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

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

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

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

26 § 4. This act shall take effect immediately.

27 PART AA

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

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

39 § 2. This act shall take effect immediately.

40 PART BB

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

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

47 § 2. This act shall take effect immediately.

48 PART CC

1 Section 1. Paragraph (a) of subdivision 29 of section 210-B of the
2 tax law, as amended by section 1 of part H of chapter 59 of the laws of
3 2022, is amended to read as follows:

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

17 § 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section
18 210-B of the tax law, as amended by section 1 of part H of chapter 59 of
19 the laws of 2022, is amended to read as follows:

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

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

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

39 § 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section
40 606 of the tax law, as amended by section 2 of part H of chapter 59 of
41 the laws of 2022, is amended to read as follows:

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

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

48 (1) Allowance of credit. For taxable years beginning on or after Janu-
49 ary first, two thousand fifteen and before January first, two thousand
50 [~~twenty-six~~ twenty-nine, a taxpayer shall be allowed a credit, to be
51 computed as provided in this subdivision, against the tax imposed by
52 this article, for hiring and employing, for not less than twelve contin-
53 uous and uninterrupted months (hereinafter referred to as the twelve-
54 month period) in a full-time or part-time position, a qualified veteran
55 within the state. The taxpayer may claim the credit in the year in which
56 the qualified veteran completes the twelve-month period of employment by

1 the taxpayer. If the taxpayer claims the credit allowed under this
2 subdivision, the taxpayer may not use the hiring of a qualified veteran
3 that is the basis for this credit in the basis of any other credit
4 allowed under this article.

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

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

11 § 7. This act shall take effect immediately.

12 PART DD

13 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,
14 amending the tax law relating to a musical and theatrical production
15 credit, as amended by section 1 of part HH of chapter 59 of the laws of
16 2021, is amended to read as follows:

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

25 § 2. This act shall take effect immediately.

26 PART EE

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

31 § 2. This act shall take effect immediately and shall expire April 1,
32 [~~2025~~] 2030 when upon such date the provisions of this act shall be
33 deemed repealed.

34 § 2. This act shall take effect immediately.

35 PART FF

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

47 SUBPART A

48 Intentionally Omitted

1

SUBPART B

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

6 (a) Any racing association or corporation or regional off-track
7 betting corporation, authorized to conduct pari-mutuel wagering under
8 this chapter, desiring to display the simulcast of horse races on which
9 pari-mutuel betting shall be permitted in the manner and subject to the
10 conditions provided for in this article may apply to the commission for
11 a license so to do. Applications for licenses shall be in such form as
12 may be prescribed by the commission and shall contain such information
13 or other material or evidence as the commission may require. No license
14 shall be issued by the commission authorizing the simulcast transmission
15 of thoroughbred races from a track located in Suffolk county. The fee
16 for such licenses shall be five hundred dollars per simulcast facility
17 and for account wagering licensees that do not operate either a simul-
18 cast facility that is open to the public within the state of New York or
19 a licensed racetrack within the state, twenty thousand dollars per year
20 payable by the licensee to the commission for deposit into the general
21 fund. Except as provided in this section, the commission shall not
22 approve any application to conduct simulcasting into individual or group
23 residences, homes or other areas for the purposes of or in connection
24 with pari-mutuel wagering. The commission may approve simulcasting into
25 residences, homes or other areas to be conducted jointly by one or more
26 regional off-track betting corporations and one or more of the follow-
27 ing: a franchised corporation, thoroughbred racing corporation or a
28 harness racing corporation or association; provided (i) the simulcasting
29 consists only of those races on which pari-mutuel betting is authorized
30 by this chapter at one or more simulcast facilities for each of the
31 contracting off-track betting corporations which shall include wagers
32 made in accordance with section one thousand fifteen, one thousand
33 sixteen and one thousand seventeen of this article; provided further
34 that the contract provisions or other simulcast arrangements for such
35 simulcast facility shall be no less favorable than those in effect on
36 January first, two thousand five; (ii) that each off-track betting
37 corporation having within its geographic boundaries such residences,
38 homes or other areas technically capable of receiving the simulcast
39 signal shall be a contracting party; (iii) the distribution of revenues
40 shall be subject to contractual agreement of the parties except that
41 statutory payments to non-contracting parties, if any, may not be
42 reduced; provided, however, that nothing herein to the contrary shall
43 prevent a track from televising its races on an irregular basis primari-
44 ly for promotional or marketing purposes as found by the commission. For
45 purposes of this paragraph, the provisions of section one thousand thir-
46 teen of this article shall not apply. Any agreement authorizing an
47 in-home simulcasting experiment commencing prior to May fifteenth, nine-
48 teen hundred ninety-five, may, and all its terms, be extended until June
49 thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~; provided, however,
50 that any party to such agreement may elect to terminate such agreement
51 upon conveying written notice to all other parties of such agreement at
52 least forty-five days prior to the effective date of the termination,
53 via registered mail. Any party to an agreement receiving such notice of
54 an intent to terminate, may request the commission to mediate between
55 the parties new terms and conditions in a replacement agreement between

1 the parties as will permit continuation of an in-home experiment until
2 June thirtieth, two thousand [~~twenty-five~~] twenty-six; and (iv) no
3 in-home simulcasting in the thoroughbred special betting district shall
4 occur without the approval of the regional thoroughbred track.

5 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
6 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
7 section 2 of part P of chapter 59 of the laws of 2024, is amended to
8 read as follows:

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

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

25 The provisions of this section shall govern the simulcasting of races
26 conducted at thoroughbred tracks located in another state or country on
27 any day during which a franchised corporation is conducting a race meet-
28 ing in Saratoga county at Saratoga thoroughbred racetrack until June
29 thirtieth, two thousand [~~twenty-five~~] twenty-six and on any day regard-
30 less of whether or not a franchised corporation is conducting a race
31 meeting in Saratoga county at Saratoga thoroughbred racetrack after June
32 thirtieth, two thousand [~~twenty-five~~] twenty-six. On any day on which a
33 franchised corporation has not scheduled a racing program but a
34 thoroughbred racing corporation located within the state is conducting
35 racing, each off-track betting corporation branch office and each simul-
36 casting facility licensed in accordance with section one thousand seven
37 (that has entered into a written agreement with such facility's repre-
38 sentative horsemen's organization, as approved by the commission), one
39 thousand eight, or one thousand nine of this article shall be authorized
40 to accept wagers and display the live simulcast signal from thoroughbred
41 tracks located in another state or foreign country subject to the
42 following provisions:

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

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

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

55 The provisions of this section shall govern the simulcasting of races
56 conducted at thoroughbred tracks located in another state or country on

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

16 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
17 wagering and breeding law, as amended by section 6 of part P of chapter
18 59 of the laws of 2024, is amended to read as follows:

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

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

39 § 32. This act shall take effect immediately and the pari-mutuel tax
40 reductions in section six of this act shall expire and be deemed
41 repealed on July 1, [~~2025~~] 2026; provided, however, that nothing
42 contained herein shall be deemed to affect the application, qualifica-
43 tion, expiration, or repeal of any provision of law amended by any
44 section of this act, and such provisions shall be applied or qualified
45 or shall expire or be deemed repealed in the same manner, to the same
46 extent and on the same date as the case may be as otherwise provided by
47 law; provided further, however, that sections twenty-three and twenty-
48 five of this act shall remain in full force and effect only until May 1,
49 1997 and at such time shall be deemed to be repealed.

50 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
51 racing, pari-mutuel wagering and breeding law and other laws relating to
52 simulcasting and the imposition of certain taxes, as amended by section
53 8 of part P of chapter 59 of the laws of 2024, is amended to read as
54 follows:

55 § 54. This act shall take effect immediately; provided, however,
56 sections three through twelve of this act shall take effect on January

1 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
2 ing law, as added by section thirty-eight of this act, shall expire and
3 be deemed repealed on July 1, [~~2025~~ 2026]; and section eighteen of this
4 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
5 two of this act shall take effect as of the same date as chapter 772 of
6 the laws of 1989 took effect.

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

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

24 Such rate may not be changed more than once per calendar quarter to be
25 effective on the first day of the calendar quarter. "Exotic bets" and
26 "multiple bets" shall have the meanings set forth in section five
27 hundred nineteen of this chapter. "Super exotic bets" shall have the
28 meaning set forth in section three hundred one of this chapter. For
29 purposes of this section, a "pick six bet" shall mean a single bet or
30 wager on the outcomes of six races. The breaks are hereby defined as the
31 odd cents over any multiple of five for payoffs greater than one dollar
32 five cents but less than five dollars, over any multiple of ten for
33 payoffs greater than five dollars but less than twenty-five dollars,
34 over any multiple of twenty-five for payoffs greater than twenty-five
35 dollars but less than two hundred fifty dollars, or over any multiple of
36 fifty for payoffs over two hundred fifty dollars. Out of the amount so
37 retained there shall be paid by such franchised corporation to the
38 commissioner of taxation and finance, as a reasonable tax by the state
39 for the privilege of conducting pari-mutuel betting on the races run at
40 the race meetings held by such franchised corporation, the following
41 percentages of the total pool for regular and multiple bets five percent
42 of regular bets and four percent of multiple bets plus twenty percent of
43 the breaks; for exotic wagers seven and one-half percent plus twenty
44 percent of the breaks, and for super exotic bets seven and one-half
45 percent plus fifty percent of the breaks.

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

56 § 10. This act shall take effect immediately.

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

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

13 PART GG

14 Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel
15 wagering and breeding law, as amended by chapter 174 of the laws of
16 2013, is amended to read as follows:

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

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

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

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

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

38 (2) As a condition of the lower slot machine tax rate, the licensed
39 gaming facility must be current on all statutory obligations to the
40 state or have entered into and be in compliance with a repayment agree-
41 ment with the state. If the commission, in its sole discretion, deter-
42 mines that a gaming facility has not adhered to this condition for any
43 such time period, the gaming facility shall forfeit this lower slot
44 machine tax rate for such time period.

45 (3) Each gaming facility shall provide an annual fiscal report to the
46 governor, the speaker of the assembly, the temporary president of the
47 senate, the director of the division of budget and the commission
48 detailing actual use of the funds resulting from the lower slot machine
49 tax rate. Such report shall include, but not be limited to, any impact
50 on employment levels since receiving the lower slot machine tax rate, an
51 accounting of the use of such funds, any other measures implemented to
52 improve the financial stability of the gaming facility and any other
53 information as deemed necessary by the commission. Such report shall be

1 due no later than January first of each year and shall be posted on the
2 commission website.

