STATE OF NEW YORK

S. 3009--C A. 3009--C

SENATE - ASSEMBLY

January 22, 2025

IN SENATE -- 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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for three years (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B); and to amend the real property law, in relation to public notice of real property solicitation cease and desist zones (Subpart C) (Part F); intentionally omitted (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program; 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,

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

LBD12574-05-5

in relation to the empire state jobs retention program (Subpart B) (Part H); to amend the tax law, in relation to film production and post-production credits (Part I); to amend the economic development law and the tax law, in relation to the newspaper and broadcast media jobs program (Part J); to amend the tax law, in relation to the empire state digital gaming media production credit (Part K); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and 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 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 to repeal 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 extending the estate tax three-year gift addback rule (Part T); amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); to amend the tax law, in relation to reporting of federal partnership adjustments (Subpart A); and to amend the administrative code of the city of New York, in relation to reporting of federal partnership adjustments (Subpart B) (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 part HH of chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof (Part DD); to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to extending the effectiveness thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to simplifying the pari-mutuel tax rate system; and to repeal section 908 of the racing, pari-mutuel wagering and breeding law relating thereto (Subpart A); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, in relation to

the effectiveness thereof; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Subpart B); and to amend the racing, pari-mutuel wagering and breeding law and the state finance law, in relation to market origin credits and fees (Subpart C)(Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the tax on gaming revenues in certain regions; to amend part OOO of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, in relation to the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part HH); to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing the health and safety of thoroughbred horses; and providing for the repeal of such provisions upon expiration thereof (Part II); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to extending the provisions thereof (Part JJ); to amend the agriculture and markets law and the tax law, in relation to the farm employer overtime credit (Part KK); to amend part H of chapter 59 of the laws of 2024 amending the tax law relating to the filing of amended returns under article 28 thereof, in relation to making technical corrections thereto (Part LL); to amend the tax law, in relation to vendor fees paid to certain vendor tracks; and providing for the repeal of such provisions upon expiration thereof (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to members of the franchised corporation appointed by the New York racing association (Part NN); to amend the racing, pari-mutuel wagering and breeding law, in relation to mobile sports tax revenue be used for problem gambling (Part OO); to extend the duration of certain brownfield redevelopment and remediation tax credits for certain sites (Part PP); to amend the tax law, in relation to the relief from sales tax liability provided to certain limited partners and members of limited liability companies (Part QQ); to amend the tax law, in relation to simplifying the property tax credit; and to repeal certain provisions of such law relating thereto (Part RR); to amend the tax law, in relation to authorizing an occupancy tax in the city of Auburn; and providing for the repeal of such provisions upon expiration thereof (Part SS); to amend the tax law, in relation to authorizing the city of Buffalo to impose a hotel and motel tax; and providing for the repeal of such provisions upon the expiration thereof (Part TT); to amend the tax law, in relation to geothermal energy systems tax credits (Part UU); to amend the tax law, in relation to the metropolitan commuter transportation mobility tax; and to amend the public authorities law, in relation to amending the rates of tax and the distribution of revenue therefrom (Part VV); to amend the tax law, in relation to sales and compensating use taxes for the metropolitan commuter transportation district; to amend the state finance law, in relation to the mass transportation operating assistance fund and the dedicated mass transportation trust fund; and to amend the public authorities law, in relation to the metropolitan transportation authority dedicated tax fund (Part WW); and to amend the public authorities law, in relation to the aggregate principal amount of bonds, notes or other obligations issued by the metropolitan

transit authority, the triborough bridge and tunnel authority and the New York city transit authority (Part XX)

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

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

PART A

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

(qqq) Inflation refund credit. (1) A taxpayer who meets the eligibility standards in paragraph two of this subsection shall be allowed a credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax year two thousand twenty-five.

(2) To be eligible for the credit, the taxpayer (or taxpayers filing joint returns)(a) must have been a full-year resident in the state of New York in tax year two thousand twenty-three, (b) (i) must have had New York adjusted gross income of three hundred thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, or (ii) must have had New York adjusted gross income of one hundred fifty thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household, and (c) must not have been claimed as a dependent by another taxpayer in tax year two thousand twenty-three.

(3) Amount of credit. (a) For taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, (i) with New York adjusted gross income of greater than one hundred fifty thousand dollars but no greater than three hundred thousand dollars in tax year two thousand twenty-three, the credit amount shall be three hundred dollars, or (ii) with New York adjusted gross income of no greater than one hundred fifty thousand dollars in tax year two thousand twenty-three, the credit amount shall be four hundred dollars, and (b) for taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household, (i) with New York adjusted gross income of greater than seventy-five thousand dollars but no greater than one hundred fifty thousand dollars in tax year two thousand twenty-three, the credit amount shall be one hundred fifty dollars, or (ii) with New York

adjusted gross income of no greater than seventy-five thousand dollars in tax year two thousand twenty-three, the credit amount shall be two hundred dollars.

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

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

§ 3. This act shall take effect immediately.

PART B

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

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

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

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.90% of the New York taxable income
Over $17,150 but not over $23,600	$669 plus 4.40% of excess over $17,150
Over $23,600 but not over $27,900	$953 plus 5.15% of excess over $23,600
Over $27,900 but not over $161,550	$1,174 plus 5.40% of excess over $27,900
Over $161,550 but not over $323,200	$8,391 plus 5.90% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,928 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,430 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$417,939 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,477,939 plus 10.90% of excess over $25,000,000

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,107 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over	$417,616 plus 10.30% of excess

$25,000,000	over $5,000,000
Over $25,000,000	$2,477,616 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.80% of the New York taxable income
Over $17,150 but not over $23,600	$652 plus 4.30% of excess over $17,150
Over $23,600 but not over $27,900	$929 plus 5.05% of excess over $23,600
Over $27,900 but not over $161,550	$1,146 plus 5.30% of excess over $27,900
Over $161,550 but not over $323,200	$8,229 plus 5.80% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,605 plus 6.85% of excess over $323,200
Over $2,155,350	$143,107 plus 8.82% of excess over $2,155,350

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

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

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

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

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

~~$20,900~~	~~$17,650~~
~~Over $20,900 but not over $107,650~~	~~$901 plus 5.5% of excess over $20,900~~
~~Over $107,650 but not over $269,300~~	~~$5,672 plus 6.00% of excess over $107,650~~
~~Over $269,300 but not over $1,616,450~~	~~$15,371 plus 6.85% of excess over $269,300~~
~~Over $1,616,450~~	~~$107,651 plus 8.82% of excess over $1,616,450~~]

If the New York taxable income is:	The tax is:
Not over $12,800	3.90% of the New York taxable income
Over $12,800 but not over $17,650	$499 plus 4.40% of excess over $12,800
Over $17,650 but not over $20,900	$712 plus 5.15% of excess over $17,650
Over $20,900 but not over $107,650	$879 plus 5.40% of excess over $20,900
Over $107,650 but not over $269,300	$5,564 plus 5.90% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,101 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,381 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,894 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,493,894 plus 10.90% of excess over $25,000,000

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

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

If the New York taxable income is:	The tax is:
Not over $12,800	3.80% of the New York taxable income
Over $12,800 but not over $17,650	$486 plus 4.30% of excess over $12,800
Over $17,650 but not over $20,900	$695 plus 5.05% of excess over $17,650
Over $20,900 but not over $107,650	$859 plus 5.30% of excess over $20,900
Over $107,650 but not over $269,300	$5,457 plus 5.80% of excess over $107,650
Over $269,300 but not over $1,616,450	$14,833 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,113 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,626 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,493,626 plus 10.90% of excess over $25,000,000

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

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

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

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

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

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

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

~~Not over $8,500 4% of the New York taxable income~~

~~Over $8,500 but not over $11,700 $340 plus 4.5% of excess over $8,500~~

~~Over $11,700 but not over $13,900 $484 plus 5.25% of excess over $11,700~~

~~Over $13,900 but not over $80,650 $600 plus 5.50% of excess over $13,900~~

~~Over $80,650 but not over $215,400 $4,271 plus 6.00% of excess~~

	~~over $80,650~~
~~Over $215,400 but not over $1,077,550~~	~~$12,356 plus 6.85% of excess over $215,400~~
~~Over $1,077,550~~	~~$71,413 plus 8.82% of excess over $1,077,550~~]
If the New York taxable income is:	**The tax is:**
Not over $8,500	**3.90% of the New York taxable income**
Over $8,500 but not over $11,700	**$332 plus 4.40% of excess over $8,500**
Over $11,700 but not over $13,900	**$473 plus 5.15% of excess over $11,700**
Over $13,900 but not over $80,650	**$586 plus 5.40% of excess over $13,900**
Over $80,650 but not over $215,400	**$4,191 plus 5.90% of excess over $80,650**
Over $215,400 but not over $1,077,550	**$12,141 plus 6.85% of excess over $215,400**
Over $1,077,550 but not over $5,000,000	**$71,198 plus 9.65% of excess over $1,077,550**
Over $5,000,000 but not over $25,000,000	**$449,714 plus 10.30% of excess over $5,000,000**
Over $25,000,000	**$2,509,714 plus 10.90% of excess over $25,000,000**

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

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

If the New York taxable income is:	**The tax is:**
Not over $8,500	**3.80% of the New York taxable income**
Over $8,500 but not over $11,700	**$323 plus 4.30% of excess over $8,500**
Over $11,700 but not over $13,900	**$461 plus 5.05% of excess over $11,700**
Over $13,900 but not over $80,650	**$572 plus 5.30% of excess over $13,900**
Over $80,650 but not over $215,400	**$4,110 plus 5.80% of excess over $80,650**
Over $215,400 but not over $1,077,550	**$11,926 plus 6.85% of excess over $215,400**
Over $1,077,550 but not over $5,000,000	**$70,983 plus 9.65% of excess over $1,077,550**
Over $5,000,000 but not over $25,000,000	**$449,499 plus 10.30% of excess over $5,000,000**
Over $25,000,000	**$2,509,499 plus 10.90% of excess over $25,000,000**

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

If the New York taxable income is:	**The tax is:**
Not over $8,500	**3.80% of the New York taxable income**
Over $8,500 but not over $11,700	**$323 plus 4.30% of excess over $8,500**
Over $11,700 but not over $13,900	**$461 plus 5.05% of excess over $11,700**
Over $13,900 but not over $80,650	**$572 plus 5.30% of excess over**

	$13,900
Over $80,650 but not over $215,400	$4,110 plus 5.80% of excess over $80,650
Over $215,400 but not over $1,077,550	$11,926 plus 6.85% of excess over $215,400
Over $1,077,550	$70,983 plus 8.82% of excess over $1,077,550

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

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

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

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

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$807
$323,200	$2,155,350	$1,140	$3,071
$2,155,350	$5,000,000	$4,211	$60,350
$5,000,000	$25,000,000	$64,561	$32,500

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$787
$269,300	$1,616,450	$787	$2,559
$1,616,450	$5,000,000	$3,346	$45,260
$5,000,000	$25,000,000	$48,606	$32,500

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 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.

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

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

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

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

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 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.

(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-seven and before two thousand thirty-three, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-7) of this section shall be read as a reference to this subsection.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$27,900	$161,550	$0	$333
$161,550	$323,200	$333	$808
$323,200	$2,155,350	$1,141	$3,393
$2,155,350	$5,000,000	$4,534	$60,350
$5,000,000	$25,000,000	$64,884	$32,500

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$107,650	$269,300	$0	$787
$269,300	$1,616,450	$787	$2,827
$1,616,450	$5,000,000	$3,614	$45,260
$5,000,000	$25,000,000	$48,874	$32,500

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 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.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
$80,650	$215,400	$0	$568
$215,400	$1,077,550	$568	$2,261
$1,077,550	$5,000,000	$2,829	$30,172
$5,000,000	$25,000,000	$33,001	$32,500

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

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

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

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

(B) If New York adjusted gross income is greater than twenty-five million dollars, the supplemental tax due shall equal the difference between the product of 10.90 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.

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

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

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

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

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

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

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

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

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

(2) For resident heads of households:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 9. This act shall take effect immediately.

PART C

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

(1) [~~A~~] For taxable years beginning before January first, two thousand twenty-five, and taxable years beginning on or after January first, two thousand twenty-eight, a resident taxpayer shall be allowed a credit as provided herein equal to the greater of one hundred dollars times the number of qualifying children of the taxpayer or the applicable percentage of the child tax credit allowed the taxpayer under section twenty-

four of the internal revenue code for the same taxable year for each qualifying child. Provided, however, in the case of a taxpayer whose federal adjusted gross income exceeds the applicable threshold amount set forth by section 24(b)(2) of the Internal Revenue Code, the credit shall only be equal to the applicable percentage of the child tax credit allowed the taxpayer under section 24 of the Internal Revenue Code for each qualifying child. For the purposes of this subsection, a qualifying child shall be a child who meets the definition of qualified child under section 24(c) of the internal revenue code. The applicable percentage shall be thirty-three percent. For purposes of this subsection, any reference to section 24 of the Internal Revenue Code shall be a reference to such section as it existed immediately prior to the enactment of Public Law 115-97.

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

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

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

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

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

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

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

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

(D) For the purposes of this paragraph, a qualifying child shall be an individual who: (i) is a child, sibling, or stepsibling of the taxpayer, or a descendent of any such relative; (ii) has the same principal place of abode as the taxpayer for more than one-half of the taxable year; (iii) has not attained age seventeen; (iv) has not provided over one-half of such individual's own support for the calendar year in which the taxable year of the taxpayer begins; (v) has not filed a joint return (other than only for a claim of refund) with the individual's spouse under section six hundred fifty-one of this article for the taxable year; and (vi) is a citizen or national of the United States, or an individual with an individual taxpayer identification number issued by the internal revenue service.

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

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

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

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

§ 3. This act shall take effect immediately.

PART D

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

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

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

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

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

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

allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

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

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

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

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

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

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

§ 7. This act shall take effect immediately; provided, however, section two of this act shall take effect on the same date and in the same manner as section 4 of part J of chapter 59 of the laws of 2022 takes effect; section three of this act shall take effect April 1, 2026; section four of this act shall take effect April 1, 2027; section five of this act shall take effect April 1, 2028; and section six of this act shall take effect April 1, 2029.