3 § 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending
4 the racing, pari-mutuel wagering and breeding law relating to the tax
5 on gaming revenues, is amended to read as follows:

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

8 § 3. This act shall take effect immediately; provided however, that
9 section one of this act shall take effect on the same date as the rever-
10 sion of subdivision 1 of section 1351 of the racing, pari-mutuel wager-
11 ing and breeding law as provided in section 2 of part 000 of chapter 59
12 of the laws of 2021, as amended; provided further, that section one of
13 this act shall expire and be deemed repealed July 1, 2031.

14 PART HH

15 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
16 wagering and breeding law, as amended by section 1 of part 0 of chapter
17 59 of the laws of 2024, is amended to read as follows:

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

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

39 c. Notwithstanding any other provision of law or regulation to the
40 contrary, from April first, two thousand twenty-three to March thirty-
41 first, two thousand twenty-four, twenty-three percent of the funds, not
42 to exceed two and one-half million dollars, in the Catskill off-track
43 betting corporation's capital acquisition fund established pursuant to
44 this section, and one million dollars in the Capital off-track betting
45 corporation's capital acquisition fund established pursuant to this
46 section, shall be available to such off-track betting corporation for
47 the purposes of expenditures necessary to accept authorized wagers; past
48 due statutory obligations to New York licensed or franchised racing
49 corporations or associations; past due contractual obligations due to
50 other racing associations or organizations for the costs of acquiring a
51 simulcast signal; past due statutory payment obligations due to the New
52 York state thoroughbred breeding and development fund corporation, agri-
53 culture and New York state horse breeding development fund, and the

1 Harry M. Zweig memorial fund for equine research; and past due obli-
2 gations due the state.

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

20 e. Notwithstanding any other provision of law or regulation to the
21 contrary, from April first, two thousand twenty-five to March thirty-
22 first, two thousand twenty-six, one million dollars in the Capital off-
23 track betting corporation's capital acquisition fund established pursu-
24 ant to this section shall be available to such off-track betting
25 corporation for the purposes of expenditures necessary to accept author-
26 ized wagers; past due statutory obligations to New York licensed or
27 franchised racing corporations or associations; past due contractual
28 obligations due to other racing associations or organizations for the
29 cost of acquiring a simulcast signal; past due statutory payment obli-
30 gations due to the New York state thoroughbred breeding and development
31 fund corporation, agriculture and New York state horse breeding develop-
32 ment fund, and the Harry M. Zweig memorial fund for equine research; and
33 past due obligations due the state.

34 f. Prior to a corporation being able to utilize the funds authorized
35 by paragraph c [~~e~~], d or e of this subdivision, the corporation must
36 attest that the surcharge monies from section five hundred thirty-two of
37 this chapter are being held separate and apart from any amounts other-
38 wise authorized to be retained from pari-mutuel pools and all surcharge
39 monies have been and will continue to be paid to the localities as
40 prescribed in law. Once this condition is satisfied, the corporation
41 must submit an expenditure plan to the gaming commission for review.
42 Such plan shall include the corporation's outstanding liabilities,
43 projected revenue for the upcoming year, a detailed explanation of how
44 the funds will be used, and any other information necessary to detail
45 such plan as determined by the commission. Upon review, the commission
46 shall make a determination as to whether the requirements of this para-
47 graph have been satisfied and notify the corporation of expenditure plan
48 approval. In the event the commission determines the requirements of
49 this paragraph have not been satisfied, the commission shall notify the
50 corporation of all deficiencies necessary for approval. As a condition
51 of such expenditure plan approval, the corporation shall provide a
52 report to the commission no later than the last day of the calendar year
53 for which the funds are requested, which shall include an accounting of
54 the use of such funds. At such time, the commission may cause an inde-
55 pendent audit to be conducted of the corporation's books to ensure that
56 all moneys were spent as indicated in such approved plan. The audit

1 shall be paid for from money in the fund established by this section. If
2 the audit determines that a corporation used the money authorized under
3 this section for a purpose other than one listed in their expenditure
4 plan, then the corporation shall reimburse the capital acquisition fund
5 for the unauthorized amount.

6 § 2. This act shall take effect immediately.

7

PART II

8 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel
9 wagering and breeding law, as amended by chapter 243 of the laws of
10 2020, is amended and a new subdivision 7 is added to read as follows:

11 6. multi-jurisdictional account wagering providers shall pay a market
12 origin fee equal to five percent on each wager accepted from New York
13 residents. Multi-jurisdictional account wagering providers shall make
14 the required payments to the market origin account on or before the
15 fifth business day of each month and such required payments shall cover
16 payments due for the period of the preceding calendar month; provided,
17 however, that such payments required to be made on April fifteenth shall
18 be accompanied by a report under oath, showing the total of all such
19 payments, together with such other information as the commission may
20 require. A penalty of five percent and interest at the rate of one
21 percent per month from the date the report is required to be filed to
22 the date the payment shall be payable in case any payments required by
23 this subdivision are not paid when due. If the commission determines
24 that any moneys received under this subdivision were paid in error, the
25 commission may cause the same to be refunded without interest out of any
26 moneys collected thereunder, provided an application therefor is filed
27 with the commission within one year from the time the erroneous payment
28 was made. The commission shall pay into the racing regulation account,
29 under the joint custody of the comptroller and the commission, the total
30 amount of the fee collected pursuant to this section[-]; and

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

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

41 1-a. In addition to the moneys specified in subdivision one of this
42 section, up to an amount equivalent to all moneys collected pursuant to
43 subdivision seven of section one thousand twelve-a of this chapter shall
44 be appropriated or transferred to the fund from the general fund of the
45 state treasury to be used for the purposes contained in the agreement
46 established pursuant to subdivision seven of section seven hundred four
47 of this article, provided that such amount shall not exceed what is
48 necessary to cover all expenses as contained in such agreement.

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

51 7. (a) The moneys appropriated or transferred to the fund from the
52 general fund of the state treasury pursuant to subdivision one-a of
53 section seven hundred three of this article shall be expended for a
54 three-year research proposal conducted pursuant to an agreement between

1 the dean of the Cornell University College of Veterinary Medicine and
 2 the executive director of the commission. Such agreement shall, at a
 3 minimum, require the following:

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

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

11 (iii) use of photo-counting computed tomography and high field magnet-
 12 ic resonance imaging to further define early bone pathology in thorough-
 13 bred racehorses that suffer fatal fractures of the fetlock joint, to
 14 further characterize blood biomarker findings in healthy and clinically
 15 lame horses in a large population of thoroughbred racehorses; and

16 (iv) attempted refinement of a risk factor index for fatal musculosk-
 17 keletal injury for thoroughbred racing based on epidemiological findings,
 18 preliminary scanning technology, clinical examination, and advance imag-
 19 ing.

20 (b) The moneys appropriated or transferred to the fund from the gener-
 21 al fund of the state treasury pursuant to subdivision one-a of section
 22 seven hundred three of this article may be used to purchase equipment
 23 and fund staffing needs necessary to carry out the research tasks speci-
 24 fied in paragraph (a) of this subdivision.

25 (c) Any residual unexpended funds collected pursuant to subdivision
 26 seven of section one thousand twelve-a of this chapter shall remain in
 27 the general fund of the state treasury.

28 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law
 29 is amended by adding a new subdivision 10 to read as follows:

30 10. It is incumbent upon the franchised corporation to ensure the
 31 health and safety of its equine participants. To accomplish that goal,
 32 the franchised corporation shall, by September first, two thousand twen-
 33 ty-five, remit a one-time payment of two million dollars to the Harry M.
 34 Zweig memorial fund, established under section seven hundred one of this
 35 chapter, to be used for the conduct of research as specified in subdivi-
 36 sion seven of section seven hundred four of this chapter.

37 § 5. This act shall take effect immediately, and shall apply to wagers
 38 from New York residents accepted on and after September 1, 2025 through
 39 August 31, 2028; provided, however that the provisions of this act shall
 40 expire and be deemed repealed on September 1, 2028.

41 PART JJ

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

1 which improvements on such a site are placed in service, and for a seven
2 year period following the year property is first placed in service upon
3 such a site, provided, such a date occurs prior to the 2036 tax year,
4 the on-site ground water remediation component shall be allowed for all
5 applicable costs incurred on such a site prior to and within the tax
6 year in which improvements on such a site are placed in service, and for
7 a seven year period following the year property is first placed in
8 service upon such a site, provided, such a date occurs prior to the 2036
9 tax year, and the tangible property credit component shall be allowed
10 for all applicable costs incurred on such a site prior to and within the
11 tax year in which improvements on such a site are placed in service, and
12 for a ten year period (120 months) following the year property is first
13 placed in service upon such a site, provided such a date occurs prior to
14 the 2036 tax year.

15 (b) In addition, any site for which (i) a brownfield cleanup agreement
16 with the department of environmental conservation was entered into prior
17 to June 23, 2008 with respect to a site located within the Renaissance
18 Commerce Park situate within the city of Lackawanna, Erie county, (ii)
19 which received a certificate of completion on or before December 31,
20 2017, and (iii) that has not otherwise had property placed in service
21 upon such a site as of the effective date of this act shall be eligible
22 to claim the tax credit for remediated brownfields available to such a
23 site pursuant to section 22 of the tax law as in effect for such a site
24 as of the effective date of this act provided the benefit period as
25 applicable thereto shall be deemed to be a ten-consecutive-tax-year
26 period beginning with the tax year in which improvements on such a site
27 are placed in service where said benefit period shall begin no later
28 than the 2036 tax year.

29 (c) Further, any site for which (i) a brownfield cleanup agreement
30 with the department of environmental conservation was entered into prior
31 to June 23, 2008 with respect to a site located within the Renaissance
32 Commerce Park situate within the city of Lackawanna, Erie county, (ii)
33 which received a certificate of completion on or before December 31,
34 2017, and (iii) that has not otherwise had property placed in service
35 upon such a site as of the effective date of this act, shall be an
36 eligible site for purposes of claiming the tax credit for remediated
37 brownfields available to such a site pursuant to section 22 of the tax
38 law, provided that such developer as defined under section 22 of the tax
39 law has purchased or in any other way has been conveyed all or any
40 portion of such a site from any other party who or which has been issued
41 a certificate of completion with respect to such site and further
42 provided that such purchase or conveyance occurs no later than the 2036
43 tax year.

44 § 2. This act shall take effect immediately.