PART E

Section 1. Subdivision 26 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a) and (c) as amended by section 2 of part RR of chapter 59 of the laws of 2018, subparagraph (i) of paragraph (a) as amended by section 2, subparagraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1) as amended by section 3 of subpart B of part I of chapter 59 of the laws of 2023, paragraph (e) as amended by section 1 of part U of chapter 59 of the laws of 2019, paragraph (f) as added by section 2 of part CCC of chapter 59 of the laws of 2021, is amended to read as follows:

26. Credit for rehabilitation of historic properties. (a) Application of credit. (i) For taxable years beginning on or after January first, two thousand ten, and before January first, two thousand thirty, a taxpayer**, or a transferee of such a taxpayer as described in paragraph (g) of this subdivision,** shall be allowed a credit as hereinafter provided, against the tax imposed by this article, in an amount equal to one hundred percent of the amount of credit allowed the taxpayer for the

same taxable year with respect to a certified historic structure, and one hundred fifty percent of the amount of credit allowed the taxpayer with respect to a certified historic structure that is a small project, under internal revenue code section 47(c)(3), determined without regard to ratably allocating the credit over a five year period as required by subsection (a) of such section 47, with respect to a certified historic structure located within the state. Provided, however, the credit shall not exceed five million dollars.

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

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

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

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

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

(e) [~~Except in the case of a qualified rehabilitation project undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation, to~~] **To** be eligible for the credit allowable under this subdivision, the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income

as calculated as of April first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau. If there is a change in the most recent five year estimate, a census tract that qualified for eligibility under this program before information about the change was released will remain eligible for a credit under this subdivision for an additional two calendar years. **The eligibility restrictions set forth in this paragraph shall not be applicable if:**

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

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

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

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

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

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

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

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

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

(E) the amount of credit being transferred.

(iii) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer application is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed transferee, the amount of credit proposed to be transferred to each proposed transferee, a copy of the transfer contract, and such other information as the commissioner or the commissioner of parks, recreation and historic preservation may require. The commissioner of parks, recreation and historic preservation shall approve or deny each transfer application and, if an application is denied, shall issue a written determination to the taxpayer. If the transfer is approved, the commissioner of parks,

recreation and historic preservation shall issue a transfer approval certificate that provides the name of the transferor and all transferees, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the transfer approval certificate must be attached to each transferee's tax return. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of credits allowed under this subdivision.

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

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

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

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

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

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

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

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

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

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

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

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

(7)(A) A taxpayer allowed a credit pursuant to this subsection may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, without regard to how any tax credit authorized pursuant to section forty-seven of the internal

revenue code with respect to a qualified rehabilitation project may be allocated and notwithstanding that such other person or entity owns no interest in the qualified rehabilitation project or in an entity with an ownership interest in the qualified rehabilitation project. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

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

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

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

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

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

(v) the amount of credit being transferred.

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

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

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

§ 3. Subdivision (y) of section 1511 of the tax law, as added by chapter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by section 5 of subpart B of part I of chapter 59 of the laws of 2023, paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-

ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part CCC of chapter 59 of the laws of 2021, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) the amount of credit being transferred.

(C) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer application is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed trans-

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

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

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

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

PART F

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

SUBPART A

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

ARTICLE 16
NINETY-DAY WAITING PERIOD FOR
SALE OF SINGLE-FAMILY AND TWO-FAMILY
RESIDENCES TO CERTAIN PURCHASERS

Section 520. Definitions.

521. Ninety-day waiting period.
522. Enforcement.

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

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

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

(b) "Covered entity" shall not include:

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

(ii) a land bank;

(iii) a community land trust; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Within three days of submitting a form to a seller or seller's agent pursuant to paragraph (a) of this subdivision, a covered entity shall file such form with the department of law. The department of law may issue regulations or guidance regarding the procedure for making such filing.

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

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

"COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

Pursuant to Article 16 of the New York State Real Property Law, covered entities are required to wait at least 90 days after a single-family residence or two-family residence has been listed for sale to the general public to purchase, acquire, or offer to purchase or acquire any interest in the single-family residence or two-family residence. At the time an offer is made, the covered entity or its agent is required to complete this form and submit it to the seller stating that the purchaser is a covered entity. Within three days of submitting the form to the seller, the covered entity or its agent is required to file this form with the New York state office of the attorney general, in accordance with any regulations or guidance that the attorney general may issue with respect to such filing.

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

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

IDENTIFYING INFORMATION

BUYER OR BUYERS OF THIS RESIDENCE:

_____

Printed Name and Mailing Address

_____

Printed Name and Mailing Address

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

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

_____

Signature Date

_____

Signature Date

_____

SIGNATURE OF WITNESSES

_____

Signature Date

_____

Signature Date

_____

NOTARY ACKNOWLEDGEMENT

(insert notary acknowledgement for this form here)"

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

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

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

SUBPART B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBPART C

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

(a) If the secretary of state determines that some owners of residential real property within a defined geographic area are subject to intense and repeated solicitation by real estate brokers and salespersons to place their property for sale with such real estate brokers or salespersons, or are subject to intense and repeated solicitation by other persons regularly engaged in the trade or business of buying and selling real estate to sell their real estate, the secretary of state may adopt a rule establishing a cease and desist zone, which zone shall be bounded or otherwise specifically defined in the rule. After the secretary of state has established a cease and desist zone, the owners of residential real property located within the zone may file an owner's statement with the secretary of state expressing their wish not to be solicited by real estate brokers, salespersons or other persons regularly engaged in the trade or business of buying and selling real estate. The form and content of the statement shall be prescribed by the secretary of state. **After a cease and desist zone has been established by the secretary of state, the secretary of state shall provide public notice on its website of such zone, shall publish notice of such zone at least once annually in a newspaper of general circulation in the area affected by the cease and desist zone, and shall provide such further**

public notice of such cease and desist zone as the secretary of state deems necessary to maximize awareness to owners of residential real property located within the cease and desist zone that they may file a statement pursuant to this paragraph. After a cease and desist zone has been established by the secretary of state, no real estate broker, salesperson or other person regularly engaged in the trade or business of buying and selling real estate shall solicit a listing from any owner who has filed a statement with the secretary of state if such owner's name appears on the current cease and desist list prepared by the secretary of state. The prohibition on solicitation shall apply to direct forms of solicitation such as the use of the telephone, the mail, personal contact and other forms of direct solicitation as may be specified by the secretary of state.

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

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

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

PART G

Intentionally Omitted

PART H

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

SUBPART A

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

25. "Semiconductor supply chain project" means a project deemed by the commissioner to make products or develop technologies that are primarily

aimed at supporting the growth of the semiconductor manufacturing and related equipment and material supplier sector. "Semiconductor supply chain project" shall include, but need not be limited to, semiconductor device manufacturing, producers of component parts, direct input materials and equipment necessary for the manufacture of semiconductor chips, machinery, equipment, and materials necessary for the operational efficiency of semiconductor manufacturing facilities, other such inputs directly supportive of the domestic production of semiconductor chips, and companies engaged in the assembly, testing, packaging and advanced packaging semiconductor value chain. "Semiconductor supply chain project" shall not include a project primarily composed of: (i) machinery, equipment, or materials that are inputs to manufacturing generally, but are not direct inputs to semiconductor manufacturing in specific; (ii) the production of products or development of technologies that would produce only marginal and incremental benefits to the semiconductor manufacturing sector; (iii) projects that would otherwise qualify as a Green CHIPS project as defined in section twenty-four of this section.

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

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

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

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

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

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

2. Excelsior investment tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit on qualified investments. In a project that is not a green project, the credit shall be equal to two percent of the cost or other basis for federal income tax purposes of the qualified investment. In a green project, the credit shall be equal to five percent of the cost or other basis for federal income tax purposes of the qualified investment. In a project for child

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

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

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

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

Credit components in the aggregate shall not exceed:	With respect to taxable years beginning in:
$ 50 million	2011
$ 100 million	2012
$ 150 million	2013
$ 200 million	2014
$ 250 million	2015
$ 183 million	2016
$ 183 million	2017
$ 183 million	2018
$ 183 million	2019
$ 183 million	2020
$ 183 million	2021
$ 133 million	2022
$ 83 million	2023
$ 36 million	2024
$ 200 million	2025
$ 200 million	2026
$ 200 million	2027
$ 200 million	2028
$ 200 million	2029
$ 200 million	**2030**
$ 200 million	**2031**
$ 200 million	**2032**
$ 200 million	**2033**
$ 200 million	**2034**

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

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

ty-nine. Provided, however, no tax credits may be allowed for taxable years beginning on or after January first, two thousand [~~forty~~] **fifty**.

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

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

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

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

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

(1) [~~A~~] **For taxable years beginning before January first, two thousand twenty-nine, a** taxpayer that has been approved by the commissioner of economic development to participate in the employee training incentive program and has been issued a certificate of tax credit pursuant to section four hundred forty-three of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal fifty percent of a taxpayer's eligible training costs, up to a credit of ten thousand dollars per employee completing eligible training pursuant to paragraph (a) of subdivision three of section four hundred forty-one of the economic development law. The credit shall equal fifty percent of the stipend paid to an intern, up to a credit of three thousand dollars per intern completing eligible training pursuant to paragraph (b) of subdivision three of section four hundred forty-one of the economic development law. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic development. In the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in an S corporation, the taxpayer shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or S corporation.

The credit will be allowed in the taxable year in which the eligible training is completed.

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

ARTICLE 17-A
SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

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

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

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

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

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

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

3. "Participant" means a business entity that:

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

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

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

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

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

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

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

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

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

(d) has a situs in this state; and

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

6. "Semiconductor research and development project" means a project for a physical research and development facility, deemed by the commissioner as being primarily aimed at supporting research and development within the semiconductor manufacturing and related equipment and material supplier sector. Such project shall incur at least one hundred million dollars in qualified investment in New York state. Such project must lead to the establishment and operation of a research and development facility separate and apart from new or existing semiconductor or semiconductor supply chain manufacturing facilities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 359-h. Reporting. The corporation, beginning February first, two thousand twenty-seven, and annually thereafter provided program funds remain, shall submit a report to the governor, the temporary president

of the senate, and the speaker of the assembly. Such annual report shall include, but need not be limited to: the number of participants approved for the program; names of business entities admitted to the program; regional economic development council region wherein the project resides; the total amount of benefits approved per business and in total for the program; total private sector co-investment provided by each approved business and in total for the program; total jobs created at the project location for all years in which the recipient is receiving benefits under the program, including the median wage paid to employees at the project location and types of jobs created; and such other information as the commissioner determines is necessary and appropriate. Additionally, in all years in which the program is fully operational, such report shall include noteworthy projects which serve to highlight the developments occurring in New York state as a result of the program. Such report shall be included on the corporation's website and all program participants shall also be included in the database of economic incentives as defined in section fifty-eight of section one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight constituting the urban development corporation act.

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

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

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

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

pro rata share of the amount of credit listed on the certificate of tax credit.

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

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

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

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

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

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

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

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

ARTICLE 28

SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

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

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

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

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

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

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

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

(d) structured to result in measurable advancements in skills and competencies that will contribute to opportunities for advancement for employees who complete the training.

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

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

of products or development of technologies that would produce only marginal and incremental benefits to the semiconductor manufacturing sector.

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

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

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

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

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

4. The business entity must submit a report upon completion of the eligible training that specifies the total amount of eligible training costs covered, including a breakdown between training expenses, wages, and wraparound services; the total number of employees that begin training; the total number of employees that finish training; the skills or type of training provided, including a list of applicable transferrable credentialing opportunities that were provided and information on whether or not the program is a registered apprenticeship program; information on any formalized agreements or partnerships with community or labor organizations to support the training program; the name of the training provider; and whether the covered employee is retained one year after the completion of the funded training.

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

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

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

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

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

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

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

3. The commissioner may approve an application from a business entity upon determining that such business entity meets the eligibility criteria established in section five hundred two of this article. Following approval by the commissioner of an application by a business entity to participate in the semiconductor manufacturing workforce training incentive program, the commissioner shall issue a certificate of tax credit to the business entity upon its demonstrating successful completion of such eligible training to the satisfaction of the commissioner. For eligible training as defined by subdivision two of section five hundred one of this article the amount of the credit shall be equal to seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business. The tax credits shall be claimed by the qualified employer as specified in subdivision sixty-two of section two hundred ten-B and subsection (rrr) of section six hundred six of the tax law.

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

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

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

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

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

§ 507. Reporting. The corporation, beginning October first, two thousand twenty-seven, and annually thereafter provided program funds remain, shall submit a report to the governor, the temporary president of the senate, and the speaker of the assembly. Such annual report shall include, but need not be limited to: the number of business participants in the program, the total number of workers trained under the program in total and per participating business including an articulation of the

number of workers that begin training, complete training, and are still employed with the participating business one year after training is completed, the total program funding level allocated in total and per participating business, the regional economic development council region wherein each participating business resides, a breakdown between funding allocated to training, wages, and wraparound services, a summary of the skills or type of training provided per participating business, and such other information as the commissioner determines is necessary and appropriate. Additionally, in all years in which the program is fully operational, such report shall include noteworthy projects which serve to highlight the developments occurring in New York state as a result of the program. Such report shall be included on the corporation's website and all program participants shall also be included in the database of economic incentives as defined in section fifty-eight of section one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight constituting the urban development corporation act.

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

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

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

(c) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to section five hundred three of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a

limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed in the certificate of tax credit.

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

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

(sss) Semiconductor workforce training program tax credit. (1) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor workforce training program and has been issued a certificate of tax credit pursuant to section five hundred three of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business pursuant to subdivision three of section five hundred three of the economic development law. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic development. In the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in an S corporation, the taxpayer shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or S corporation. The credit shall be allowed in the taxable year in which the eligible training is completed. No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

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

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

(4) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article twenty-eight of the economic development law is revoked by such department because the taxpayer does not meet the eligibility require-

ment set forth in subdivision three of section five hundred three of the economic development law, the amount of credit described in this subsection and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

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

SUBPART B

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

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

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

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

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

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

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

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

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

hundred twenty-five of this article, and shall specify the taxable year in which such credit may be claimed.