45

PART KK

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

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

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

3 (9) Carryover of credit and refundability. If the amount of the cred-
4 it, and carryovers of such credit, allowable under this subsection for
5 any taxable year shall exceed the taxpayer's tax for such year, such
6 excess amount may be carried over to the five taxable years next follow-
7 ing the taxable year with respect to which the credit is allowed and may
8 be deducted from the taxpayer's tax for such year or years. For taxable
9 years beginning on or after January first, two thousand twenty-six, if
10 the amount of the credit allowable under this subsection shall exceed
11 the taxpayer's tax liability for such year, and the taxpayer meets the
12 definition of low-to-moderate income, as defined in subdivision (c) of
13 section nine hundred seventy-c of the general municipal law, or resides
14 in a disadvantaged community, as defined in subdivision five of section
15 75-0101 of the environmental conservation law, the excess shall be
16 treated as an overpayment of tax to be credited or refunded. Any refund
17 paid pursuant to this paragraph shall be deemed to be a refund of an
18 overpayment of tax as provided in section six hundred eighty-six of this
19 article, provided, however, that no interest shall be paid thereon.

20 § 2. This act shall take effect immediately.

21 PART LL

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

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

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

27 PART MM

28 Section 1. Subsection (g-1) of section 606 of the tax law, as amended
29 by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by
30 chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as
31 added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the
32 laws of 2007, is amended to read as follows:

33 (g-1) Solar energy system equipment credit. (1) General. An individual
34 taxpayer shall be allowed a credit against the tax imposed by this arti-
35 cle equal to twenty-six percent of qualified solar energy system equip-
36 ment expenditures, except as provided in subparagraph (D) of paragraph
37 two of this subsection. This credit shall not exceed three thousand
38 seven hundred fifty dollars for qualified solar energy equipment placed
39 in service before September first, two thousand six, ~~and~~ five thousand
40 dollars for qualified solar energy equipment placed in service on or
41 after September first, two thousand six and before January first, two
42 thousand twenty-six, and ten thousand dollars for qualified solar energy
43 equipment placed in service on or after January first, two thousand
44 twenty-six.

45 (2) Qualified solar energy system equipment expenditures. (A) The term
46 "qualified solar energy system equipment expenditures" means expendi-
47 tures for:

48 (i) the purchase of solar energy system equipment which is installed
49 in connection with residential property which is (I) located in this
50 state and (II) which is used by the taxpayer as ~~his or her~~ their prin-
51 cipal residence at the time the solar energy system equipment is placed
52 in service;

1 (ii) the lease of solar energy system equipment under a written agree-
2 ment that spans at least ten years where such equipment owned by a
3 person other than the taxpayer is installed in connection with residen-
4 tial property which is (I) located in this state and (II) which is used
5 by the taxpayer as [~~his or her~~] their principal residence at the time
6 the solar energy system equipment is placed in service; or

7 (iii) the purchase of power under a written agreement that spans at
8 least ten years whereunder the power purchased is generated by solar
9 energy system equipment owned by a person other than the taxpayer which
10 is installed in connection with residential property which is (I)
11 located in this state and (II) which is used by the taxpayer as [~~his or~~
12 ~~her~~] their principal residence at the time the solar energy system
13 equipment is placed in service.

14 (B) Such qualified expenditures shall include expenditures for materi-
15 als, labor costs properly allocable to on-site preparation, assembly and
16 original installation, architectural and engineering services, and
17 designs and plans directly related to the construction or installation
18 of the solar energy system equipment.

19 (C) Such qualified expenditures for the purchase of solar energy
20 system equipment shall not include interest or other finance charges.

21 (D) Such qualified expenditures for the lease of solar energy system
22 equipment or the purchase of power under an agreement described in
23 clauses (ii) or (iii) of subparagraph (A) of this paragraph shall
24 include an amount equal to all payments made during the taxable year
25 under such agreement. Provided, however, such credits shall only be
26 allowed for fourteen years after the first taxable year in which such
27 credit is allowed. Provided further, however, the twenty-five percent
28 limitation in paragraph one of this subsection shall only apply to the
29 total aggregate amount of all payments to be made pursuant to an agree-
30 ment referenced in clauses (ii) or (iii) of subparagraph (A) of this
31 paragraph, and shall not apply to individual payments made during a
32 taxable year under such agreement except to the extent such limitation
33 on an aggregate basis has been reached.

34 (3) Solar energy system equipment. The term "solar energy system
35 equipment" shall mean an arrangement or combination of components
36 utilizing solar radiation, which, when installed in a residence, produc-
37 es and may store energy designed to provide heating, cooling, hot water
38 or electricity for use in such residence. Such arrangement or components
39 may include electric energy storage equipment but shall not include any
40 other equipment connected to solar energy system equipment that is a
41 component of part or parts of a non-solar energy system or which uses
42 any sort of recreational facility or equipment as a storage medium.
43 Solar energy system equipment that generates and stores electricity for
44 use in a residence must conform to applicable requirements set forth in
45 section sixty-six-j of the public service law. Provided, however, where
46 solar energy system equipment is purchased and installed by a condomin-
47 ium management association or a cooperative housing corporation, for
48 purposes of this subsection only, the term "ten kilowatts" in such
49 section sixty-six-j shall be read as [~~"fifty"~~] "ten kilowatts multiplied
50 by the number of owner-occupied units in the cooperative or condominium
51 management association."

52 (4) Multiple taxpayers. Where solar energy system equipment is
53 purchased and installed in a principal residence shared by two or more
54 taxpayers, the amount of the credit allowable under this subsection for
55 each such taxpayer shall be prorated according to the percentage of the

1 total expenditure for such solar energy system equipment contributed by
2 each taxpayer.

3 (5) Proportionate share. Where solar energy system equipment is
4 purchased and installed by a condominium management association or a
5 cooperative housing corporation, a taxpayer who is a member of the
6 condominium management association or who is a tenant-stockholder in the
7 cooperative housing corporation may for the purpose of this subsection
8 claim a proportionate share of the total expense as the expenditure for
9 the purposes of the credit attributable to ~~his~~ their principal resi-
10 dence.

11 (6) Grants. For purposes of determining the amount of the expenditure
12 incurred in purchasing and installing solar energy system equipment, the
13 amount of any federal, state or local grant received by the taxpayer,
14 which was used for the purchase and/or installation of such equipment
15 and which was not included in the federal gross income of the taxpayer,
16 shall not be included in the amount of such expenditures.

17 (7) When credit allowed. The credit provided for herein shall be
18 allowed with respect to the taxable year, commencing after nineteen
19 hundred ninety-seven, in which the solar energy system equipment is
20 placed in service.

21 (8) Carryover of credit and refundability. If the amount of the cred-
22 it, and carryovers of such credit, allowable under this subsection for
23 any taxable year shall exceed the taxpayer's tax for such year, such
24 excess amount may be carried over to the five taxable years next follow-
25 ing the taxable year with respect to which the credit is allowed and may
26 be deducted from the taxpayer's tax for such year or years. For taxable
27 years beginning on or after January first, two thousand twenty-six, if
28 the amount of the credit allowable under this subsection shall exceed
29 the taxpayer's tax liability for such year, and the taxpayer meets the
30 definition of low to moderate income, as defined in subdivision (c) of
31 section nine hundred seventy-c of the general municipal law, or resides
32 in a disadvantaged community, as defined in subdivision five of section
33 75-0101 of the environmental conservation law, the excess shall be
34 treated as an overpayment of tax to be credited or refunded in accord-
35 ance with the provisions of section six hundred eighty-six of this arti-
36 cle, provided, however, that no interest shall be paid thereon.

37 § 2. This act shall take effect immediately.

38 PART NN

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

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

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

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

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

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

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

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

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

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

18 § 6. Section 1503 of the tax law is amended by adding a new subdivi-
19 sion (d) to read as follows:

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

26 § 7. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-
27 trative code of the city of New York is amended by adding a new subpara-
28 graph 23 to read as follows:

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

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

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

40 § 9. Paragraph (b) of subdivision 8 of section 11-652 of the adminis-
41 trative code of the city of New York is amended by adding a new subpara-
42 graph 24 to read as follows:

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

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

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

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

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

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

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

15 § 13. This act shall take effect immediately and shall apply to taxa-
 16 ble years beginning on or after January 1, 2026.

17 PART 00

18 Section 1. Section 1180 of the tax law is amended by adding five new
 19 subdivisions (c), (d), (e), (f), and (g) to read as follows:

20 (c) "Flavored nicotine analogue product" means a flavored vapor prod-
 21 uct that contains a nicotine analogue.

22 (d) "Flavored vapor product" shall have the same meaning as described
 23 in section thirteen hundred ninety-nine-mm-1 of the public health law.

24 (e) "Nicotine analogue" means a substance:

25 (1) (A) The chemical structure of which is substantially similar to
 26 the chemical structure of nicotine; or

27 (B) Which has, purports to have, or is represented to have, an effect
 28 on the central nervous system that is similar to or greater than effect
 29 on the central nervous system of nicotine.

30 (2) Factors relevant to determining whether a substance is a nicotine
 31 analogue include, but are not limited to, the marketing, advertising and
 32 labeling of the substance, and whether the substance has been manufac-
 33 tured, formulated, sold, distributed, or marketed with the intent to
 34 avoid the provisions of this subdivision and other applicable provisions
 35 of law.

36 (f) "Vapor products distributor" means any person who imports or caus-
 37 es to be imported into this state any vapor products for sale, or who
 38 manufactures any vapor product in this state, and any person within or
 39 without the state who is authorized by the commissioner to make returns
 40 and pay the tax on vapor products sold, shipped, or delivered by such
 41 person to any person in the state.

42 (g) "Wholesale price" means the price at which a vapor products dealer
 43 purchases vapor products from a vapor products distributor.

44 § 2. Section 1181 of the tax law, as amended by chapter 92 of the laws
 45 of 2021, is amended to read as follows:

46 § 1181. Imposition of tax. (a) In addition to any other tax imposed
 47 by this chapter or other law, there is hereby imposed a tax of twenty
 48 percent on [~~receipts from the retail sale of vapor products sold~~] the
 49 wholesale price of vapor products sold by a vapor products distributor
 50 to a vapor products dealer in this state. The tax is imposed on the
 51 [~~purchaser~~] vapor products dealer and collected by the vapor products
 52 [~~dealer as defined in subdivision (b) of section eleven hundred eighty~~
 53 ~~of this article~~] distributor, in trust for and on account of the state.

1 The taxes imposed under this section shall not apply to adult-use canna-
2 bis products subject to tax under article twenty-C of this chapter.

3 (b) The vapor products distributor shall be liable for the payment of
4 the tax on vapor products which the vapor products distributor imports
5 or causes to be imported into the state, or which the vapor products
6 distributor manufactures in the state, and every vapor products distrib-
7 utor authorized by the commissioner to make returns and pay the tax on
8 tobacco products sold, shipped or delivered by the vapor products
9 distributor to any person in the state shall be liable for the payment
10 of the tax on all vapor products so sold, shipped or delivered.