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

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

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

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

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

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

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

(c) has demonstrated that it meets the eligibility criteria in section four hundred twenty-three and subdivision two of section four hundred twenty-four of this article; and

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

[~~10.~~] 5. "Preliminary schedule of benefits" means the maximum aggregate amount of the tax credit that a participant in the empire state jobs retention program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of the credit a participant may claim in [~~each of~~] its [~~ten years~~] six months of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this chapter.

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

[~~12. "Scientific research and development" means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects. For the~~

~~purposes of this article, scientific research and development does not include medical or veterinary laboratory testing facilities.~~

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

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

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

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

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

~~(b) in manufacturing;~~

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

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

~~(e) in agriculture;~~

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

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

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

~~3.~~] For the purposes of this article, in order to participate in the empire state jobs retention program[~~, a business entity operating in one of the strategic industries listed in subdivision one of this section (a) must be located in a county in which an emergency has been declared by the governor~~] on or after [~~January~~] June first, two thousand [~~eleven~~] twenty-five, [~~(b)~~] a business entity must demonstrate substantial physical damage and economic harm at a location or locations within an area for which the governor has issued an emergency declaration and resulting from the event leading to the emergency declaration by the governor[~~, and (c) must have had at least one hundred full-time equivalent jobs in the county in which an emergency has been declared by the governor on the day immediately preceding the day on which the event leading to the emergency declaration by the governor occurred, and must retain or exceed that number of jobs in New York state.~~

~~4. A not-for-profit business entity, a business entity whose primary function is the provision of services including personal services, business services, or the provision of utilities, a business entity engaged predominantly in the retail or entertainment industry, or a company engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity are not eligible to receive the tax credit described in this article~~]. At the time of application, a business entity shall submit to the department a plan to retain, restore or increase staffing levels within one year from the date of application to at least the staffing levels that existed at the site the day prior to the date of the applicable declaration of the state of emergency. Any recipient that does not adhere to its jobs retention plan, shall have its program award rescinded unless the recipient can demonstrate economic hardship

to the commissioner, in which case any such program award may be reduced proportionally by the number of employees not restored or retained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 7. This act shall take effect immediately.

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

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

PART I

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

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership) of thirty percent and the qualified production costs paid or incurred in the

production of a qualified film, provided that: (i) the qualified production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film equal or exceed seventy-five percent of the production costs (excluding post production costs) paid or incurred which are attributable to the use of tangible property or the performance of services at any film production facility within and without the state in the production of such qualified film, [~~and~~] (ii) except with respect to a qualified independent film production company or pilot, at least ten percent of the total principal photography shooting days spent in the production of such qualified film must be spent at a qualified film production facility**, and (iii) qualified production costs that are attributable to scoring shall be eligible for an additional ten percent credit on such scoring costs when incurred within the state and when such scoring costs include payment to a minimum of five musicians**. However, if the qualified production costs (excluding post production costs) which are attributable to the use of tangible property or the performance of services at a qualified film production facility in the production of such qualified film is less than three million dollars, then the portion of the qualified production costs attributable to the use of tangible property or the performance of services in the production of such qualified film outside of a qualified film production facility shall be allowed only if the shooting days spent in New York outside of a film production facility in the production of such qualified film equal or exceed seventy-five percent of the total shooting days spent within and without New York outside of a film production facility in the production of such qualified film. The credit shall be allowed for the taxable year in which the production of such qualified film is completed. However, in the case of a qualified film that receives funds from additional pool 2, no credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year that includes the last day of the allocation year for which the film has been allocated credit by the department of economic development. If the amount of the credit is at least one million dollars but less than five million dollars, the credit shall be claimed over a two year period beginning in the first taxable year in which the credit may be claimed and in the next succeeding taxable year, with one-half of the amount of credit allowed being claimed in each year. If the amount of the credit is at least five million dollars, the credit shall be claimed over a three year period beginning in the first taxable year in which the credit may be claimed and in the next two succeeding taxable years, with one-third of the amount of the credit allowed being claimed in each year. **Provided, however, in the case of a qualified film for which the credit application was received on or after January first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the film has been allocated a credit by the department of economic development.**

(5) For the period two thousand fifteen through two thousand [~~thirty-four~~] **thirty-six**, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to (i) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the wages, salaries or other compensation constituting qualified production costs as defined in paragraph two of subdivision (b) of this section, paid to individuals

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

(6) Production plus program. (i) A qualified independent film production company or a qualified film production company, or a company that is a majority owner of one or more qualified film production companies or qualified independent film production companies, may apply to participate in the production plus program after it, or qualified film production companies or qualified independent film production companies of which it is the majority owner, has submitted two or more initial applications to the empire state film production tax credit program after January first, two thousand twenty-five.

(ii) A qualified film production company or qualified independent film production company that has been accepted into the production plus program, or is majority-owned by a company that has been accepted into the production plus program, may be eligible to receive an additional tax credit equal to the product of ten percent and the qualified production costs in New York state if program acceptance was based on initial applications, the sum of which totaled at least one hundred million dollars in qualified production costs in New York state.

(iii) A qualified independent film production company that has been accepted into the production plus program, or is majority-owned by a company that has been accepted into the production plus program, that is engaging in the production of a feature length film, television film or television series as defined in the regulations promulgated for this program, may receive an additional tax credit equal to the product of five percent and the qualified production costs incurred on all subsequent films or series applied for if program acceptance was based on initial applications the sum of which totaled at least twenty million dollars in qualified production costs in New York state.

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

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

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

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

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

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

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

first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the production of such qualified film has been allocated a credit by the department of economic development.

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

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

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

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

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

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

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

(5) If the amount of the credit is at least one million dollars but less than five million dollars, the credit shall be claimed over a two year period beginning in the first taxable year in which the credit may be claimed and in the next succeeding taxable year, with one-half of the

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

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

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

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

§ 8. Section 31 of the tax law, as added by section 12 of part Q of chapter 57 of the laws of 2010, is amended by adding a new subdivision (f) to read as follows:

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

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

§ 24-d. Empire state independent film production credit. (a) (1) Allowance of credit. A taxpayer which is a qualified independent film production company, or which is a sole proprietor of or a member of a partnership which is a qualified independent film production company,

and which is subject to tax under articles nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (c) of this section, to be computed as hereinafter provided.

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

(ii) In addition to the amount of credit established in subparagraph (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the wages, salaries or other compensation constituting qualified production costs as defined in paragraph one of subdivision (b) of this section, paid to individuals directly employed by a qualified independent film production company for services performed by those individuals in one of the counties specified in this subparagraph in connection with a qualified independent film with a minimum budget of five hundred thousand dollars, and (B) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the qualified production costs (excluding wages, salaries or other compensation) paid or incurred in the production of a qualified film where the property constituting such qualified production costs was used, and the services constituting such qualified production costs were performed in any of the counties specified in this subparagraph in connection with a qualified film with a minimum budget of five hundred thousand dollars where the majority of principal photography shooting days in the production of such film were shot in any of the counties specified in this paragraph. Provided, however, that the aggregate total eligible qualified production costs constituting wages, salaries or other compensation, for writers, directors, composers, producers, and performers shall not exceed forty percent of the aggregate sum total of all other qualified production

costs. For purposes of the credit, the services must be performed and the property must be used in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates and (C) qualified production costs that are attributable to scoring shall be eligible for an additional ten percent credit on such scoring costs when incurred within the state and when such scoring costs include payment to a minimum of five musicians.

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

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

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

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

(2) "Production costs" means any costs for tangible property used and services performed directly and predominantly in the production (including pre-production and post production) of a qualified film. "Production costs" shall not include costs for a story, script or scenario to be used for a qualified film. "Production costs" generally include writers, directors, composers and performers, technical and crew production costs, such as expenditures for film production facilities, or any part thereof, props, makeup, wardrobe, film processing, camera,

sound recording, scoring, set construction, lighting, shooting, editing and meals.

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

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

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

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

(7) "Relocated television series" shall mean the first two years of a regularly occurring production intended to run in its initial broadcast, regardless of the medium or mode of its distribution, in a series of narrative and/or thematically related episodes, each of which has a running time of at least thirty minutes in length (inclusive of commercial advertisement and interstitial programming, if any), which had filmed a minimum of six episodes of the television series outside the state immediately prior to relocating to the state, where the television

series had a total minimum budget of at least one million dollars per episode. For the purposes of this definition only, a television series produced by and for media services providers described as streaming services and/or digital platforms (and excluding network/cable) shall mean a regularly occurring production intended to run in its initial release in a series of narrative and/or thematically related episodes, the aggregate length of which is at least seventy-five minutes, although the episodes themselves may vary in duration from the thirty minutes specified for network/cable production.

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

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

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

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

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

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

(e) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision twenty-a of section two hundred ten and subsection (gg-1) of section six hundred six of this chapter in any calendar year shall be (1) twenty million dollars for qualified films with a budget of less than ten million dollars of qualified production costs; and (2) eighty million dollars for qualified films with a budget of ten million dollars or more of qualified production costs. There shall be at least two application periods each year; such aggregate amount of credits shall be allocated by the governor's office for motion picture and television development among taxpayers in order of priority based upon the date of filing of an application for allocation of the independent film production credit with such office within each application period. If the commissioner of economic development determines that the aggregate amount of tax credits available for an application period under paragraph one of this subdivision have been previously allocated, and determines that the pending applications from eligible applicants for the other application period in such calendar year is insufficient to utilize the balance of unallocated tax credits for such period, then such commissioner may allocate to productions eligible under such paragraph any credits that remain unallocated for such period pursuant to paragraph two of this subdivision. Provided, however, the total amount of allocated credits applied in any calendar year shall not exceed the

aggregate amount of tax credits allowed for such year under this section.

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

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

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

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

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

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

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

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

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

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

(lii) Empire state film	Amount of credit for qualified

production credit under subsection (gg-1)

production costs in production of a qualified film under subdivision twenty-a of section two hundred ten-B

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

PART J

Section 1. Subdivisions 1, 2, 3, 4, 7, 9, 10 and 13 of section 492 of the economic development law, as added by section 2 of part AAA of chapter 56 of the laws of 2024, are amended to read as follows:

1. "Average full-time employment" shall mean the average number of full-time positions employed by [~~a~~] **an eligible** business [~~entity~~] in an eligible industry during a given period.

2. "Average starting full-time employment" shall be calculated as the average number of full-time positions employed by [~~a~~] **an eligible** business [~~entity~~] in an eligible industry during a timeframe to be determined by the department of economic development.

3. "Average ending full-time employment" shall be calculated as the average number of full-time positions employed by [~~a~~] **an eligible** business [~~entity~~] in an eligible industry during a timeframe to be determined by the department of economic development.

4. "Certificate of tax credit" means the document issued to [~~a~~] **an eligible** business [~~entity~~] by the department after the department has verified that the **eligible** business [~~entity~~] has met all applicable eligibility criteria in this article. The certificate shall specify the exact amount of the tax credit under this article that [~~a~~] **an eligible** business [~~entity~~] may claim, pursuant to section four hundred ninety-five and section four hundred ninety-six of this article.

7. "Eligible business" shall mean a print media or broadcast media business operating within an eligible industry, which also carries media liability insurance. **For the purposes of this subdivision, each print media publication serving a separate market, as determined by the department, shall be treated as a separate print media business.**

9. "Eligible industry" means [~~a~~] **an eligible** business [~~entity~~] operating predominantly in the newspaper publishing sector or the broadcast media sector, as determined by the department.

10. "Net employee increase" means an increase of at least one full-time employee between the average starting full-time employment and the average ending full-time employment of [~~a~~] **an eligible** business [~~entity~~], as defined by the department.

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

§ 2. Subdivision 3 of section 494 of the economic development law, as added by section 2 of part AAA of chapter 56 of the laws of 2024, is amended to read as follows:

3. After reviewing a business entity's completed final application and determining that the business entity meets the eligibility criteria as set forth in this article, the department may issue [~~to that business entity~~] a certificate of tax credit. [~~A business entity may claim the tax credit.~~]

§ 3. Subdivisions 1, 2 and 3 of section 495 of the economic development law, as added by section 2 of part AAA of chapter 56 of the laws of 2024, are amended to read as follows:

1. A business entity that meets the eligibility requirements of section four hundred ninety-three of this article, and meets any additional eligibility criteria as articulated in regulations established pursuant to this section, and demonstrates a net employee increase, may be [~~eligible to claim~~] **issued** a **certificate of tax** credit equal to five thousand dollars per each full-time net employee increase as defined in section four hundred ninety-two of this article. A business entity, including a partnership, limited liability company and subchapter S corporation, may not receive in excess of twenty thousand dollars in tax credits **for each print media business or broadcast media business** under this program.

2. A business entity that meets the eligibility requirements of section four hundred ninety-three of this article, and meets any additional eligibility criteria as articulated in regulations established pursuant to this section, may be [~~eligible to claim~~] **issued** a **certificate of tax** credit equal to fifty percent of annual wages of an eligible employee. The calculation of such a credit shall only be applied to up to fifty thousand dollars in wages paid annually per eligible employee. A business entity, including a partnership, limited liability company and subchapter S corporation, may not receive in excess of three hundred thousand dollars in tax credits **for each print media business or broadcast media business** under this program.

3. The total amount of tax credits listed on certificates of tax credit issued by the commissioner pursuant to this article may not exceed thirty million dollars for each year the credit is available. Within this amount, the newspaper and broadcast media new job creation component of the credit may not exceed four million dollars per year and the newspaper and broadcast media existing jobs component of the credit may not exceed twenty-six million dollars per year. Fifty percent of the newspaper and broadcast media existing jobs component credits will be set-aside for eligible [~~business entities~~] **businesses** with one hundred or fewer employees. Fifty percent of the newspaper and broadcast media existing jobs component credits will be set-aside for eligible [~~business entities~~] **businesses** with over one hundred employees. In both instances the cap will be three hundred thousand dollars under this program.