11 (c) Every vapor products dealer shall be liable for the tax on all
12 vapor products in the vapor products distributor's possession at any
13 time, upon which tax has not been paid or assumed by a vapor products
14 distributor appointed by the commissioner, and the failure of any vapor
15 products dealer to produce and exhibit to the commissioner or the
16 commissioner's authorized representative upon demand, an invoice by a
17 vapor products distributor for any vapor products in the vapor products
18 distributor's possession shall be presumptive evidence that the tax
19 thereon has not been paid, and that such dealer is liable for the tax
20 thereon unless evidence of such invoice, payment or assumption shall
21 later be produced.

22 § 3. The tax law is amended by adding two new sections 1183-a and
23 1183-b to read as follows:

24 § 1183-a. Vapor products distributor license and renewal. (a) Every
25 person who intends to be a vapor products distributor in this state must
26 receive from the commissioner a license prior to engaging in business.
27 In addition to the requirements of section eleven hundred eighty-three
28 of this article, a vapor products dealer who purchases or receives vapor
29 products from a manufacturer or out-of-state distributor shall be
30 required to obtain a vapor products distributor license. The applicant
31 for a vapor products distributor license must electronically submit a
32 properly completed application for a license for each location at which
33 the business shall be conducted in this state, on a form prescribed by
34 the commissioner, and shall be accompanied by a non-refundable applica-
35 tion fee of three hundred dollars.

36 (b) A vapor products distributor license shall be valid for the calen-
37 dar year for which it is issued unless earlier suspended or revoked.
38 Upon the expiration of the term stated on the license, such license
39 shall be null and void. A license shall not be assignable or transfera-
40 ble and shall be destroyed immediately upon the vapor products distribu-
41 tor ceasing to do business as specified in such license or in the event
42 that such business never commenced.

43 (c) Every vapor products distributor shall publicly display in the
44 vapor products distributor's place of business a license from the
45 department.

46 (d) (1) The commissioner shall refuse to issue a license to any appli-
47 cant who does not possess a valid certificate of authority under section
48 eleven hundred thirty-four of this chapter. In addition, the commission-
49 er may refuse to issue a license, or suspend, cancel or revoke a license
50 issued to any person who:

51 (A) has a past-due liability as that term is defined in section one
52 hundred seventy-one-v of this chapter;

53 (B) has had a license under this article or any license or registra-
54 tion provided for in this chapter revoked within one year from the date
55 on which such application was filed;

1 (C) has been convicted of a crime provided for in this chapter within
2 one year from the date on which such application was filed;

3 (D) willfully fails to file a report or return required by this arti-
4 cle;

5 (E) willfully files, causes to be filed, gives or causes to be given a
6 report, return, certificate or affidavit required by this article which
7 is false;

8 (F) willfully fails to collect or truthfully account for or pay over
9 any tax imposed by this article; or

10 (G) whose place of business is at the same premises as that of a
11 person whose vapor products distributor license has been revoked and
12 where such revocation is still in effect, unless the applicant or vapor
13 products distributor provides the commissioner with adequate documenta-
14 tion demonstrating that such applicant or vapor products distributor
15 acquired the premises or business through an arm's length transaction as
16 defined in paragraph (e) of subdivision one of section four hundred
17 eighty-a of this chapter.

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

34 (e) If a vapor products distributor license is suspended, cancelled or
35 revoked and such vapor products distributor distributes or sells vapor
36 products through more than one place of business in this state, the
37 vapor products distributor's license issued to that place of business
38 where such violation occurred shall be suspended, revoked, or cancelled.
39 Provided, however, upon a vapor products distributor's third suspension,
40 cancellation, or revocation within a five-year period for any one or
41 more businesses owned or operated by the vapor products distributor,
42 such suspension, cancellation, or revocation of the vapor products
43 distributor's license shall apply to all places of business where the
44 vapor products distributor distributes or sells vapor products in this
45 state.

46 (f) Every holder of a license must notify the commissioner of changes
47 to any of the information stated on the license or changes to any infor-
48 mation contained in the application for the license. Such notification
49 must be made on or before the last day of the month in which a change
50 occurs and must be made electronically on a form prescribed by the
51 commissioner.

52 (g) Every vapor products distributor who holds a license under this
53 article shall be required to reapply for a license for the following
54 calendar year on or before the twentieth day of September and such reap-
55 plication shall be subject to the same requirements and conditions,
56 including grounds for refusal, as an initial license under this article,

1 including but not limited to the payment of the three hundred dollar
2 application fee for each business location.

3 (h) In addition to any other penalty imposed by this chapter, any
4 vapor products distributor who violates the provisions of this section,
5 (1) for a first violation is liable for a civil fine not less than five
6 thousand dollars but not to exceed twenty-five thousand dollars and such
7 license may be suspended for a period of not more than six months; and
8 (2) for a second or subsequent violation within three years following a
9 prior violation of this section, is liable for a civil fine not less
10 than ten thousand dollars but not to exceed thirty-five thousand dollars
11 and such license may be suspended for a period of up to thirty-six
12 months; or (3) for a third violation within a period of five years, the
13 license issued to each place of business owned or operated by the vapor
14 products distributor in this state shall be revoked for a period of up
15 to five years.

16 § 1183-b. Restrictions on sale. No person, including a vapor products
17 dealer or any agent or employee of a vapor products dealer, shall sell
18 or offer for sale at retail in the state or to any person in the state
19 any flavored nicotine analogue product.

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

22 § 1184. Administrative provisions. (a) [~~Except as otherwise provided~~
23 ~~for in this article, the taxes imposed by this article shall be adminis-~~
24 ~~tered and collected in a like manner as and jointly with the taxes~~
25 ~~imposed by sections eleven hundred five and eleven hundred ten of this~~
26 ~~chapter. In addition, except as otherwise provided in this article, all~~
27 ~~of the provisions of article twenty eight of this chapter (except~~
28 ~~sections eleven hundred seven, eleven hundred eight, eleven hundred~~
29 ~~nine, and eleven hundred forty eight) relating to or applicable to the~~
30 ~~administration, collection and review of the taxes imposed by such~~
31 ~~sections eleven hundred five and eleven hundred ten, including, but not~~
32 ~~limited to, the provisions relating to definitions, returns, exemptions,~~
33 ~~penalties, tax secrecy, personal liability for the tax, and collection~~
34 ~~of tax from the customer, shall apply to the taxes imposed by this arti-~~
35 ~~cle so far as such provisions can be made applicable to the taxes~~
36 ~~imposed by this article with such limitations as set forth in this arti-~~
37 ~~cle and such modifications as may be necessary in order to adapt such~~
38 ~~language to the taxes so imposed. Such provisions shall apply with the~~
39 ~~same force and effect as if the language of those provisions had been~~
40 ~~set forth in full in this article except to the extent that any~~
41 ~~provision is either inconsistent with a provision of this article or is~~
42 ~~not relevant to the taxes imposed by this article.~~

43 ~~(b) Notwithstanding the provisions of subdivision (a) of this section,~~
44 ~~the exemptions provided in paragraph ten of subdivision (a) of section~~
45 ~~eleven hundred fifteen of this chapter, and the provisions of section~~
46 ~~eleven hundred sixteen, except those provided in paragraphs one, two,~~
47 ~~three and six of subdivision (a) of such section, shall not apply to the~~
48 ~~taxes imposed by this article.] Every vapor products distributor author-
49 ized by the commissioner to make returns and pay the tax on vapor
50 products sold, shipped, or delivered by the vapor products distributor
51 to a person in the state shall file a return showing the quantity and
52 wholesale price of all vapor products so sold, shipped, or delivered
53 during the preceding calendar month. Provided, however, the commissioner
54 may, if the commissioner deems it necessary in order to ensure the
55 payment of the taxes imposed by this article, require returns to be made
56 at such times and covering such periods as the commissioner may deem~~

1 necessary, and, by regulation, may permit the filing of returns on a
2 quarterly, semi-annual or annual basis, or may waive the filing of
3 returns by a vapor products distributor for such time and upon such
4 terms as the commissioner may deem proper if satisfied that no tax
5 imposed by this article is or will be payable during the time for which
6 returns are waived. Such returns shall contain such further information
7 as the commissioner may require.

8 (b) Every vapor product distributor shall pay to the commissioner with
9 the filing of such return the tax on vapor products for such month
10 imposed under this article, less two percent, to cover the distributor's
11 expense in the collection and remittance of the said tax.

12 (c) Notwithstanding the provisions of this section or section eleven
13 hundred forty-six of this chapter, the commissioner may, in [~~his or her~~
14 the commissioner's] discretion, permit the commissioner of health or [~~his~~
15 ~~or her~~] such commissioner's authorized representative to inspect any
16 return related to the tax imposed by this article and may furnish to the
17 commissioner of health any such return or supply [~~him or her~~] such
18 commissioner with information concerning an item contained in any such
19 return, or disclosed by any investigation of a liability under this
20 article.

21 § 5. The tax law is amended by adding two new sections 1184-a and
22 1184-b to read as follows:

23 § 1184-a. Enforcement. (a) The commissioner or the commissioner's duly
24 authorized representatives are hereby authorized:

25 (1) To enforce the provisions in this article and the provisions in
26 section thirteen hundred ninety-nine-mm-1 of the public health law
27 concerning flavored vapor products.

28 (2) To conduct regulatory inspections during normal business hours of
29 any place of business, including a vehicle used for such business, where
30 vapor products are distributed, placed, stored, sold, or offered for
31 sale. For the purposes of this section, "place of business" shall not
32 include a residence or other real property, or any personal vehicle on
33 or about such property, not held out as open to the public or otherwise
34 being utilized in a business or commercial manner, unless probable cause
35 exists to believe that such residence, real property or vehicle is being
36 used in such a business or commercial manner for the buying or selling
37 of vapor products.

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

51 (b) If any person registered or who has obtained a license under this
52 article, or their agents, refuses to give the commissioner, or the
53 commissioner's duly authorized representatives, the means, facilities
54 and opportunity for the inspections and examinations required by this
55 section, the commissioner, after notice and an opportunity for a hear-

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

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

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

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

8 (c) The commissioner or the commissioner's duly authorized represen-
9 tatives shall seize any non-tax-paid vapor products, flavored vapor
10 products, or flavored nicotine analogue products found in any place of
11 business or vehicle where vapor products are distributed, placed,
12 stored, sold or offered for sale by any person who does not possess a
13 license as described in section eleven hundred eighty-three-a of this
14 article.

15 (d) All non-tax-paid vapor products, flavored vapor products, or
16 flavored nicotine analogue products seized pursuant to the authority of
17 this chapter or any other law of this state shall be turned over to the
18 department or its authorized representative. Such seized non-tax-paid
19 vapor products shall, after notice and an opportunity for a hearing, be
20 forfeited to the state. If the department determines the non-tax-paid
21 vapor products cannot be used for law enforcement purposes, it may,
22 within a reasonable time after the forfeiture of such non-tax-paid vapor
23 products, upon publication in the state registry, destroy such forfeited
24 non-tax-paid vapor products.

25 (e) Whenever a police officer designated in section 1.20 of the crimi-
26 nal procedure law or a peace officer designated in subdivision four of
27 section 2.10 of such law, acting pursuant to such officer's special
28 duties, shall discover any flavored vapor products or flavored nicotine
29 analogue products offered for retail sale in violation of the provisions
30 in section thirteen hundred ninety-nine-mm-1 of the public health law or
31 section eleven hundred eighty-three-b of this article, respectively,
32 such police officer or peace officer is hereby authorized and empowered
33 forthwith to seize and take possession of such flavored vapor products
34 or flavored nicotine analogue products. Such flavored vapor products or
35 flavored nicotine analogue products seized by a police officer or peace
36 officer shall be turned over to the commissioner. Such seized flavored
37 vapor products or flavored nicotine analogue products shall be forfeited
38 to the state. If the department determines the vapor products or
39 flavored nicotine analogue products cannot be used for law enforcement
40 purposes, it may, within a reasonable time after the forfeiture of such
41 vapor products or flavored nicotine analogue products, destroy such
42 forfeited vapor products or flavored nicotine analogue products.

43 § 1184-b. General powers of the tax commission. The powers conferred
44 upon the tax commission by sections one hundred seventy-one and one
45 hundred seventy-one-b of this chapter shall, so far as applicable, be
46 exercisable with respect to the provisions of this article. Such commis-
47 sion may require returns to be filed with it at such times and contain-
48 ing such information as it may prescribe and in such event the fact that
49 a person's name is signed to the return shall be prima facie evidence
50 for all purposes that the return was actually signed by such person.
51 Notwithstanding any other provision of this article, the tax commission
52 may enter into an agreement with any city of this state which is author-
53 ized to impose a tax similar to that imposed by this article to provide
54 for the joint administration, in whole or in part, of such taxes.

55 § 6. This act shall take effect immediately.

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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

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

3 3. For a helicopter or seaplane model to be considered to be a quiet
4 aircraft, the aircraft must be electric powered and, (a) for helicop-
5 ters, create at least ten decibels less of noise, as measured under the
6 procedures of Appendix H of 14 CFR Part 36, as a helicopter that would
7 meet the GCNP Quiet Aircraft Technology Designation established by 14
8 CFR Appendix A to Subpart U of Part 93, or any federal limits on noise
9 from helicopters enacted that are more strict than the GCNP Quiet
10 Aircraft Technology Designation and (b) for seaplanes, create at least
11 ten decibels less of noise, as measured under the procedures of Appendix
12 G of 14 CFR Part 36, than a seaplane would make to comply with the stage
13 5 noise levels adopted under 14 CFR Parts 36 and 91, which are equal to
14 the levels established under International Civil Aviation Organization
15 (ICAO) Chapter 14 of Annex 16, Volume I, or any federal limits on noise
16 from seaplanes enacted that are more strict than the stage 5 noise
17 levels.

18 § 289-k. Payment and returns. 1. Every helicopter and seaplane opera-
19 tor shall file a return quarterly with the commissioner. Provided,
20 however, that if the commissioner in the exercise of their discretion
21 deems it necessary to protect the revenues to be obtained under this
22 article, such commissioner may give notice requiring such operator, in
23 addition to filing a quarterly return, to file either short-form or
24 long-form part-quarterly returns, as specified in such notice. For
25 purposes of this article the term "long-form, part-quarterly return"
26 shall mean a return in a form determined by the commissioner providing
27 for the calculation of the actual taxes for the preceding month. For
28 purposes of this article the term "short-form, part-quarterly return"
29 shall mean a return which shall be available for use in filing as a
30 return for the first two months of any quarter and only by a person
31 required to file a return monthly who has had at least four successive
32 quarterly tax periods immediately preceding the month for which the
33 return is to be filed and who elects such use, and is in a form deter-
34 mined by the commissioner and providing for the calculation of one-third
35 of the total taxes paid by the person to the commissioner in the compa-
36 rable quarter of the immediately preceding year under this article.

37 2. The returns and information returns required by this section to be
38 filed quarterly shall be filed for quarterly periods ending on the last
39 day of February, May, August and November of each year, and each return
40 and each information return shall be filed within twenty days after the
41 end of the quarterly period covered thereby. The returns required by
42 this section to be filed monthly shall be filed for monthly periods
43 ending on the last day of each month and each return shall be filed
44 within twenty days after the end of each prior month. The information
45 returns required to be filed annually shall be filed for twelve-month
46 periods ending on the last day of May of each year, and each such infor-
47 mation return shall be filed within twenty days after the end of the
48 twelve-month period covered thereby.

49 3. The tax commission may permit or require returns to be made cover-
50 ing other periods and upon such dates as it may specify. If the tax
51 commission deems it necessary in order to ensure the payment of the
52 taxes imposed by this article, it may require returns to be made for
53 shorter periods than those prescribed pursuant to the foregoing subdivi-
54 sions of this section, and upon such dates as it may specify.

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

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

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

10 § 289-l. Records to be kept. Every operator liable for the surcharge
11 imposed by this article shall keep, and shall make available for review
12 upon demand by the commissioner:

13 1. records of helicopter and seaplane flights undertaken by such oper-
14 ator;

15 2. total amount of taxes collected under this article;

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

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

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

21 § 289-m. Secrecy of returns and reports. 1. Except in accordance with
22 proper judicial order or as otherwise provided by law, it shall be
23 unlawful for the commissioner, any officer or employee of the depart-
24 ment, any person engaged or retained by the department on an independent
25 contract basis, or any person who in any manner may acquire knowledge of
26 the contents of a return or report filed with the commissioner pursuant
27 to this article, to divulge or make known in any manner any particulars
28 set forth or disclosed in any such return or report. The officers
29 charged with the custody of such returns and reports shall not be
30 required to produce any of them or evidence of anything contained in
31 them in any action or proceeding in any court, except on behalf of the
32 commissioner in an action or proceeding under the provisions of this
33 chapter, or in any other action or proceeding involving the collection
34 of a surcharge due under this chapter to which the state, the commis-
35 sioner or an agency that is authorized to permit or regulate the
36 provision of any relevant transportation is a party or a claimant, or on
37 behalf of any party to any action, proceeding or hearing under the
38 provisions of this article, when the returns or the reports or the facts
39 shown thereby are directly involved in such action, proceeding or hear-
40 ing, in any of which events the court, or in the case of a hearing, the
41 division of tax appeals, may require the production of, and may admit in
42 evidence so much of said returns or reports or of the facts shown there-
43 by as are pertinent to the action or proceeding and no more. Nothing
44 herein shall be construed, however, to prohibit the commissioner, in
45 their discretion, from allowing the inspection or delivery of a certi-
46 fied copy of any return or report filed under this article, or from
47 providing any information contained in any such return or report, by or
48 to a duly authorized officer or employee of the comptroller; nor to
49 prohibit the inspection or delivery of a certified copy of any return or
50 report filed under this article, or the provision of any information
51 contained therein, by or to the attorney general or other legal repre-
52 sentatives of the state when an action shall have been recommended or
53 commenced pursuant to this chapter in which such returns or reports or
54 the facts shown thereby are directly involved; nor to prohibit the
55 commissioner from providing or certifying to the division of budget or
56 the comptroller the total number of returns or reports filed under this

1 article in any reporting period and the total collections received ther-
2 efrom; nor to prohibit the delivery to a person liable for the tax
3 imposed by this article, or a duly authorized representative of such, a
4 certified copy of any return or report filed by such person pursuant to
5 this article, nor to prohibit the publication of statistics so classi-
6 fied as to prevent the identification of particular returns or reports
7 and the items thereof; nor to prohibit the disclosure, in such manner as
8 the commissioner deems appropriate, of the names and other appropriate
9 identifying information of those persons required to pay the tax imposed
10 by this article.

11 2. Notwithstanding the provisions of subdivision one of this section,
12 the commissioner may permit the secretary of the treasury of the United
13 States or such secretary's delegate, or the authorized representative of
14 either such officer, to inspect any return filed under this article, or
15 may furnish to such officer or such officer's authorized representative
16 an abstract of any such return or supply such person with information
17 concerning an item contained in any such return, or disclosed by any
18 investigation of liability under this article, but such permission shall
19 be granted or such information furnished only if the laws of the United
20 States grant substantially similar privileges to the commissioner or
21 officer of this state charged with the administration of the tax imposed
22 by this article, and only if such information is to be used for purposes
23 of tax administration only; and provided further the commissioner may
24 furnish to the commissioner of internal revenue or such commissioner's
25 authorized representative such returns filed under this article and
26 other tax information, as such commissioner may consider proper, for use
27 in court actions or proceedings under the internal revenue code, whether
28 civil or criminal, where a written request therefor has been made to the
29 commissioner by the secretary of the treasury of the United States or
30 such secretary's delegate, provided the laws of the United States grant
31 substantially similar powers to the secretary of the treasury of the
32 United States or their delegate. Where the commissioner has so author-
33 ized use of returns and other information in such actions or
34 proceedings, officers and employees of the department may testify in
35 such actions or proceedings in respect to such returns or other informa-
36 tion.

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

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

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

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

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

36 § 289-n. Practice and procedure. The provisions of article twenty-sev-
37 en of this chapter shall apply with respect to the administration of and
38 procedure with respect to the tax imposed by this article in the same
39 manner and with the same force and effect as if the language of such
40 article twenty-seven had been incorporated in full into this article and
41 had expressly referred to the surcharge imposed by this article, except
42 to the extent that any such provision is either inconsistent with a
43 provision of this article or is not relevant to this article.

44 § 289-o. Deposit and disposition of revenue. All funds collected under
45 this article shall be deposited into the environmental protection fund
46 established by section ninety-two-s of the state finance law.

47 § 2. This act shall take effect immediately.

48 PART QQ

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

51 § 50. Work opportunity tax credit. (a) General. A taxpayer subject to
52 tax under article nine-A, twenty-two, or thirty-three of this chapter
53 shall be allowed a credit against such tax in an amount equal to one
54 hundred percent of the credit that is allowed to the taxpayer under

1 section 51 of the internal revenue code that is attributable to quali-
2 fied wages paid to a New York resident who is a member of a targeted
3 group and for whom a certificate to that effect has been issued by the
4 department of labor.