§ 4. Subdivisions (a), (b) and (c) of section 49 of the tax law, as added by section 3 of part AAA of chapter 56 of the laws of 2024, are amended to read as follows:

(a) Allowance of credit. A taxpayer subject to tax under article nine-A or twenty-two of this chapter shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (e) of this section. The amount of the credit is equal to the amount determined pursuant to article twenty-seven of the economic development law **and shall be based on the certificates of tax credit issued to eligible businesses owned by the taxpayer or by an entity of which the taxpayer is a partner or shareholder**. A taxpayer that is a partner in a partnership, member of a limited liability company or shareholder in a subchapter S corporation shall be allowed its pro-rata share of the credit

allowed for the partnership, limited liability company or subchapter S corporation. No cost or expense paid or incurred that is included as part of the calculation of this credit shall be the basis of any other tax credit allowed under this chapter.

(b) Eligibility. To be eligible to claim the newspaper and broadcast media jobs tax credit the **eligible businesses owned by the** taxpayer **or by an entity of which the taxpayer is a partner or shareholder** shall have been issued a certificate of tax credit by the department of economic development pursuant to article twenty-seven of the economic development law, which certificate **or certificates** shall set forth the amount of the credit that may be claimed for the taxable year. The taxpayer shall be allowed to claim only the amount **or amounts** listed on the certificate **or certificates** of tax credit **issued to eligible businesses owned by the taxpayer or by an entity of which the taxpayer is a partner or shareholder** for that taxable year.

(c) Tax return requirement. The taxpayer shall be required to attach to its tax return, in the form prescribed by the commissioner, proof of receipt of its certificate **or certificates** of tax credit issued by the commissioner of the department of economic development.

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

PART K

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

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

(c) Definitions. As used in this section:

(1) "Qualified digital gaming media production" means: (i) a website, the digital media production costs of which are paid or incurred predominately in connection with (A) video simulation, animation, text, audio, graphics or similar gaming related property embodied in digital format, and (B) interactive features of digital gaming (e.g., links, message boards, communities or content manipulation); (ii) video or interactive games produced primarily for distribution over the internet, wireless network or successors thereto; and (iii) animation, simulation or embedded graphics digital gaming related software intended for commercial distribution regardless of medium; provided, however, that the qualified digital game development media productions described in

subparagraphs (i) through (iii) of this paragraph must have digital media production costs equal to or in excess of [~~one hundred~~] **fifty** thousand dollars per production. A qualified digital gaming media production does not include a website, video, interactive game or software that is used predominately for: electronic commerce (retail or wholesale purposes other than the sale of video interactive games), gambling (including activities regulated by a New York gaming agency), or political advocacy purposes.

(2) "Digital gaming media production costs" means any costs for wages or salaries paid to individuals, other than actors or writers, directly employed for services performed by those individuals directly and predominantly in the creation of a digital gaming media production or productions. Up to [~~one~~] **two** hundred thousand dollars in wages and salaries paid to such employees, other than actors and writers, directly employed shall be used in the calculation of this credit. Digital gaming media production costs include but shall not be limited to payments for services performed directly and predominantly in the development (including concept **and prototype** creation), design **(including narrative direction and sound design)**, production (including [~~concept creation~~] **testing and encoding**), [~~design, production (including testing), editing (including encoding)~~] **editing (including bug fixing)** and compositing (including the integration of digital files for interaction by end users) of digital gaming media. Digital gaming media production costs shall not include expenses incurred for the distribution, marketing, promotion, or advertising content generated by end users, other costs not directly [~~and predominantly~~] related to the creation, production or modification of digital gaming media or costs used by the taxpayer as a basis of the calculation of any other tax credit allowed under this chapter. In addition, [~~salaries or other income distribution~~] **wages** related to the creation of digital gaming media for any person who **predominantly** serves **in a corporate capacity** in the role of chief executive officer, chief financial officer, president, treasurer or similar **corporate** position shall not be included as digital gaming media production costs if the digital gaming media production entity has more [~~then~~] **than** ten employees. [~~Salaries or other income~~] **Wages paid** to a person serving in such a role for the digital gaming media production entity shall also not be included if the person was employed by a related person of the digital gaming media production entity within sixty months of the date the digital gaming media production entity applied for the tax credit certificate described in subdivision (d) of this section. For purposes of the preceding sentence, a related person shall have the same meaning as the term "related person" in section four hundred sixty-five of the internal revenue code. Furthermore, any income or other distribution to any individual including, but not limited to, licensing or royalty fees, who holds an ownership interest in a digital gaming media production entity, whether or not such individual is serving in the role of chief executive officer, chief financial officer, president, treasurer or similar position for such an entity, shall not be included as digital gaming media production costs. Up to [~~four~~] **five** million dollars in qualified digital gaming media production costs per production shall be used in the calculation of this credit. Digital gaming media production costs shall not include those costs used by the taxpayer or another taxpayer as the basis calculation of any other tax credit allowed under this chapter.

(3) "Qualified digital gaming media production costs" means digital gaming media production costs only to the extent such costs are attrib-

utable to the use of property or the performance of services by any persons within the state directly and predominantly in the creation, production or modification of digital gaming related media. Such total production costs incurred and paid in this state shall be equal to or exceed [~~seventy-five~~] **fifty-one** percent of total cost of an eligible production incurred and paid within and without this state.

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

§ 2. This act shall take effect immediately.

PART L

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

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

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

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

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

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

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

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

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

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

PART M

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

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

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

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

§ 3. This act shall take effect immediately.

PART N

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

§ 6. Filing of **electronic** warrants **and warrant-related records** in the department of state. [~~Wherever under the provisions~~] **1. Notwithstanding any provision** of this chapter **or** a [~~warrant is required to~~] **related statute to the contrary, all warrants and warrant-related records issued by the department shall** be filed **electronically by the department** in the department of state [~~in order to create a lien on personal property such requirement shall be satisfied if there is filed a record of the fact of the issuance of such warrant, including the name of the person on the basis of whose tax liability the warrant is issued, the last known address of such person, and the amount of such tax liability, including penalties and interest~~]. No fee shall be required to be paid for such [~~filing of such warrant or such record~~] **filings**. [~~The term "filed" in such provisions shall mean presentation to the department of state, for filing, of such warrant or such record.~~] **On the date of the electronic filing of a warrant, as confirmed by the department of state pursuant to subdivision five of this section:**

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

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

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

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

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

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

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

paid for such filings. A written or electronic copy of the electronic warrant-related record filed in the department of state shall be filed by the department in the office of the clerk of the county named in the warrant-related record.

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

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

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

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

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

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

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

PART O

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

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

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

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

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

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

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

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

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

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

(A) Effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each such individual must file a statement with the department showing the source or sources of [~~his or her~~] **such individual's** income for that income tax year, and the amount or amounts thereof, that would have been reported on such a return if one had been filed. Such statement shall be filed at such time, and in such form and manner, as may be prescribed by the department, and shall be subject to the secrecy provisions of the tax law to the same extent that a personal income tax return would be. The department shall make such forms and instructions available for the filing of such statements. The local assessor shall upon the request of a taxpayer assist such taxpayer in the filing of the statement with the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

commissioner from denying a credit pursuant to this subsection when the commissioner determines that a property owner has a source of income that renders that owner temporarily or permanently ineligible for that credit.

(E) "Qualifying taxes" means the school district taxes that were or are to be levied upon the taxpayer's primary residence for the associated fiscal year [~~that were actually paid by the taxpayer during the taxable year~~]; or, in the case of a city school district that is subject to article fifty-two of the education law, the combined city and school district taxes that were or are to be levied upon the taxpayer's primary residence for the associated fiscal year [~~that were actually paid by the taxpayer during the taxable year~~]. Provided, however, that in the case of a cooperative apartment, "qualifying taxes" means the school district taxes that would have been levied upon the tenant-stockholder's primary residence if it were separately assessed, as determined by the commissioner based on the statement provided by the assessor pursuant to subparagraph (ii) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, or in the case of a cooperative apartment corporation that is described in subparagraph (iv) of paragraph (k) of subdivision two of section four hundred twenty-five of the real property tax law, one third of such amount. In no case shall the term "qualifying taxes" be construed to include penalties or interest.

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

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

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

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

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

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

§ 13. This act shall take effect immediately; provided, however, that sections two, three, five, six, seven, eight, eleven and twelve of this act shall take effect January 1, 2026; and the amendments to clause (i) of subparagraph (B) of paragraph 1 of subsection (eee) of section 606 of the tax law made by section nine of this act shall take effect January 1, 2026.

PART P

Intentionally Omitted

PART Q

Intentionally Omitted

PART R

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

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

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

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

with the tax surcharge report required to be filed for the second preceding privilege period, or with an application for extension of the time for filing the report, for taxable years beginning before January first, two thousand sixteen, and must pay on or before the fifteenth day of the third month of such privilege periods, for taxable years beginning on or after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax exceeded one hundred thousand dollars. Provided, however, that every taxpayer that is a New York S corporation must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, an amount equal to (i) twenty-five percent of the preceding year's tax if the preceding year's tax exceeded one thousand dollars **for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six,** but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the preceding year's tax if the preceding year's tax exceeded one hundred thousand dollars.

§ 3. This act shall take effect immediately.

PART S

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

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

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

(A) travel expenses;

(B) lodging expenses; and

(C) lost wages.

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

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

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

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

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

(i) travel expenses;

(ii) lodging expenses; and

(iii) lost wages.

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

§ 3. This act shall take effect immediately.

PART T

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

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

§ 2. This act shall take effect immediately.

PART U

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

(c) Amount of credit. Except as provided in paragraph (d) of this subdivision, the amount of credit **for taxable years beginning before January first, two thousand twenty-five** shall be thirty-five percent of the first six thousand dollars in qualified first-year wages earned by each qualified employee **and for taxable years beginning on or after January first, two thousand twenty-five shall be the first five thousand**

dollars in qualified first-year wages earned by each qualified employee. "Qualified first-year wages" means wages paid or incurred by the taxpayer during the taxable year to qualified employees which are attributable, with respect to any such employee, to services rendered during the one-year period beginning with the day the employee begins work for the taxpayer.

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

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

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

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

§ 3. This act shall take effect immediately.

PART V

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

SUBPART A

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

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

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

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

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

by the commissioner, that another person shall act on behalf of the partnership.

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

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

§ 659. Report of federal changes, corrections or disallowances. If the amount of a taxpayer's federal taxable income, total taxable amount or ordinary income portion of a lump sum distribution or includible gain of a trust reported on [~~his~~] **their** federal income tax return for any taxable year, or the amount of a taxpayer's earned income credit or credit for employment-related expenses set forth on such return, or the amount of any federal foreign tax credit affecting the calculation of the credit for Canadian provincial taxes under section six hundred twenty or six hundred twenty-A of this article, or the amount of any claim of right adjustment, is changed or corrected by the United States internal revenue service or other competent authority or as the result of a renegotiation of a contract or subcontract with the United States, or the amount an employer is required to deduct and withhold from wages for federal income tax withholding purposes is changed or corrected by such service or authority or if a taxpayer's claim for credit or refund of federal income tax is disallowed in whole or in part, the taxpayer or employer shall report such change or correction or disallowance within ninety days after the final determination of such change, correction, renegotiation or disallowance, or as otherwise required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. **Provided, however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this part, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this part.** The allowance of a tentative carryback adjustment based upon a net operating loss carryback pursuant to section sixty-four hundred eleven of the internal revenue code shall be treated as a final determination for purposes of this section. Any taxpayer filing an amended federal income tax return and any employer filing an amended federal return of income tax withheld shall also file within ninety days thereafter an amended return under this article, and shall give such information as the commissioner may require. The commissioner may by regulation prescribe such exceptions to the requirements of this section as [~~he or she deems~~] **they deem** appropriate. For purposes of this section, (i) the term "taxpayer" shall include a partnership having a resident partner or having any income derived from New York sources, and a corporation with respect to which the taxable year of such change, correction, disallowance or amendment is a year with respect to which the election provided for in subsection (a) of section six hundred sixty of this article is in effect, and (ii) the term "federal income tax return" shall include the returns of income required under sections six thousand thirty-one and six thousand thirty-seven of the internal revenue code. In the case of such a corporation, such report shall also include any change or correction of the taxes described in paragraphs two and three of subsection (f) of section thirteen hundred sixty-six of the internal revenue code. Reports made under this section by a partnership or corporation shall indicate the portion of the change in each item of income, gain, loss or deduction (and, in the case of a corporation, of each change in, or disallowance of a claim for credit or

refund of, a tax referred to in the preceding sentence) allocable to each partner or shareholder and shall set forth such identifying information with respect to such partner or shareholder as may be prescribed by the commissioner.

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

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

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

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

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

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

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

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

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

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

(8) "New York election for alternative payment" means the election described in paragraph three of subsection (d) of this section, relating to payment by the impacted partnership in lieu of taxes owed by its direct and indirect partners.

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

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

(c) Reporting adjustments to federal taxable income. Where partnerships and partners were required to report final federal adjustments or administrative adjustment requests for federal purposes by taking such adjustments into account on a timely filed amended federal income tax return for the reviewed year, such partnerships and partners shall report and pay any New York tax owed under article nine-A, twenty-two, thirty-three, or any law authorized by article thirty of this chapter in the same manner for the reviewed year. Such partnerships and partners shall report final federal adjustments arising from an audit or other action by the internal revenue service or reported by the taxpayer on a timely filed amended federal income tax return, including a return or other similar report filed pursuant to section sixty-two hundred twenty-five of the internal revenue code, or federal claim for refund by filing a federal adjustments report and, if applicable, such partnerships and partners shall pay the additional tax due no later than one hundred eighty days after the final determination date.

(d) Reporting federal adjustments pursuant to a partnership level audit and administrative adjustment request. Except for adjustments required to be reported under subsection (c) of this section, partnerships and partners shall report final federal adjustments arising from a partnership level audit or an administrative adjustment request and make payments as required under this subsection in the year of adjustment.