5 (b) Definitions. The terms "qualified wages" and "targeted group"
6 shall have the same meanings as in section 51 of the internal revenue
7 code.

8 (c) Effect on other tax credits. Wages which are the basis of the
9 credit under this section shall not be used as the basis for any other
10 credit allowed under this chapter.

11 (d) Limit on tax credits issued. Over the lifetime of the tax credit,
12 the total amount of tax credits provided for under this section shall
13 not exceed fifteen million dollars in total, or five million dollars for
14 each taxable year.

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

17 (1) article 9-A: section 210-B, subdivision 61;

18 (2) article 22: section 606, subsection (bbb);

19 (3) article 33: section 1511, subdivision (ff).

20 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
21 sion 61 to read as follows:

22 61. Work opportunity tax credit. (a) Allowance of credit. A taxpayer
23 shall be allowed a credit, to be computed as provided in section fifty
24 of this chapter, against the tax imposed by this article. Such credit
25 shall not exceed five hundred dollars per eligible employee per year in
26 any given tax year.

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

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

41 (bbb) Work opportunity tax credit. (1) Allowance of credit. A taxpayer
42 shall be allowed a credit, to be computed as provided in section fifty
43 of this chapter, against the tax imposed by this article. Such credit
44 shall not exceed five hundred dollars per eligible employee per year in
45 any given tax year.

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

52 § 4. Section 1511 of the tax law is amended by adding a new subdivi-
53 sion (ff) to read as follows:

54 (ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer
55 shall be allowed a credit, to be computed as provided in section fifty
56 of this chapter, against the tax imposed by this article. Such credit

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

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

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

18 PART RR

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

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

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

37 PART SS

38 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of
 39 section 210 of the tax law, as amended by section 1 of subpart A of part
 40 I of chapter 59 of the laws of 2023, is amended to read as follows:

41 For taxable years beginning before January first, two thousand
 42 sixteen, the amount prescribed by this paragraph shall be computed at
 43 the rate of seven and one-tenth percent of the taxpayer's business
 44 income base. For taxable years beginning on or after January first, two
 45 thousand sixteen, the amount prescribed by this paragraph shall be six
 46 and one-half percent of the taxpayer's business income base. For taxable
 47 years beginning on or after January first, two thousand twenty-one and
 48 before January first, two thousand [~~twenty-seven~~] twenty-five for any
 49 taxpayer with a business income base for the taxable year of more than
 50 five million dollars, the amount prescribed by this paragraph shall be
 51 seven and one-quarter percent of the taxpayer's business income base.
 52 For taxable years beginning on or after January first, two thousand

1 twenty-five and before January first, two thousand thirty, for any
 2 taxpayer with a business income base for the taxable year of more than
 3 five million dollars, the amount prescribed by this paragraph shall be
 4 nine percent of the taxpayer's business income base. The taxpayer's
 5 business income base shall mean the portion of the taxpayer's business
 6 income apportioned within the state as hereinafter provided. However,
 7 in the case of a small business taxpayer, as defined in paragraph (f) of
 8 this subdivision, the amount prescribed by this paragraph shall be
 9 computed pursuant to subparagraph (iv) of this paragraph and in the case
 10 of a manufacturer, as defined in subparagraph (vi) of this paragraph,
 11 the amount prescribed by this paragraph shall be computed pursuant to
 12 subparagraph (vi) of this paragraph, and, in the case of a qualified
 13 emerging technology company, as defined in subparagraph (vii) of this
 14 paragraph, the amount prescribed by this paragraph shall be computed
 15 pursuant to subparagraph (vii) of this paragraph.

16 § 2. This act shall take effect immediately.

17 PART TT

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

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

22 ARTICLE 20-E

23 EXCISE TAX ON CERTAIN TAXPAYERS FAILING
 24 TO SELL EXCESS SINGLE-FAMILY RESIDENCES

25 Section 500. Definitions.

26 500-a. Imposition of tax.

27 500-b. Maximum permissible units.

28 500-c. Construction.

29 500-d. Reporting.

30 500-e. Tax form.

31 500-f. Certification.

32 500-g. Use of tax revenues.

33 § 500. Definitions. For purposes of this article, the following defi-
 34 nitions shall apply:

35 1. "Applicable date" means:

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

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

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

43 3. (a) "Applicable taxpayer" means a taxpayer, including a partner-
 44 ship, corporation, trust or other legal entity, that:

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

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

48 (A) public equity or fixed income securities;

49 (B) a hedge fund;

50 (C) a fund of hedge funds;

51 (D) private equity (including venture capital);

52 (E) a fund of private equity funds;

53 (F) a real estate investment fund;

54 (G) a fund of real estate funds; or

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

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

5 (b) "Applicable taxpayer" shall not include:

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

8 (ii) an organization primarily engaged in the construction or rehabil-
9 itation of single-family residences.

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

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

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

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

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

21 (a) any unoccupied single-family residence acquired through foreclo-
22 sure;

23 (b) any single-family residence that is:

24 (i) not rented or leased, and

25 (ii) used as the principal residence of any person who has an owner-
26 ship interest in the applicable taxpayer; or

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

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

33 § 500-a. Imposition of tax. 1. In the case of an applicable taxpayer,
34 there is hereby imposed a tax on the acquisition of any newly acquired
35 single-family residence equal to fifty percent of the fair market value
36 of such residence.

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

40 (i) fifty thousand dollars, and

41 (ii) the excess of:

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

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

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

54 § 500-b. Maximum permissible units. The maximum permissible units with
55 respect to any applicable taxpayer for any taxable year shall be deter-
56 mined as follows:

1	<u>In the case of:</u>	<u>The maximum permissible units</u>
2		<u>for an applicable taxpayer is:</u>
3	<u>the first full taxable</u>	<u>ninety percent of the number of applicable</u>
4	<u>year beginning after the</u>	<u>single-family residences owned by</u>
5	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
6	<u>the second taxable year</u>	<u>eighty percent of the number of applicable</u>
7	<u>beginning after the</u>	<u>single-family residences owned by</u>
8	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
9	<u>the third taxable year</u>	<u>seventy percent of the number of applicable</u>
10	<u>beginning after the</u>	<u>single-family residences owned by</u>
11	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
12	<u>the fourth taxable year</u>	<u>sixty percent of the number of applicable</u>
13	<u>beginning after the</u>	<u>single-family residences owned by</u>
14	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
15	<u>the fifth taxable year</u>	<u>fifty percent of the number of applicable</u>
16	<u>beginning after the</u>	<u>single-family residences owned by</u>
17	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
18	<u>the sixth taxable year</u>	<u>forty percent of the number of applicable</u>
19	<u>beginning after the</u>	<u>single-family residences owned by</u>
20	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
21	<u>the seventh taxable year</u>	<u>thirty percent of the number of applicable</u>
22	<u>beginning after the</u>	<u>single-family residences owned by</u>
23	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
24	<u>the eighth taxable year</u>	<u>twenty percent of the number of applicable</u>
25	<u>beginning after the</u>	<u>single-family residences owned by</u>
26	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
27	<u>the ninth taxable year</u>	<u>ten percent of the number of applicable</u>
28	<u>beginning after the</u>	<u>single-family residences owned by</u>
29	<u>applicable date</u>	<u>the taxpayer on the applicable date</u>
30	<u>any taxable year beginning</u>	<u>0</u>
31	<u>more than nine years after</u>	
32	<u>the applicable date</u>	

33 § 500-c. Construction. 1. For purposes of this article, an applicable
 34 taxpayer shall be treated:

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

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

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

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

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

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

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

16 § 500-e. Tax form. Not later than one hundred eighty days after the
17 effective date of this article, the commissioner, or the commissioner's
18 delegate, shall publish a form to be used for calculating the amount of
19 tax owed under this article.

20 § 500-f. Certification. 1. The reporting required under paragraph (b)
21 of subdivision one of section five hundred-d of this article, shall
22 include a certification from each individual to whom a single-family
23 residence is sold or transferred from an applicable taxpayer.

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

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

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

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

31 § 500-g. Use of tax revenues. All revenues from taxes collected under
32 this article shall be deposited into the housing down payment trust fund
33 established by section eighty-b of the state finance law and shall be
34 used only for the purposes specified in such section.

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

37 § 80-b. Housing down payment trust fund. 1. There is established in
38 custody of the state comptroller a special fund to be known as "the
39 housing down payment trust fund" (hereinafter in this section referred
40 to as the 'trust fund').

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

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

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

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

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

18 6. No later than the fifteenth day of January of each year the commis-
 19 sioner of the state division of housing and community renewal shall
 20 report to the governor, the temporary president of the senate and the
 21 speaker of the assembly on activities undertaken by the commissioner of
 22 the state division of housing and community renewal and any grantee
 23 pursuant to this section in the preceding year. The report shall
 24 include, but not be limited to, the current amount of funds available as
 25 well as the amount of money granted to any state housing finance agen-
 26 cies for the purposes identified in this section.

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

29 PART UU

30 Section 1. Subdivision (a) of section 42-a of the tax law, as added by
 31 section 2 of subpart C of part B of chapter 59 of the laws of 2022, is
 32 amended to read as follows:

33 (a) Notwithstanding subdivision (f) of section forty-two of this arti-
 34 cle, a taxpayer that is a farm employer ~~[or]~~, an owner of a farm employ-
 35 er, or a professional employer organization as defined in section nine
 36 hundred sixteen of the labor law that is in a contractual relationship
 37 with an eligible farm employer shall be eligible for a credit against
 38 the tax imposed under article nine-A or twenty-two of this chapter,
 39 pursuant to the provisions referenced in subdivision (i) of this
 40 section.

41 § 2. Subdivision (d) of section 42-a of the tax law, as added by
 42 section 2 of subpart C of part B of chapter 59 of the laws of 2022, is
 43 amended to read as follows:

44 (d) An eligible farm employee is an individual who meets the defi-
 45 nition of a "farm laborer" under section two of the labor law who is
 46 employed by a farm employer or a professional employer organization as
 47 defined in section nine hundred sixteen of the labor law that is in a
 48 contractual relationship with an eligible farm employer in New York
 49 state, but excluding general executive officers of the farm employer.

50 § 3. This act shall take effect on the ninetieth day after it shall
 51 have become a law.

52 PART VV

1 Section 1. Section 5 of part RR of chapter 60 of the laws of 2016
2 amending the tax law relating to creating a farm workforce retention
3 credit, as amended by section 2 of subpart B of part B of chapter 59 of
4 the laws of 2022, is amended to read as follows:

5 § 5. This act shall take effect immediately and shall apply only to
6 taxable years beginning on or after January 1, 2017 and before January
7 1, ~~2026~~ 2031.