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

(2) Except for those subject to a properly made election for alternative payment under paragraph three of this subsection, any changes or corrections made by the internal revenue service pursuant to such a final federal adjustment or as a result of an administrative adjustment request must be reported by the impacted partnership as follows:

(A) No later than ninety days after the final determination date, the partnership shall:

(i) file a completed federal adjustments report, including any information as required by the commissioner;

(ii) notify each of its direct partners of their distributive share of the final federal adjustment, including any information required by the commissioner;

(iii) file an amended return as required under paragraph one of subsection (c) of section six hundred fifty-eight and section six hundred fifty-nine of this article for the reviewed year;

(iv) file an amended group return if the partnership originally filed a group return, and remit the additional amount that would have been due under subsection (c) of section six hundred fifty-eight of this article had the final federal adjustments been properly reported originally as required; and

(v) remit any additional amounts that would have been due under paragraph four of subsection (c) of section six hundred fifty-eight of this

article had the final federal adjustments been properly originally reported as required.

(B) No later than one hundred eighty days after the final determination date, each direct partner of an impacted partnership that is taxed under article nine-A, twenty-two, thirty-three, or any law authorized by article thirty of this chapter, other than a direct partner that is included on a group return under clause (iv) of subparagraph (A) of this paragraph, shall:

(i) file a federal adjustments report reporting their distributive share of the adjustments reported to them by the impacted partnership under clause (ii) of subparagraph (A) of this paragraph; and

(ii) remit any additional amount of tax due, plus any penalty and interest computed under this article based on the due date of the originally filed return for the reviewed year, less any credit for amounts paid or withheld and remitted on behalf of the direct partner.

(3) New York election for alternative payment by the partnership. An impacted partnership making an election under this subsection shall:

(A) no later than ninety days after the final determination date, file a completed federal adjustments report, including any information as required by the commissioner, and provide notice, in the manner required by the commissioner, that it is making the election under this subsection.

(B) no later than one hundred eighty days after the final determination date, pay an amount, in lieu of taxes owed by its direct and indirect partners. Such amount shall be determined based on the sum of the following:

(i) for direct partners subject to tax pursuant to article nine-A or thirty-three of this chapter in the reviewed year, the partner's distributive share of gross income or gain and deduction apportioned to New York using the apportionment rules described in article nine-A of this chapter multiplied by the highest tax rate under such article nine-A in effect for the reviewed year; and

(ii) for a direct partner subject to tax under this article that is treated as a nonresident pursuant to paragraph two of subsection (b) of section six hundred five of this article in the reviewed year, the partner's distributive share of gross income or gain and deduction allocated to New York using the allocation rules described in this article multiplied by the highest tax rate under this article in effect for the reviewed year; and

(iii) for a direct partner subject to tax under this article that is treated as a resident pursuant to paragraph one of subsection (b) of section six hundred five of this article in the reviewed year, the partner's distributive share of gross income or gain and deduction multiplied by the highest tax rate under this article in effect for the reviewed year; and

(iv) for a direct partner subject to tax under article thirty of this chapter that is treated as a resident pursuant to subsection (a) of section thirteen hundred five of this chapter in the reviewed year, the amount described in clause (iii) of this subparagraph and the partner's distributive share of gross income or gain and deduction multiplied by the highest tax rate under section thirteen hundred four of this chapter in effect for the reviewed year; and

(v) for tiered partners, include the sum of:

(I) the amount of gross income, gain or deduction from the adjustment that would ultimately flow to a taxpayer subject to tax under article nine-A or thirty-three of this chapter in the reviewed year apportioned

to New York using the apportionment rules described in article nine-A of this chapter multiplied by the highest tax rate under such article nine-A in effect for the reviewed year; and

(II) the amount of gross income, gain or deduction from the adjustment that would ultimately flow to a taxpayer subject to tax under this article and treated as a nonresident pursuant to paragraph two of subsection (b) of section six hundred five of this article in the reviewed year allocated to New York using the allocation rules described in this article multiplied by the highest tax rate under this article in effect for the reviewed year; and

(III) the amount of gross income, gain or deduction from the adjustment that would ultimately flow to a taxpayer subject to tax under this article and treated as a resident pursuant to paragraph one of subsection (b) of section six hundred five of this article in the reviewed year multiplied by the highest tax rate under this article in effect for the reviewed year; and

(IV) any amount of gross income, gain or deduction from the adjustment that cannot be established to be properly allocable to a taxpayer described in items (I) or (II) of this clause, multiplied by the highest tax rate under this article in effect for the reviewed year; and

(vi) any applicable penalty and interest as required by this article.

(4) Tiered partners. The direct and indirect partners of an impacted partnership that are tiered partners, and all of the partners of those tiered partners that are subject to tax under article nine-a, twenty-two, thirty-three, or any law authorized by article thirty of this chapter, are subject to the reporting and payment requirements of paragraph two of this subsection and the tiered partners are entitled to make the elections provided in paragraphs three and five of this subsection. The tiered partners or their partners shall make all required reports and payments no later than ninety days after the time for filing and furnishing statements to tiered partners and their partners pursuant to section sixty-two hundred twenty-six of the internal revenue code and the regulations thereunder.

(5) Modified reporting and payment method. In the manner required by the commissioner, an impacted partnership or tiered partner may enter into an agreement with the commissioner to utilize an alternative reporting and payment method, including applicable time requirements or any other provision of this section, if the impacted partnership or tiered partner demonstrates that the requested method will reasonably provide for the reporting and payment of taxes, penalties, and interest due under the provisions of this section, or if the impacted partnership or tiered partner can show that their direct partners have agreed to allow a refund of the tax to the entity. Application for approval of an alternative reporting and payment method must be made by the impacted partnership or tiered partner within the time for election as provided in paragraph three or four of this subsection, as appropriate.

(6) Effect of election by impacted partnership or tiered partner and payment of amount due. (A) The election made pursuant to paragraph three or five of this subsection is irrevocable, unless the commissioner, in their discretion, determines otherwise.

(B) If properly reported and paid by the impacted partnership or tiered partner, the amount determined in subparagraph (B) of paragraph three of this subsection, or similarly under an optional election pursuant to paragraph five of this subsection, will be treated as a payment in lieu of taxes owed by its direct and indirect partners, to the extent applicable, on the same final federal adjustment. The direct partners or

indirect partners may not take any deduction or credit for this amount or claim a refund of such amount. Provided, however, that nothing in this paragraph shall preclude a resident direct partner from claiming a credit against taxes paid to the commissioner pursuant to article twenty-two of this chapter for any amounts paid by the impacted partnership or tiered partner on such resident partner's behalf to another state or local tax jurisdiction in accordance with the provisions of section six hundred twenty of this article.

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

(e) De minimis exception. The commissioner shall have the discretion to promulgate regulations to establish a de minimis amount upon which a taxpayer shall not be required to comply with subsections (c) and/or (d) of this section.

(f) Estimated tax payments during the course of a federal audit. An impacted partnership may make estimated payments of the tax expected to result from a pending internal revenue service audit, prior to the due date of the federal adjustments report and prior to filing the report with the commissioner. If an impacted partnership makes an estimated payment under this subsection, other than an estimated payment made under paragraph four of subsection (c) of section six hundred fifty-eight of this article, such estimated payment must be accompanied by an irrevocable election under paragraph three of subsection (d) of this section. The estimated tax payments shall be credited against any tax liability ultimately found to be due and will limit the accrual of further statutory interest on such amount. If the estimated tax payments exceed the final tax liability and statutory interest ultimately determined to be due, the taxpayer is entitled to a refund or credit of the excess, provided the taxpayer files a federal adjustments report or claim for refund or credit of tax pursuant to section six hundred eighty-six of this article, no later than one year following the final determination date.

(g) Claims for refund or credits of tax arising from a final federal adjustment. Except for final federal adjustments required to be reported for the year of the adjustment, a taxpayer may file a claim for refund or credit of tax arising from federal adjustments on or before the later of:

(1) the expiration of the last day for filing a claim for refund or credit pursuant to section six hundred eighty-seven of this article, including any extensions; or

(2) one year from the date a federal adjustment report pursuant to subsection (c) or (d) of this section, as applicable, was due, including any extensions pursuant to subsection (h) of this section.

(h) Scope of adjustments and extensions of time. (1) Unless otherwise agreed in writing by the taxpayer and the commissioner, any adjustments by the commissioner or the taxpayer made after the period of limitations for assessment or refund has terminated under article nine-A, twenty-two, thirty-three, or any law authorized by article thirty of this chapter, is limited to changes to the taxpayer's tax liability arising from such a final federal adjustment.

(2) The time periods provided for in this section may be extended:

(A) automatically, upon written notice to the commissioner, by sixty days for an impacted partnership or tiered partner which has ten thousand or more direct partners; or

(B) by written agreement between the taxpayer and the commissioner.

(3) Any extension granted under this subsection for filing a federal adjustments report extends the last day prescribed by law for assessing any additional tax arising from the adjustments to federal taxable income and the period for filing a claim for refund or credit of taxes under article nine-A, twenty-two, thirty-three, or any law authorized by article thirty of this chapter.

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

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

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

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

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

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

(a) Assessment date.--The amount of tax which a return shows to be due, or the amount of tax which a return would have shown to be due but for a mathematical or clerical error, shall be deemed to be assessed on the date of filing of the return (including any amended return showing an increase of tax). In the case of a return properly filed without

computation of tax, the tax computed by the commissioner shall be deemed to be assessed on the date on which payment is due. If a notice of deficiency has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in subsection (b) of section six hundred eighty-one if no petition to the division of tax appeals is filed, or if a petition is filed, then upon the date when a determination or decision rendered in the division of tax appeals establishing the amount of the deficiency becomes final. If an amended return or report filed pursuant to section six hundred fifty-nine **or six hundred fifty-nine-a** concedes the accuracy of a federal change or correction, any deficiency in tax under this article resulting therefrom shall be deemed to be assessed on the date of filing such report or amended return, and such assessment shall be timely notwithstanding section six hundred eighty-three. If a notice of additional tax due, as prescribed in subsection (e) of section six hundred eighty-one, has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in such subsection unless within thirty days after the mailing of such notice a report of the federal change or correction or an amended return, where such return was required by section six hundred fifty-nine **or six hundred fifty-nine-a**, is filed accompanied by a statement showing wherein such federal determination and such notice of additional tax due are erroneous. Any amount paid as a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax, shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other provisions.

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

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

(A) no return is filed,

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

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

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

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

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

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

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

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

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

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

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

(a) Except as otherwise provided in this article, any tax imposed pursuant to the authority of this article shall be administered and collected by the commissioner in the same manner as the tax imposed by article twenty-two of this chapter is administered and collected by the commissioner. All of the provisions of article twenty-two of this chap-

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

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

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

§ 13. This act shall take effect immediately; provided, however, that adjustments to a taxpayer's federal taxable income or tax liability with

a final determination date or administrative adjustment request occurring prior to the effective date of this act must be reported within one year of such effective date; provided further that no interest shall accrue on adjustments occurring prior to the effective date of this act.

SUBPART B

Section 1. Section 11-501 of the administrative code of the city of New York is amended by adding four new subdivisions (n), (o), (p) and (q) to read as follows:

(n) "Administrative adjustment request" when used in this chapter shall mean a request for an administrative adjustment filed by a partnership under section sixty-two hundred twenty-seven of the internal revenue code.

(o) "Alternative adjustment action" when used in this chapter shall mean (i) a final federal adjustment; (ii) a federal election for alternative payment; or (iii) the filing of an administrative adjustment request.

(p) "Federal election for alternative payment" when used in this chapter shall mean the election described in section sixty-two hundred twenty-six of the internal revenue code, relating to alternative payment of imputed underpayment by a partnership.

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

§ 2. Section 11-519 of the administrative code of the city of New York is amended to read as follows:

§ 11-519 Report of change in federal or New York state taxable income. **(a)** If the amount of a taxpayer's federal or New York state taxable income reported on [~~his or her~~] **such taxpayer's** federal or New York state income tax for any taxable year is changed or corrected by the United States internal revenue service or the New York state tax commission or other competent authority, or as the result of a renegotiation of a contract or subcontract with the United States or the state of New York, or if a taxpayer, pursuant to subsection (d) of section sixty-two hundred thirteen of the internal revenue code, executes a notice of waiver of the restrictions provided in subsection (a) of said section, or if a taxpayer, pursuant to subsection (f) of section six hundred eighty-one of the tax law, executes a notice or waiver of the restrictions provided in subsection (c) of such section of the tax law, the taxpayer shall report such change or correction in federal or New York state taxable income or such execution of such notice of waiver and the changes or corrections of the taxpayer's federal or New York state taxable income on which it is based, within ninety days after the final determination of such change, correction, or renegotiation, or such execution of such notice of waiver, or as otherwise required by the commissioner of finance, and shall concede the accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended federal or New York state income tax return shall also file within ninety days thereafter an amended return under this chapter, and shall give such information as the commissioner of finance may require.

(b) A taxpayer that is a partner in a partnership that is required to report a change or correction in its federal or New York state taxable

income pursuant to subdivision (a) of this section shall report its distributive share of such change or correction as if such change or correction was made directly to such taxpayer's federal or New York state taxable income.

(c) Any taxpayer subject to an alternative adjustment action, or that is a partner in a partnership subject to an alternative adjustment action, shall report such alternative adjustment action within ninety days after the alternative adjustment action occurs, as applicable, regardless of the tax impact of such action. The commissioner of finance may require such report to be filed electronically. Such report shall include the identity of any partners of such taxpayer, as applicable, and any other information as the commissioner of finance deems necessary in order to determine the impact of such alternative adjustment action.

(d) The commissioner of finance may [~~by regulation~~] prescribe such exceptions to the requirements of this section as [~~the~~] such commissioner deems appropriate to facilitate the administration of this section.

§ 3. Subparagraph (C) of paragraph 1 of subdivision (c) of section 11-523 of the administrative code of the city of New York, as amended by chapter 839 of the laws of 1986, is amended to read as follows:

(C) the taxpayer fails to comply with section 11-519 of this chapter in not reporting a change or correction increasing or decreasing the taxpayer's federal or New York state taxable income as reported on the taxpayer's federal or New York state income tax return, or the execution of a notice of waiver and the changes or corrections on which it is based, or in not reporting a change or correction which is treated in the same manner as if it were a deficiency for federal or New York state income tax purposes, or in not reporting an alternative adjustment action, or in not filing an amended return, or

§ 4. Subdivision (c) of section 11-527 of the administrative code of the city of New York, as amended by chapter 241 of the laws of 1989, is amended to read as follows:

(c) Notice of change or correction of federal or New York state taxable income. If a taxpayer is required by section 11-519 of this chapter to report a change or correction in federal or New York state taxable income reported on the taxpayer's federal or New York state income tax return, or to report a change or correction which is treated in the same manner as if it were an overpayment for federal or New York state income tax purposes, or to report an alternative adjustment action, or to file an amended return with the commissioner of finance, claim for credit or refund of any resulting overpayment of tax shall be filed by the taxpayer within two years from the time the notice of such change or correction, or such report of an alternative adjustment action, or such amended return was required to be filed with the commissioner of finance. If the report or amended return required by section 11-519 of this chapter is not filed within the ninety day period therein specified, no interest shall be payable on any claim for credit or refund of the overpayment attributable to the federal or New York state change or correction. The amount of such credit or refund shall not exceed the amount of the reduction in tax attributable to such federal or New York state change, correction or items amended on the taxpayer's amended federal or New York state income tax return. This subdivision shall not affect the time within which or the amount for which a claim for credit or refund may be filed apart from this subdivision.

§ 5. Paragraph 4 of subdivision (d) of section 11-529 of the administrative code of the city of New York, as amended by chapter 808 of the laws of 1992, is amended to read as follows:

(4) Restriction on further notices of deficiency. If the taxpayer files a petition with the tax appeals tribunal under this section, no notice of deficiency under section 11-521 of this chapter may thereafter be issued by the commissioner of finance for the same taxable year, except in case of fraud or with respect to a change or correction in federal or New York state taxable income **or an alternative adjustment action** required to be reported under section 11-519 of this chapter or with respect to a state change or correction of sales and compensating use tax liability to be reported under section 11-519.1 of this chapter.

§ 6. Paragraph 3 of subdivision (e) of section 11-529 of the administrative code of the city of New York, as amended by chapter 808 of the laws of 1992, is amended to read as follows:

(3) whether the petitioner is liable for any increase in a deficiency where such increase is asserted initially after a notice of deficiency was mailed and a petition under this section filed, unless such increase in deficiency is the result of a change or correction of federal or New York state taxable income **or an alternative adjustment action** required to be reported under section 11-519 of this chapter, and of which change [~~or~~]**,** correction**, or alternative adjustment action** the commissioner of finance had no notice at the time [~~he or she~~] **such commissioner** mailed the notice of deficiency or unless such increase in deficiency is the result of a change or correction of sales and compensating use tax liability required to be reported under section 11-519.1 of this chapter, and of which change or correction the commissioner of finance had no notice at the time [~~he or she~~] **such commissioner** mailed the notice of deficiency; and

§ 7. Section 11-601 of the administrative code of the city of New York is amended by adding four new subdivisions 13-a, 13-b, 13-c and 13-d to read as follows:

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

13-b. "Alternative adjustment action" means (i) a final federal adjustment; (ii) a federal election for alternative payment; or (iii) the filing of an administrative adjustment request.

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

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

§ 8. Section 11-605 of the administrative code of the city of New York is amended by adding three new subdivisions 3-a, 3-b and 3-c to read as follows:

3-a. A taxpayer that is a partner in a partnership that is required to report a change or correction in its federal or New York state taxable income shall report its distributive share of such change or correction as if such change or correction was made directly to such taxpayer's federal or New York state taxable income, alternative minimum taxable income or other basis of tax and was required to be reported pursuant to this section.

3-b. Any taxpayer that is a partner in a partnership subject to an alternative adjustment action shall report such alternative adjustment

action, within ninety days after the alternative adjustment action occurs, as applicable, regardless of the tax impact of such action. Such report shall include any other information as the commissioner of finance deems necessary in order to determine the impact of such alternative adjustment action.

3-c. The commissioner of finance may require the reports required pursuant to subdivisions three-a and three-b of this section to be filed electronically and shall establish exceptions from a taxpayer's requirement to file such reports as the commissioner of finance determines are appropriate to facilitate the administration of such subdivisions.

§ 9. Section 11-646 of the administrative code of the city of New York is amended by adding three new subdivisions (e-1), (e-2) and (e-3) to read as follows:

(e-1) A taxpayer that is a partner in a partnership that is required to report a change or correction in its federal or New York state taxable income shall report its distributive share of such change or correction as if such change or correction was made directly to such taxpayer's federal or New York state taxable income, alternative minimum taxable income or other basis of tax and was required to be reported pursuant to this section.

(e-2) Any taxpayer that is a partner in a partnership subject to an alternative adjustment action shall report such alternative adjustment action, within ninety days after the alternative adjustment action occurs, as applicable, regardless of the tax impact of such action. Such report shall include any other information as the commissioner of finance deems necessary in order to determine the impact of such alternative adjustment action.

(e-3) The commissioner of finance may require the reports required by subdivisions (e-1) and (e-2) of this section to be filed electronically and shall establish exceptions from a taxpayer's requirement to file such reports as the commissioner of finance determines are appropriate to facilitate the administration of such subdivisions.

§ 10. Section 11-655 of the administrative code of the city of New York is amended by adding three new subdivisions 3-a, 3-b and 3-c to read as follows:

3-a. A taxpayer that is a partner in a partnership that is required to report a change or correction in its federal or New York state taxable income shall report its distributive share of such change or correction as if such change or correction was made directly to such taxpayer's federal or New York state taxable income or other basis of tax and was required to be reported pursuant to this section.

3-b. Any taxpayer that is a partner in a partnership subject to an alternative adjustment action shall report such alternative adjustment action, within ninety days after the alternative adjustment action occurs, as applicable, regardless of the tax impact of such action. Such report shall include any other information as the commissioner of finance deems necessary in order to determine the impact of such alternative adjustment action.

3-c. The commissioner of finance may require the reports required by subdivisions three-a and three-b of this section to be filed electronically and shall establish exceptions from a taxpayer's requirement to file such reports as the commissioner of finance determines are appropriate to facilitate the administration of this subdivision.

§ 11. Paragraph (a) of subdivision 5 of section 11-672 of the administrative code of the city of New York, as amended by section 8 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) If the taxpayer fails to comply with subchapter two, three or three-A of this chapter in not reporting a change or correction or renegotiation, or computation or recomputation of tax, increasing or decreasing its federal or New York state taxable income, alternative minimum taxable income or other basis of tax as reported on its federal or New York state income tax return, or in not reporting a change or correction or renegotiation, or computation or recomputation of tax, which is treated in the same manner as if it were a deficiency for federal or New York state income tax purposes, or in not reporting an alternative adjustment action, or in not filing an amended return, or in not reporting the execution of a notice of waiver executed pursuant to subsection (d) of section six thousand two hundred thirteen of the internal revenue code or pursuant to subdivision (f) of section one thousand eighty-one of the tax law, instead of the mode and time of assessment provided for in subdivision two of this section, the commissioner of finance may assess a deficiency based upon such increased or decreased federal or New York state taxable income, alternative minimum taxable income or other basis of tax by mailing to the taxpayer a notice of additional tax due specifying the amount of the deficiency, and such deficiency, together with the interest, additions to tax and penalties stated in such notice, shall be deemed assessed on the date such notice is mailed unless within thirty days after the mailing of such notice a report of the federal or New York state change or correction or renegotiation, or computation or recomputation of tax, or report of an alternative adjustment action, or an amended return, where such return was required by subchapter two, three or three-A, is filed accompanied by a statement showing wherein such federal or New York state determination and such notice of additional tax due are erroneous.

§ 12. Subdivision 3 of section 11-678 of the administrative code of the city of New York, as amended by section 16 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

3. Notice of change or correction of federal or New York state income or other basis of tax. (a) If a taxpayer is required by subchapter two, three or three-A of this chapter to file a report or amended return in respect of [~~(a)~~] (i) a decrease or increase in federal or New York state taxable income, alternative minimum taxable income or other basis of tax or federal or New York state tax, [~~(b)~~] (ii) a federal or New York state change or correction or renegotiation, or computation or recomputation of tax, which is treated in the same manner as if it were an overpayment for federal or New York state income tax purposes, or (iii) an alternative adjustment action, claim for credit or refund of any resulting overpayment of tax shall be filed by the taxpayer within two years from the time such report or amended return was required to be filed with the commissioner of finance. If the report or amended return required by subchapter two, three or three-A of this chapter is not filed within the ninety day period therein specified, no interest shall be payable on any claim for credit or refund of the overpayment attributable to the federal or New York state change or correction.

(b) The amount of such credit or refund[~~:~~

~~(c)~~] shall, (i) for taxable years beginning before January first, two thousand fifteen, be computed without change of the allocation of income or capital upon which the taxpayer's return (or any additional assessment) was based, and, (ii) for taxable years beginning on or after January first, two thousand fifteen, be computed without change of the allocation of income or capital upon which the taxpayer's return (or any additional assessment) was based to the extent that the claim for refund

arises from a decrease or increase in federal taxable income or other basis of tax or federal tax, or from a federal change, correction, renegotiation, computation or recomputation of tax, which is treated in the same manner as if it were an overpayment for federal income tax purposes[~~, and~~]**.**

[~~(d)~~] **(c) The amount of such credit or refund** shall not exceed the amount of the reduction in tax attributable to such decrease or increase in federal or New York state taxable income, alternative minimum taxable income or other basis of tax or federal or New York state tax or to such federal or New York state change or correction or renegotiation, or computation or recomputation of tax.

§ 13. Paragraph (d) of subdivision 4 of section 11-680 of the administrative code of the city of New York, as amended by section 18 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(d) Restriction on further notices of deficiency. If the taxpayer files a petition with the tax appeals tribunal under this section, no notice of deficiency under section 11-672 of this subchapter may thereafter be issued by the commissioner of finance for the same taxable year, except in case of fraud or with respect to an increase or decrease in federal or New York state taxable income, alternative minimum taxable income or other basis of tax or federal or New York state tax**,** or a federal or New York state change or correction or renegotiation, or computation or recomputation of tax, which is treated in the same manner as if it were a deficiency for federal or New York state income tax purposes**, or an alternative adjustment action**, required to be reported under subchapter two, three or three-A of this chapter or with respect to a state change or correction of sales and compensating use tax liability required to be reported under subchapter two or three-A of this chapter.

§ 14. Paragraph (c) of subdivision 5 of section 11-680 of the administrative code of the city of New York, as amended by section 19 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(c) whether the petitioner is liable for any increase in a deficiency where such increase is asserted initially after a notice of deficiency was mailed and a petition under this section filed, unless such increase in deficiency is the result of an increase or decrease in federal or New York state taxable income, alternative minimum taxable income or other basis of tax or federal or New York state tax**,** or a federal or New York state change [~~or~~]**,** correction [~~or~~]**,** renegotiation, [~~or~~] computation**,** or recomputation of tax, which is treated in the same manner as if it were a deficiency for federal or New York state income tax purposes**, or an alternative adjustment action**, required to be reported under subchapter two, three or three-A of this chapter, and of which increase, decrease, change [~~or~~]**,** correction [~~or~~]**,** renegotiation, [~~or~~] computation [~~or~~]**,** recomputation**, or adjustment**, the commissioner of finance had no notice at the time [~~he or she~~] **such commissioner** mailed the notice of deficiency or unless such increase in deficiency is the result of a change or correction of sales and compensating use tax liability required to be reported under subchapter two or three-A of this chapter, and of which change or correction the commissioner of finance had no notice at the time [~~he or she~~] **such commissioner** mailed the notice of deficiency; and

§ 15. This act shall take effect on the ninetieth day after it shall have become a law; provided, that, notwithstanding section 11-519 of the administrative code of the city of New York, as amended by section two of this act, or subdivision 3-b of section 11-605, subdivision (e-2) of section 11-646, or subdivision 3-b of section 11-655 of such administra-

tive code, as added by sections eight, nine and ten of this act, an alternative adjustment action, as defined by either subdivision (o) of section 11-501 or subdivision 13-b of section 11-601 of such administrative code, as added by sections one and seven of this act, occurring prior to such date shall not be required to be reported prior to 270 days after this act takes effect; and for the purposes of this section, an alternative adjustment action shall be deemed to occur when the applicable administrative adjustment request, federal election for alternative payment or final federal adjustment, as such terms are defined by subdivisions (n), (p) or (q) of section 11-501 and subdivisions 13-a, 13-c, and 13-d of section 11-601 of such administrative code, as added by sections one and seven of this act, occurs.

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

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

PART W

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) For purposes of this subsection:

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

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

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

(h) Credit for certain taxpayers with incomes below certain thresholds. (1) Notwithstanding any other provision of law to the contrary, for any taxable year beginning on or after January first, two thousand twenty-five, a credit shall be allowed to a taxpayer against the taxes

imposed pursuant to the authority of this chapter in an amount equal to the tax otherwise due under this chapter for such taxable year reduced by all the credits permitted by this chapter for such taxable year if:

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

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

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

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

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

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

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

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

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

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

minus the amount by which such income exceeds the amount indicated in subparagraph (B) of paragraph one of this subdivision and the denominator of which is five thousand dollars.

(3) For purposes of this subdivision:

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

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

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

PART X

Intentionally Omitted

PART Y

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

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

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

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

§ 3. This act shall take effect immediately.

PART Z

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

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

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

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

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

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

§ 4. This act shall take effect immediately.

PART AA

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

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

§ 2. This act shall take effect immediately.

PART BB

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

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

§ 2. This act shall take effect immediately.

PART CC

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 7. This act shall take effect immediately.

PART DD

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

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

§ 2. This act shall take effect immediately.

PART EE

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

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

§ 2. This act shall take effect immediately.

PART FF

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

SUBPART A

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 136 to read as follows:

§ 136. Pari-mutuel wagering tax. 1. Notwithstanding any law to the contrary, the excise tax imposed on any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering shall be seven-tenths of one percent (0.7%) of all money wagered through such association or corporation.