8 § 2. This act shall take effect immediately.

9

PART WW

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

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

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

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

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

28 (e) Cross references: For application of the credit provided in this
29 section, see the following provisions of this chapter:

30 (1) Article 9-A: Section 210-B, subdivision 61.

31 (2) Article 22: Section 606, subsection (qqq).

32 (3) Article 33: Section 1511, subdivision (ff).

33 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
34 sion 61 to read as follows:

35 61. Small business unemployment insurance credit. (a) Allowance of
36 credit. A taxpayer shall be allowed a credit, to be computed as provided
37 in section fifty of this chapter, against the tax imposed by this arti-
38 cle.

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

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

1 (qqq) Small business unemployment insurance credit. (1) A taxpayer
2 shall be allowed a credit, to be computed as provided in section fifty
3 of this chapter, against the tax imposed by this article.

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

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

13 <u>(lii) Small business unemployment</u>	<u>Amount of credit for qualified</u>
14 <u>insurance credit under</u>	<u>businesses under subdivision</u>
15 <u>subsection (qqq)</u>	<u>sixty-one of section two</u>
	16 <u>hundred ten-B</u>

17 § 5. Section 1511 of the tax law is amended by adding a new subdivi-
18 sion (ff) to read as follows:

19 (ff) Small business unemployment insurance credit. (1) Allowance of
20 credit. A taxpayer shall be allowed a credit, to be computed as provided
21 in section fifty of this chapter, against the tax imposed by this arti-
22 cle.

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

35 § 6. This act shall take effect immediately and shall apply only to
36 taxable years beginning on or after January 1, 2025 and before January
37 1, 2027.

38 PART XX

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

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

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

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

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

6 § 4. Subdivisions (a) and (d) of section 301-b of the tax law, subdivi-
7 sion (a) as added by chapter 190 of the laws of 1990, paragraph 5 of
8 subdivision (a) as amended by section 3 of part E of chapter 59 of the
9 laws of 2012, paragraphs 6, 7 and 8 of subdivision (a) as added by
10 section 4 of part W-1 of chapter 109 of the laws of 2006, and subdivi-
11 sion (d) as amended by section 21 of part K of chapter 61 of the laws of
12 2011, are amended to read as follows:

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

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

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

41 [~~(4) Residual petroleum product sold by a petroleum business regis-~~
42 ~~tered under this article as a residual petroleum product business if~~
43 ~~such product is sold by such petroleum business to a consumer for use~~
44 ~~exclusively as bunker fuel for vessels or if such product is used by~~
45 ~~such petroleum business exclusively as bunker fuel in its own vessels.~~

46 (5) (2) Liquefied petroleum gases, such as butane, ethane or propane,
47 used for purposes other than as motor fuel in the operation of a motor
48 vehicle or for use in the operation of a pleasure or recreational motor
49 boat or using or consuming liquefied petroleum gas for such purpose.

50 [(6)] (3) E85 imported or caused to be imported into this state or
51 produced, refined, manufactured or compounded in this state by a petro-
52 leum business registered under article twelve-A of this chapter, as a
53 distributor of motor fuel, and then sold by such petroleum business and
54 delivered to a filling station and placed in a storage tank of such
55 filling station for such E85 to be dispensed directly into a motor vehi-
56 cle for use in the operation of such vehicle.

1 ~~[(7)]~~ (4) (i) Partial B20 exemption. B20 imported or caused to be
2 imported into this state or produced, refined, manufactured or
3 compounded in this state by a petroleum business registered under arti-
4 cle twelve-A of this chapter, as a distributor of diesel motor fuel, and
5 then sold by such petroleum business.

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

10 ~~[(8)]~~ (5) CNG or hydrogen.

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

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

39 § 5. The subdivision heading and paragraph 1 of subdivision (c) of
40 section 301-b of the tax law, as added by chapter 190 of the laws of
41 1990, are amended to read as follows:

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

50 § 6. The opening paragraph and subdivisions (a) and (b) of section
51 301-c of the tax law, the opening paragraph as amended by section 2 of
52 part T of chapter 59 of the laws of 2022, subdivision (a) as amended by
53 section 23 of part K of chapter 61 of the laws of 2011, and subdivision
54 (b) as amended by chapter 330 of the laws of 1991, are amended to read
55 as follows:

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

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

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

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

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

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

12 § 6-a. The opening paragraph of section 301-c of the tax law, as
13 amended by section 3 of part T of chapter 59 of the laws of 2022, is
14 amended to read as follows:

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

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

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

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

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

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

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

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

46 (3) Provided, further, "railroad diesel," as such term is defined in
47 subdivision (1) of section three hundred of this article, shall be
48 exempt from the measure of the tax imposed under this section.

49 [(4)] (3) Provided, further, a separate per gallon rate shall apply
50 with respect to highway diesel motor fuel. Such rate shall be determined
51 by taking the adjusted rate per gallon of tax imposed under paragraph
52 one of this subdivision as adjusted in accordance with paragraph [~~five~~]
53 ~~four~~ of this subdivision and subtracting therefrom one and three-quar-
54 ters cents. Commencing January first, two thousand twelve, and each
55 January thereafter, the per gallon rate applicable to highway diesel
56 motor fuel shall be the adjusted rate under paragraph one of this subdi-

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

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

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

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

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

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

47 § 13. Subparagraph (xi) of paragraph 3 of subdivision (c) of section
48 1105 of the tax law is REPEALED.

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

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

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

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

10 (4) a tax upon interest or dividends received from a corporation by a
11 person referred to in this section~~[~~+~~]~~, or
12 (5) a tax on fuel sold to an airline for use in its airplanes.

13 § 16. Section 1148 of the tax law is amended by adding a new subdivi-
14 sion (d) to read as follows:

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

25 § 17. Paragraph (ii) of subdivision (b) of section 1115 of the tax
26 law, as amended by section 30 of part Y of chapter 63 of the laws of
27 2000, is amended to read as follows:

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

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

42 (1) [~~Fuel, gas, electricity~~] Electricity, refrigeration and steam, and
43 [~~gas,~~] electric, refrigeration and steam service of whatever nature for
44 use or consumption directly and exclusively in the production of tangi-
45 ble personal property, [~~gas,~~] electricity, refrigeration or steam, for
46 sale, by manufacturing, processing, assembling, generating, refining,
47 mining or extracting shall be exempt from the taxes imposed under subdivi-
48 sions (a) and (b) of section eleven hundred five and the compensating
49 use tax imposed under section eleven hundred ten of this article.

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

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

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

21 § 19-a. Subdivision (j) of section 1115 of the tax law, as amended by
22 section 41-a of part K of chapter 61 of the laws of 2011, is amended to
23 read as follows:

24 (j) The exemptions provided in this section shall not apply to the tax
25 required to be prepaid pursuant to the provisions of section eleven
26 hundred two of this article nor to the taxes imposed by sections eleven
27 hundred five and eleven hundred ten of this article with respect to
28 receipts from sales and uses of motor fuel or diesel motor fuel[~~, except~~
29 ~~that the exemption provided in paragraph nine of subdivision (a) of this~~
30 ~~section shall apply to the tax required to be prepaid pursuant to the~~
31 ~~provisions of section eleven hundred two of this article and to the~~
32 ~~taxes imposed by sections eleven hundred five and eleven hundred ten of~~
33 ~~this article with respect to sales and uses of kero-jet fuel]. The~~
34 exemption provided in subdivision (c) of this section shall apply to
35 sales and uses of non-highway diesel motor fuel but only if all of such
36 fuel is consumed other than on the public highways of this state. The
37 exemption provided in subdivision (c) of this section shall apply to
38 sales and uses of non-highway diesel motor fuel for use or consumption
39 either in the production for sale of tangible personal property by farm-
40 ing or in a commercial horse boarding operation, or in both but only if
41 all of such fuel is consumed other than on the public highways of this
42 state (except for the use of the public highways to reach adjacent farm-
43 lands or adjacent lands used in a commercial horse boarding operation,
44 or both).

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

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

50 (w) Receipts from the sale of [~~gas-ox~~] electricity or [~~gas-ox~~] elec-
51 tric service of whatever nature and consideration given or contracted to
52 be given for, or for the use of, [~~gas-ox~~] electricity or [~~gas-ox~~] elec-
53 tric service of whatever nature purchased for use or consumption direct-
54 ly and exclusively to provide [~~gas-ox~~] electric service of whatever
55 nature consisting of operating [~~a gas pipeline or gas distribution line~~
56 ~~ox~~] an electric transmission or distribution line [~~and ensuring the~~

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

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

23 (k) "Commercial gallonage" means gallonage (1) which is non-highway
24 diesel motor fuel or residual petroleum product, (2) ~~[which is included
25 in the full measure of the non-highway diesel motor fuel component or
26 the residual petroleum product component of the tax imposed under
27 section three hundred one-a of this article, (3)]~~ which does not (and
28 will not) qualify (A) ~~[for the utility credit or reimbursement provided
29 for in section three hundred one-d of this article, (B)]~~ as "manufacturing
30 gallonage", as such term is defined in subdivision (m) of this
31 section, ~~[(C)]~~ or (B) for the not-for-profit organization exemption
32 provided for in subdivision (h) of section three hundred one-b of this
33 article, ~~[or (D) for the heating exemption provided for in paragraph two
34 of subdivision (d) of section three hundred one-b of this article or the
35 heating reimbursement provided for in paragraph two of subdivision (a)
36 of section three hundred one-c of this article,]~~ and ~~[(4)]~~ (3) which
37 will not be used nor has been used in the fuel tank connecting with the
38 engine of a vessel. No gallonage shall qualify as "commercial gallonage"
39 where such gallonage is eligible for the ~~[(i) utility credit or
40 reimbursement under such section three hundred one-d of this article,
41 (ii) "manufacturing exemption" under paragraph three of subdivision (f)
42 of section three hundred one-a of this article, (iii)]~~ not-for-profit
43 organization exemption under subdivision (h) of section three hundred
44 one-b of this article~~, or (iv) heating exemption provided for in paragraph
45 two of subdivision (d) of section three hundred one-b of this
46 article or the heating reimbursement provided for in paragraph two of
47 subdivision (a) of section three hundred one-c of this article]~~. The
48 commissioner shall require such documentary proof to substantiate the
49 classification of product as "commercial gallonage" as the commissioner
50 deems appropriate.

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

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

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

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

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

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

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

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

35

PART YY

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

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

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

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

23

PART ZZ

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

27 (i) A credit shall be allowed under this subdivision with respect to
28 tangible personal property and other tangible property, including build-
29 ings and structural components of buildings, which are: depreciable
30 pursuant to section one hundred sixty-seven of the internal revenue
31 code, have a useful life of four years or more, are acquired by purchase
32 as defined in section one hundred seventy-nine (d) of the internal
33 revenue code, have a situs in this state and are (A) principally used by
34 the taxpayer in the production of goods by manufacturing, processing,
35 assembling, refining, mining, extracting, farming, agriculture, horti-
36 culture, floriculture, viticulture or commercial fishing, (B) industrial
37 waste treatment facilities or air pollution control facilities, used in
38 the taxpayer's trade or business, (C) research and development property,
39 or (D) principally used in the ordinary course of the taxpayer's trade
40 or business as a broker or dealer in connection with the purchase or
41 sale (which shall include but not be limited to the issuance, entering
42 into, assumption, offset, assignment, termination, or transfer) of
43 stocks, bonds or other securities as defined in section four hundred
44 seventy-five (c)(2) of the Internal Revenue Code, or of commodities as
45 defined in section four hundred seventy-five (e) of the Internal Revenue
46 Code, (E) principally used in the ordinary course of the taxpayer's
47 trade or business of providing investment advisory services for a regu-
48 lated investment company as defined in section eight hundred fifty-one
49 of the Internal Revenue Code, or lending, loan arrangement or loan orig-
50 ination services to customers in connection with the purchase or sale
51 (which shall include but not be limited to the issuance, entering into,
52 assumption, offset, assignment, termination, or transfer) of securities
53 as defined in section four hundred seventy-five (c)(2) of the Internal
54 Revenue Code, (F) principally used in the ordinary course of the taxpay-

1 er's business as an exchange registered as a national securities
2 exchange within the meaning of sections 3(a)(1) and 6(a) of the Securi-
3 ties Exchange Act of 1934 or a board of trade as defined in subparagraph
4 one of paragraph (a) of section fourteen hundred ten of the not-for-pro-
5 fit corporation law or as an entity that is wholly owned by one or more
6 such national securities exchanges or boards of trade and that provides
7 automation or technical services thereto, or (G) principally used as a
8 qualified film production facility including qualified film production
9 facilities having a situs in an empire zone designated as such pursuant
10 to article eighteen-B of the general municipal law, where the taxpayer
11 is providing three or more services to any qualified film production
12 company using the facility, including such services as a studio lighting
13 grid, lighting and grip equipment, multi-line phone service, broadband
14 information technology access, industrial scale electrical capacity,
15 food services, security services, and heating, ventilation and air
16 conditioning. For purposes of clauses (D), (E) and (F) of this subpara-
17 graph, property purchased by a taxpayer affiliated with a regulated
18 broker, dealer, registered investment advisor, national securities
19 exchange or board of trade, is allowed a credit under this subdivision
20 if the property is used by its affiliated regulated broker, dealer,
21 registered investment advisor, national securities exchange or board of
22 trade in accordance with this subdivision. For purposes of determining
23 if the property is principally used in qualifying uses, the uses by the
24 taxpayer described in clauses (D) and (E) of this subparagraph may be
25 aggregated. In addition, the uses by the taxpayer, its affiliated regu-
26 lated broker, dealer and registered investment advisor under either or
27 both of those clauses may be aggregated. Provided, however, a taxpayer
28 shall not be allowed the credit provided by clauses (D), (E) and (F) of
29 this subparagraph unless the property is first placed in service before
30 October first, two thousand fifteen and (i) eighty percent or more of
31 the employees performing the administrative and support functions
32 resulting from or related to the qualifying uses of such equipment are
33 located in this state or (ii) the average number of employees that
34 perform the administrative and support functions resulting from or
35 related to the qualifying uses of such equipment and are located in this
36 state during the taxable year for which the credit is claimed is equal
37 to or greater than ninety-five percent of the average number of employ-
38 ees that perform these functions and are located in this state during
39 the thirty-six months immediately preceding the year for which the cred-
40 it is claimed, or (iii) the number of employees located in this state
41 during the taxable year for which the credit is claimed is equal to or
42 greater than ninety percent of the number of employees located in this
43 state on December thirty-first, nineteen hundred ninety-eight or, if the
44 taxpayer was not a calendar year taxpayer in nineteen hundred ninety-
45 eight, the last day of its first taxable year ending after December
46 thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes
47 subject to tax in this state after the taxable year beginning in nine-
48 teen hundred ninety-eight, then the taxpayer is not required to satisfy
49 the employment test provided in the preceding sentence of this subpara-
50 graph for its first taxable year. For purposes of clause (iii) of this
51 subparagraph the employment test will be based on the number of employ-
52 ees located in this state on the last day of the first taxable year the
53 taxpayer is subject to tax in this state. If the uses of the property
54 must be aggregated to determine whether the property is principally used
55 in qualifying uses, then either each affiliate using the property must
56 satisfy this employment test or this employment test must be satisfied

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

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

18 (A) A credit shall be allowed under this subsection with respect to
19 tangible personal property and other tangible property, including build-
20 ings and structural components of buildings, which are: depreciable
21 pursuant to section one hundred sixty-seven of the internal revenue
22 code, have a useful life of four years or more, are acquired by purchase
23 as defined in section one hundred seventy-nine (d) of the internal
24 revenue code, have a situs in this state and are (i) principally used by
25 the taxpayer in the production of goods by manufacturing, processing,
26 assembling, refining, mining, extracting, farming, agriculture, horti-
27 culture, floriculture, viticulture or commercial fishing, (ii) indus-
28 trial waste treatment facilities or air pollution control facilities,
29 used in the taxpayer's trade or business, (iii) research and development
30 property, (iv) principally used in the ordinary course of the taxpayer's
31 trade or business as a broker or dealer in connection with the purchase
32 or sale (which shall include but not be limited to the issuance, enter-
33 ing into, assumption, offset, assignment, termination, or transfer) of
34 stocks, bonds or other securities as defined in section four hundred
35 seventy-five (c)(2) of the Internal Revenue Code, or of commodities as
36 defined in section 475(e) of the Internal Revenue Code, (v) principally
37 used in the ordinary course of the taxpayer's trade or business of
38 providing investment advisory services for a regulated investment compa-
39 ny as defined in section eight hundred fifty-one of the Internal Revenue
40 Code, or lending, loan arrangement or loan origination services to
41 customers in connection with the purchase or sale (which shall include
42 but not be limited to the issuance, entering into, assumption, offset,
43 assignment, termination, or transfer) of securities as defined in
44 section four hundred seventy-five (c)(2) of the Internal Revenue Code,
45 or (vi) principally used as a qualified film production facility includ-
46 ing qualified film production facilities having a situs in an empire
47 zone designated as such pursuant to article eighteen-B of the general
48 municipal law, where the taxpayer is providing three or more services to
49 any qualified film production company using the facility, including such
50 services as a studio lighting grid, lighting and grip equipment, multi-
51 line phone service, broadband information technology access, industrial
52 scale electrical capacity, food services, security services, and heat-
53 ing, ventilation and air conditioning. For purposes of clauses (iv) and
54 (v) of this subparagraph, property purchased by a taxpayer affiliated
55 with a regulated broker, dealer, or registered investment adviser is
56 allowed a credit under this subsection if the property is used by its

1 affiliated regulated broker, dealer or registered investment adviser in
2 accordance with this subsection. For purposes of determining if the
3 property is principally used in qualifying uses, the uses by the taxpay-
4 er described in clauses (iv) and (v) of this subparagraph may be aggre-
5 gated. In addition, the uses by the taxpayer, its affiliated regulated
6 broker, dealer and registered investment adviser under either or both of
7 those clauses may be aggregated. Provided, however, a taxpayer shall not
8 be allowed the credit provided by clauses (iv) and (v) of this subpara-
9 graph unless (I) eighty percent or more of the employees performing the
10 administrative and support functions resulting from or related to the
11 qualifying uses of such equipment are located in this state, or (II) the
12 average number of employees that perform the administrative and support
13 functions resulting from or related to the qualifying uses of such
14 equipment and are located in this state during the taxable year for
15 which the credit is claimed is equal to or greater than ninety-five
16 percent of the average number of employees that perform these functions
17 and are located in this state during the thirty-six months immediately
18 preceding the year for which the credit is claimed, or (III) the number
19 of employees located in this state during the taxable year for which the
20 credit is claimed is equal to or greater than ninety percent of the
21 number of employees located in this state on December thirty-first,
22 nineteen hundred ninety-eight or, if the taxpayer was not a calendar
23 year taxpayer in nineteen hundred ninety-eight, the last day of its
24 first taxable year ending after December thirty-first, nineteen hundred
25 ninety-eight. If the taxpayer becomes subject to tax in this state after
26 the taxable year beginning in nineteen hundred ninety-eight, then the
27 taxpayer is not required to satisfy the employment test provided in the
28 preceding sentence of this subparagraph for its first taxable year. For
29 the purposes of clause (III) of this subparagraph the employment test
30 will be based on the number of employees located in this state on the
31 last day of the first taxable year the taxpayer is subject to tax in
32 this state. If the uses of the property must be aggregated to determine
33 whether the property is principally used in qualifying uses, then either
34 each affiliate using the property must satisfy this employment test or
35 this employment test must be satisfied through the aggregation of the
36 employees of the taxpayer, its affiliated regulated broker, dealer, and
37 registered investment adviser using the property. For purposes of clause
38 (i) of this subparagraph, tangible personal property and other tangible
39 property shall not include property principally used by the taxpayer in
40 the production or distribution of electricity, natural gas after
41 extraction from wells, steam, or water delivered through pipes and
42 mains. For purposes of the credit allowed by clause (i) of this subpara-
43 graph, for a taxpayer that is an eligible farmer as provided in para-
44 graph one-a of this subsection, the eligible cost of goods shall include
45 the cost of standard construction materials and labor used in the
46 construction of residential housing occupied by farm workers employed by
47 the taxpayer to provide labor in the production of the qualifying prod-
48 uct produced by the taxpayer, provided such costs satisfy the other
49 requirements of this subparagraph.

50 § 3. This act shall take effect on the first of January next succeed-
51 ing the date upon which it shall have become a law and shall apply to
52 tax years commencing on and after such effective date. Effective imme-
53 diately, the addition, amendment and/or repeal of any rule or regulation
54 necessary for the implementation of this act on its effective date are
55 authorized to be made and completed on or before such effective date.

1

PART AAA

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

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

33 § 2. This act shall take effect immediately.

34

PART BBB

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

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

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

5 § 2. This act shall take effect immediately.

6 PART CCC

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

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

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

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

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

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

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

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