2. Beginning with state fiscal year two thousand twenty-six, the aggregate amount of the pari-mutuel wagering tax paid by a harness track pursuant to paragraph (b) of subdivision one of this section in a state fiscal year shall not exceed the pari-mutuel wagering tax attributable to live racing handle paid by such harness track in state fiscal year two thousand twenty-four.

3. All pari-mutuel wagering taxes shall be collected and remitted in the same manner as such taxes were collected and remitted prior to the enactment of this section.

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

5. Notwithstanding subdivision four of this section, a racetrack may round to the nearest nickel for bets made at the facility, however the breaks must be directed to the retired and rescued thoroughbred horse aftercare fund pursuant to section two hundred nine-n of the tax law if the bet was made on a thoroughbred race, and to the retired and rescued standardbred horse aftercare fund pursuant to section two hundred nine-o of the tax law if the bet was made on a standardbred race.

§ 2. Section 908 of the racing, pari-mutuel wagering and breeding law is REPEALED.

§ 3. Section 1011 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

§ 1011. Certain credit to off-track betting corporations. a. [~~During the period that a franchised corporation is simulcasting from a facility operated by such franchised corporation in the second zone as defined in section two hundred forty-seven of this chapter to a facility operated by such franchised corporation pursuant to section one thousand seven of this article, any off-track betting corporation operating in a county in which such association maintains a racetrack shall receive a credit of twenty-five percent of the state taxes due pursuant to section five hundred twenty-seven of this chapter on wagers placed on races conducted by such association, provided that such corporation has entered into an agreement with the employee organization representing the employees of such corporation in which it has agreed not to reduce its workforce as a result of such simulcasting.~~

~~b.~~] During the days that a franchised corporation is simulcasting from a racetrack facility operated by such franchised corporation and located in the first zone to a racetrack facility operated by such franchised corporation located wholly within a city of one million or more, one percent of the total wagers placed at such receiving facility shall be paid to such city.

[~~c.~~] **b.** During the days that a franchised corporation is simulcasting from a facility located wholly within a city in the first zone to a racetrack facility operated by such franchised corporation located partially within a city with a population in excess of one million and partially within a county, one-half percent of the total wagers placed at such receiving facility shall be paid to such city and one-half percent of such wagers shall be paid to such county.

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

SUBPART B

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

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [~~twenty-five~~] twenty-six; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [~~twenty-five~~] twenty-six; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

§ 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by

section 2 of part P of chapter 59 of the laws of 2024, is amended to read as follows:

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

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

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

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

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

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

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [~~twenty-five~~] **twenty-six**. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's

organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article:

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

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

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

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

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

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

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

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

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

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

§ 10. This act shall take effect immediately.

SUBPART C

Section 1. Subdivision 1 and paragraphs a and b of subdivision 2 of section 115-b of the racing, pari-mutuel wagering and breeding law, as

added by chapter 174 of the laws of 2013, are amended to read as follows:

1. Notwithstanding any other provision of law to the contrary, any racing associations and corporations, franchised corporations, and off-track betting corporations that makes a payment of the regulatory fees imposed by this chapter may reduce such payment by an amount equal to the market origin credit allocated to such racing association or corporation, franchised corporation, or off-track betting corporation by the commission. The commission shall allocate credits in an amount equal to [~~ninety~~] **eighty-two and six-tenths** percent of the amount received from the market origin fee paid pursuant to subdivision six of section one thousand twelve-a of this chapter for the period from the sixteenth day of the preceding month through the fifteenth day of the current month. The commission shall notify participants of allocations on or before the twentieth day of the current month.

a. [~~Forty~~] **Thirty-six and seven-tenths** percent of the amount received from the market origin fee paid pursuant to subdivision six of section one thousand twelve-a of this chapter to regional off-track betting corporations. Allocations to individual regional off-track betting corporations shall be made based on a ratio where the numerator is the regional corporation's total in-state handle for the previous calendar year as calculated by the commission and the denominator is the total in-state handle of all the regional off-track betting corporations for the previous calendar year as calculated by the commission;

b. [~~Fifty~~] **Forty-five and nine-tenths** percent of the amount received from the market origin fee paid pursuant to subdivision six of section one thousand twelve-a of this chapter to the racing associations and corporations and franchised corporations. Allocations to individual racing associations and corporations and franchised corporations shall be made as follows:

(i) Sixty percent to thoroughbred racing associations and franchised corporations. Five-sixths shall be allocated to a franchised corporation and one-sixth shall be allocated to a thoroughbred racing association.

(ii) Forty percent to harness racing associations and corporations. Allocations to individual harness racing associations and corporations shall be made based on a ratio where the numerator is the association's or corporation's total in-state handle on live racing for the previous calendar year as calculated by the commission and the denominator is the total in-state on live handle for all harness racing associations and corporations for the previous calendar year as calculated by the commission.

§ 2. Subdivision 6 of section 1012-a of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

6. multi-jurisdictional account wagering providers shall**:**

(a) pay a market origin fee equal to five **and forty-five hundredths** percent on each wager accepted from New York residents. [~~Multi-jurisdictional account wagering providers shall~~]

(b) pay an additional fee equal to one percent on each wager accepted from New York residents which shall be directed to the general fund of the state treasury.

(c) make the required payments to the market origin account on or before the fifth business day of each month and such required payments shall cover payments due for the period of the preceding calendar month; provided, however, that such payments required to be made on April fifteenth shall be accompanied by a report under oath, showing the total

of all such payments, together with such other information as the commission may require. A penalty of five percent and interest at the rate of one percent per month from the date the report is required to be filed to the date the payment shall be payable in case any payments required by this subdivision are not paid when due. If the commission determines that any moneys received under this subdivision were paid in error, the commission may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with the commission within one year from the time the erroneous payment was made. The commission shall pay into the racing regulation account, under the joint custody of the comptroller and the commission, the total amount of the fee collected pursuant to **paragraph (a) of** this [~~section~~] **subdivision**.

§ 3. Subdivision 3 of section 99-i of the state finance law, as amended by chapter 174 of the laws of 2013, is amended to read as follows:

3. Moneys of this account shall be available to the commission to pay for the costs of carrying out the purposes of the racing, pari-mutuel wagering and breeding law; provided, however, an amount equal to [~~five~~] **twelve and eight-tenths** percent of the amount received by the account from the market origin fee imposed by subdivision six of section one thousand twelve-a of the racing, pari-mutuel wagering and breeding law shall be transferred to the state department of taxation and finance and the department shall deem this transfer as a payment of a pari-mutuel tax.

§ 4. This act shall take effect immediately.

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

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

PART GG

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

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

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

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

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

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

(2) As a condition of the lower slot machine tax rate, the licensed gaming facility must:

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

(ii) have provided the initial report to the governor, the speaker of the assembly, the temporary president of the senate, and the commission as required pursuant to subdivision one-b of this section.

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

(ii) At the conclusion of each year, a licensed gaming facility shall provide an affirmation in writing to the commission stating the employment goal in subdivision one-b of this section was either met or not met as described in the initial report. If the licensed gaming facility is found to have not adhered to the plan by the commission, then the applicable slot tax rate may be adjusted at the discretion of the commission as follows:

(A) If the actual employment number is more than fifty percent less than the employment goal, then the slot tax rate shall be increased by ten percentage points.

(B) If the actual employment number is more than forty percent less than the employment goal, then the slot tax rate shall be increased by eight percentage points.

(C) If the actual employment number is more than thirty percent less than the employment goal, then the slot tax rate shall be increased by six percentage points.

(D) If the actual employment number is more than twenty percent less than the employment goal, then the slot tax rate shall be increased by four percentage points.

(E) If the actual employment number is more than ten percent less than the employment goal, then the slot tax rate shall be increased by two percentage points.

(iii) Such finding and the reasoning thereof shall occur no later than thirty days following submission of the written affirmation.

§ 2. Section 1351 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 1-b to read as follows:

1-b. As a condition of the lower slot machine tax rate taking effect April first, two thousand twenty-six, pursuant to subdivision one of this section, the licensed gaming facility must provide an initial report to the governor, the speaker of the assembly, the temporary president of the senate, and the commission clearly detailing the established quarterly and annual employment goals of increasing full-time employees for each year that the facility will receive a lower tax rate and any substantial changes to the initial plan. This report is due no later than January first, two thousand twenty-six and shall be posted on the commission's website.

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

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

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

PART HH

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

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

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

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

corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

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

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

f. Prior to a corporation being able to utilize the funds authorized by paragraph c [~~or~~]**,** d **or e** of this subdivision, the corporation must attest that the surcharge monies from section five hundred thirty-two of this chapter are being held separate and apart from any amounts otherwise authorized to be retained from pari-mutuel pools and all surcharge monies have been and will continue to be paid to the localities as prescribed in law. Once this condition is satisfied, the corporation must submit an expenditure plan to the gaming commission for review. Such plan shall include the corporation's outstanding liabilities, projected revenue for the upcoming year, a detailed explanation of how the funds will be used, and any other information necessary to detail such plan as determined by the commission. Upon review, the commission shall make a determination as to whether the requirements of this paragraph have been satisfied and notify the corporation of expenditure plan

approval. In the event the commission determines the requirements of this paragraph have not been satisfied, the commission shall notify the corporation of all deficiencies necessary for approval. As a condition of such expenditure plan approval, the corporation shall provide a report to the commission no later than the last day of the calendar year for which the funds are requested, which shall include an accounting of the use of such funds. At such time, the commission may cause an independent audit to be conducted of the corporation's books to ensure that all moneys were spent as indicated in such approved plan. The audit shall be paid for from money in the fund established by this section. If the audit determines that a corporation used the money authorized under this section for a purpose other than one listed in their expenditure plan, then the corporation shall reimburse the capital acquisition fund for the unauthorized amount.

§ 2. This act shall take effect immediately.

PART II

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

1-a. All amounts necessary to conduct the research project specified in subdivision seven of section seven hundred four of this article shall be appropriated or transferred to the fund from the general fund of the state treasury. Such funds shall be used for the purposes contained in the agreement established pursuant to subdivision seven of section seven hundred four of this article, provided that such amount shall not exceed what is necessary to cover all expenses as contained in such agreement.

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

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

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

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

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

(iv) attempted refinement of a risk factor index for fatal musculoskeletal injury for thoroughbred racing based on epidemiological findings, preliminary scanning technology, clinical examination, and advance imaging; and

(v) that an annual update shall be provided to the governor, temporary president of the senate, and speaker of the assembly regarding the progression of the research project. Such annual update to the governor, temporary president of the senate, and speaker of the assembly shall be

due no later than December first each year. The final report outlined in paragraph (c) of this subdivision shall satisfy the annual report requirement outlined in this subparagraph for the last year of the study.

(b) The moneys appropriated or transferred to the fund from the general fund of the state treasury pursuant to subdivision one-a of section seven hundred three of this article may be used to purchase equipment and fund staffing needs necessary to carry out the research tasks specified in paragraph (a) of this subdivision.

(c) A final report that describes the results of the research project shall be provided to the governor, the temporary president of the senate, the speaker of the assembly, the commission, the franchised corporation, and any entity licensed pursuant to article two of this chapter. Such final report shall include, at a minimum:

(i) an accounting of all expenditures related to the research project outlined in this subdivision, including expenditures for equipment, supplies, personnel, operations, and administration;

(ii) a description of the procedures for selecting horse participants in the research project outlined in this subdivision, including criteria for selection and any screening or eligibility requirements; and

(iii) a summary of findings gathered from the research project outlined in this subdivision, including an analysis of risk factors contributing to racehorse injuries and conclusions drawn regarding safety protocols.

(d) The researcher may also make recommendations for changes to any existing rules or regulations that the researcher may determine would be helpful toward maintaining the health of the equine athlete.

(e) To the extent practicable, screenings and advanced imaging services conducted pursuant to this agreement may be conducted near racetracks at both Belmont and Saratoga.

(f) (i) Screenings and advanced imaging services of horses enrolled in the research project shall be offered to horsemen free of charge.

(ii) Subject to availability, Cornell Ruffian may provide screenings and imaging services for New York horses that are not enrolled in the research project. Cornell Ruffian may only charge such owners and trainers its actual costs for any screening or imaging service provided to such non-enrolled horse.

(iii) Cornell Ruffian shall have no responsibility to interpret or analyze the results of any scan or advanced image provided to an owner or trainer of a non-enrolled horse.

(iv) For purposes of this paragraph, a New York horse is a horse that has been stabled in New York for four of the six months immediately preceding the date of the screening or advance imaging.

(v) The costs charged associated with screenings and advanced images authorized pursuant to this subparagraph shall be included in the annual update outlined in subparagraph (v) of paragraph (a) of this subdivision.

(g) Any screening and imaging equipment purchased pursuant to this subdivision shall be owned by the Cornell University College of Veterinary Medicine.

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

10. It is incumbent upon the franchised corporation to ensure the health and safety of its equine participants. To accomplish that goal, the franchised corporation shall, by September first, two thousand twenty-five, make a one-time contribution of two million dollars to the

Harry M. Zweig memorial fund, established under section seven hundred one of this chapter, for the sole purpose of off-setting the cost of purchasing screening and imaging equipment for the research project as specified in subdivision seven of section seven hundred four of this chapter. The Harry M. Zweig memorial fund shall hold such money in an escrow account until such time as it is necessary to purchase the equipment required to conduct the research. The money in the escrow account shall not be used for any purposes other than purchasing equipment to be used for such research.

§ 4. This act shall take effect immediately, and shall expire and be deemed repealed September 1, 2028.

PART JJ

Section 1. Subdivision (e) of section 42 of the tax law, as amended by section 1 of subpart B of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(e) For taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and two hundred fifty dollars. For taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and three hundred dollars. For taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and five hundred dollars. For taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and four hundred dollars. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand twenty-two, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and six hundred dollars. For taxable years beginning on or after January first, two thousand twenty-two and before January first, two thousand [~~twenty-six~~] **twenty-nine**, the amount of the credit allowed under this section shall be equal to the product of the total number of eligible farm employees and twelve hundred dollars.

§ 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, as amended by section 2 of subpart B of part B of chapter 59 of the laws of 2022, is amended to read as follows:

§ 5. This act shall take effect immediately and shall apply only to taxable years beginning on or after January 1, 2017 and before January 1, [~~2026~~] **2029**.

§ 3. This act shall take effect immediately.

PART KK

Section 1. The agriculture and markets law is amended by adding a new article 25-C to read as follows:

Article 25-C
FARM EMPLOYER OVERTIME CREDIT PROGRAM

Section 333. Short title.
334. Definitions.
335. Tax credit; overtime expense certification.

§ 333. Short title. This article shall be known and may be cited as the "farm employer overtime credit program."

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

1. "Commissioner" shall mean the commissioner of agriculture and markets.

2. "Department" shall mean the department of agriculture and markets.

3. "Eligible farm employee" shall mean an individual who meets the definition of a "farm laborer" under section two of the labor law who is employed in New York state by (a) a farm employer or (b) a qualified professional employer organization.

4. "Eligible overtime" shall mean the aggregate number of hours of work performed during the calendar year by an eligible farm employee that in any calendar week exceeds the overtime work threshold set by the commissioner of labor pursuant to the recommendation of the farm laborers wage board, provided that work performed in such calendar week in excess of sixty hours shall not be included.

5. "Farm employer" shall mean a corporation (including a New York S corporation), a sole proprietorship, a limited liability company or a partnership whose principal business is farming activity.

6. "Farming activity" shall include, but not be limited to, the cultivation of crops, operation, or management of a farm for gain or profit, including the operation or management of livestock, dairy, poultry, aquaculture, fruit, fur-bearing animal, field crop, horticultural specialty, and vegetable farms.

7. "Overtime expense" shall mean the product of (a) the eligible overtime hours worked during the calendar year by the eligible farm employee and (b) the overtime rate paid to the eligible farm employee less such eligible farm employee's regular rate of pay.

8. "Qualified farm employer" shall mean a farm employer that:

(a) primarily engaged in farming activity during the calendar year;

(b) utilized eligible farm employees in its farming activity during the calendar year; and

(c) directly, or indirectly through a qualified professional employer organization, paid eligible overtime to eligible farm employees during the calendar year.

9. "Qualified professional employer organization" shall mean an entity who provides remuneration to or otherwise employs eligible farm employees on behalf of a farm employer.

§ 335. Tax credit; overtime expense certification. 1. A qualified farm employer who is issued an overtime expense certificate by the department may be allowed a credit pursuant to section forty-two-a of the tax law equal to one hundred eighteen percent of the aggregate amount of overtime expenses certified by the department pursuant to this section. A qualified farm employer who is issued a preliminary overtime expense certificate may be eligible to receive an advance payment of such tax credit pursuant to subdivision (e) of section forty-two-a of the tax law.

2. Certificate application and approval process. A farm employer must submit a complete application as prescribed by the commissioner by the first of February after the end of the calendar year. As part of the application, each farm employer shall provide evidence in the form and

manner prescribed by the commissioner sufficient to establish that it is a qualified farm employer and to determine the overtime expense per eligible farm employee paid by such qualified farm employer during the preceding calendar year. If, after reviewing a farm employer's completed application, the department determines that the farm employer is a qualified farm employer, the department may issue to such qualified farm employer an overtime expense certificate for each year that the eligibility criteria are satisfied that specifies (a) the total number of eligible farm employees who were paid eligible overtime by the qualified farm employer; (b) the aggregate amount of overtime expense paid by the qualified farm employer; and (c) the calendar year in which such overtime expense was paid.

3. Preliminary overtime expense certificate. A farm employer who intends to request an advance payment of the tax credit pursuant to subdivision (e) of section forty-two-a of the tax law must submit a complete application as prescribed by the commissioner by September thirtieth of the calendar year. As part of the application, each farm employer shall provide evidence in the form and manner prescribed by the commissioner sufficient to establish that it is a qualified farm employer and to determine the overtime expense per eligible farm employee paid by such qualified farm employer from January first through July thirty-first of such calendar year. If, after reviewing a farm employer's completed application, the department determines that the farm employer is a qualified farm employer, the department may issue to such qualified farm employer a preliminary overtime expense certificate that specifies (a) the total number of eligible farm employees who were paid eligible overtime by the qualified farm employer from January first through July thirty-first of such calendar year; and (b) the aggregate amount of overtime expense paid by the qualified farm employer during such period.

§ 2. Section 42-a of the tax law, as added by section 2 of subpart C of part B of chapter 59 of the laws of 2022, is amended to read as follows:

§ 42-a. Farm employer overtime credit. (a) Notwithstanding subdivision (f) of section forty-two of this article, a taxpayer that is [~~a~~] an eligible farm employer or an owner of [~~a~~] an eligible farm employer shall be eligible for a credit against the tax imposed under article nine-A or twenty-two of this chapter, pursuant to the provisions referenced in subdivision [~~(i)~~] (h) of this section.

(b) [~~A farm employer is a corporation (including a New York S corporation), a sole proprietorship, a limited liability company or a partnership that is an eligible farmer.~~

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

[~~(d) An eligible farm employee is an individual who meets the definition of a "farm laborer" under section two of the labor law who is~~

~~employed by a farm employer in New York state, but excluding general executive officers of the farm employer.~~

~~(e) Eligible overtime is the aggregate number of hours of work performed during the taxable year by an eligible farm employee that in any calendar week exceeds the overtime work threshold set by the commissioner of labor pursuant to the recommendation of the farm laborers wage board, provided that work performed in such calendar week in excess of sixty hours shall not be included.~~

~~(f)~~] (c) Special rules. If more than fifty percent of such eligible [~~farmer's~~] farm employer's federal gross income from farming is from the sale of wine from a licensed farm winery as provided for in article six of the alcoholic beverage control law, or from the sale of cider from a licensed farm cidery as provided for in section fifty-eight-c of the alcoholic beverage control law, then an eligible farm employee of such eligible farmer shall be included for purposes of calculating the amount of credit allowed under this section only if such eligible farm employee is employed by such eligible farmer on qualified agricultural property as defined in paragraph four of subsection (n) of section six hundred six of this chapter.

[~~(g)~~] (d) The amount of the credit allowed under this section shall be equal to one hundred eighteen percent of the aggregate amount of [~~such credit allowed per eligible farm employee, as follows. The amount of the credit allowed per eligible farm employee shall be equal to one hundred eighteen percent of the product of (1) the eligible overtime worked during the taxable year by the eligible farm employee and (2) the overtime rate paid by the farm employer to the eligible farm employee less such employee's regular rate of pay~~] overtime expense paid by the qualified farm employer as certified by the department of agriculture and markets pursuant to section three hundred thirty-five of the agriculture and markets law.

[~~(h)(1) Taxpayers~~] (e) A taxpayer who received a preliminary overtime expense certificate pursuant to section three hundred thirty-five of the agriculture and markets law shall have the option to request an advance payment of the portion of the amount of tax credit they are allowed under this section [~~for the amount of eligible overtime~~] equal to one hundred eighteen percent of aggregate amount of overtime expense that the farm employer paid from January first through July thirty-first, as certified by the department of agriculture and markets pursuant to section three hundred thirty-five of the agriculture and markets law. [~~To be eligible for the advance payment, the farm employer must submit by September thirtieth a properly completed application to the department of agriculture and markets, in a form prescribed by the commissioner of agriculture and markets, that demonstrates how much the farm employer paid in eligible overtime during that period. After reviewing a farm employer's completed application for the advance payment of a portion of the amount of tax credit allowed under this section, the department of agriculture and markets may issue to that farm employer a certificate of tax credit that specifies the exact amount of the tax credit under this article that a taxpayer may claim as an advance payment pursuant to this subdivision.~~

~~(2)~~] A taxpayer must submit [~~a~~] an advanced payment request to the department in the manner prescribed by the commissioner after it has been issued a preliminary overtime expense certificate [~~of tax credit~~] by the department of agriculture and markets pursuant to [~~paragraph one of this subdivision~~] article twenty-five-C of the agriculture and markets law (or such certificate has been issued to a partnership,

limited liability company or subchapter S corporation in which it is a partner, member or shareholder, respectively, that is a farm employer), but such request must be submitted no later than November first of the taxable year for which the credit is being claimed. For those taxpayers who have requested an advance payment and for whom the commissioner has determined to be eligible for this credit, the commissioner shall advance a payment of the portion of the amount of tax credit allowed to the taxpayer. The taxpayer will claim on the taxpayers' return for the taxable year the portion of the amount of tax credit allowed for eligible overtime paid by the farm employer from August first through December thirty-first. The taxpayer must properly reconcile the advance payment of tax credit allowed under this subdivision on the taxpayer's return.

[~~(3)~~] **(f)** If a taxpayer that has received an advance payment is not an eligible [~~farmer~~] **farm employer or an owner of an eligible farm employer** for the taxable year for which it received an advance payment, the taxpayer shall be required to add back as tax the amount of advance payment the taxpayer received during the taxable year.

[~~(4)~~] **(g)** Notwithstanding any provision of this chapter, employees of the department of agriculture and markets and the department shall be allowed to share and exchange:

(i) information derived from tax returns or reports that is relevant to a taxpayer's eligibility for the credit allowed by this section;

(ii) information regarding the credit applied for, allowed or claimed pursuant to this section and regarding taxpayers that are applying for the credit or that are claiming the credit; and

(iii) information collected by the department of agriculture and markets and exchanged between the department of agriculture and markets and the department pursuant to this section shall not be subject to disclosure or inspection under the state's freedom of information law.

[~~(i)~~] **(h)** Cross references: For application of the credit provided in this section, see the following provisions of this chapter:

(1) Article 9-A: Section 210-B, subdivision 58.

(2) Article 22: Section 606, subsection (nnn).

§ 3. Notwithstanding any provision of law to the contrary, a farm employer shall be allowed a credit, pursuant to section forty-two-a of the tax law, for the eligible overtime indirectly paid to eligible farm employees through a professional employer organization during the two thousand twenty-four and/or two thousand twenty-five calendar years as if such remuneration was paid directly by the farm employer to the eligible farm employees. A farm employer must apply for and receive certification by the department of agriculture and markets of the aggregate amount of eligible overtime indirectly paid by the farm employer to eligible farm employees through a professional employer organization during the two thousand twenty-four and two thousand twenty-five calendar years. A farm employer shall have the option to request an advance payment of the credit, pursuant to subdivision (h) of section forty-two-a of the tax law, for the eligible overtime indirectly paid by the farm employer during the period from January first, two thousand twenty-four, through July thirty-first, two thousand twenty-five, in which case the farm employer must apply for and receive preliminary certification by the department of agriculture and markets of the eligible overtime indirectly paid by the farm employer to eligible farm employees during such period. The farm employer may request an advance credit from the commissioner of taxation and finance in the form and manner prescribed by such commissioner; provided, however, if a taxpayer

that has received an advance payment is not an eligible farmer for the taxable year when the indirect overtime expense was incurred, the taxpayer shall be required to add back as tax the amount of advance payment the taxpayer received.

§ 4. This act shall take effect immediately; provided, however, that sections one and two of this act shall apply to taxable years beginning on or after January 1, 2026; and provided further that section three of this act shall apply to taxable years beginning on or after January 1, 2025, and before January 1, 2026.

PART LL

Section 1. Section 4 of part H of chapter 59 of the laws of 2024 amending the tax law relating to the filing of amended returns under article 28 thereof, is amended to read as follows:

§ 4. This act shall take effect immediately, provided, however, the amendments made by section one of this act shall apply to returns filed or amended [~~for periods commencing~~] on and after December 1, 2024.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 20, 2024.

PART MM

Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding a new clause (E) to read as follows:

(E) notwithstanding clause (B) of this subparagraph, beginning on June first, two thousand twenty-five, when the vendor track is located in the county of Genesee and within forty miles of a Native American class III gaming facility as defined in 25 U.S.C. §2703(8), at a rate of fifty-six percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter; provided, however, that the following additional provisions shall apply to such vendor track:

(1) From the vendor fee amount equivalent to fifty-six percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this clause, a portion equivalent to five percent of the total revenue wagered at the vendor track after payout for prizes shall be defined as and hereinafter be referred to as the "additional vendor fee".

(2) Such additional vendor fee shall be accounted for separately by the vendor track and shall be used exclusively for the following purposes, in proportions determined annually by such vendor track in accordance with a plan submitted to the gaming commission pursuant to subclause four of this clause:

(A) reducing the costs paid by non-executive and non-managerial employees of such vendor track for healthcare coverage offered by such vendor track;

(B) increasing salaries, hourly wages, or benefits paid to non-executive and non-managerial employees of such vendor track, or funding increases in the number of full-time equivalent non-executive and non-managerial employees; and

(C) supplementing distributions payable to participating counties or municipalities as required under existing law.

(3) Additional vendor fee revenue utilized pursuant to this clause shall not be included in any calculation used to determine amounts payable pursuant to subclause two of this clause or payments required under

subclause two of this clause to the appropriate breeding fund established pursuant to article three of the racing, pari-mutuel wagering and breeding law.

(4) (A) Such vendor track shall annually submit a plan to the commission, no later than sixty days prior to the beginning of its fiscal year, detailing the allocation and use of the additional vendor fee revenue among the purposes specified in subclause two of this clause for the upcoming fiscal year. Such plan shall include specific projections for cost reductions in employee healthcare, increases in employee compensation specifying the job titles or categories benefiting therefrom, and supplemental amounts for local distributions.

(B) Such vendor track shall submit a plan to the commission, no later than sixty days after the effective date of this clause, detailing the allocation and use of such additional vendor fee among the purposes specified in subclause two of this clause for the remainder of fiscal year two thousand twenty-five. Such plan shall include specific projections for cost reductions in employee healthcare, increases in employee compensation specifying the job titles or categories benefiting therefrom, and projections of supplemental amounts of local distributions. Such plan shall also detail allocations already made between this act going into effect and the date such plan has been submitted to the commission.

(5) Such vendor track shall also submit an annual report to the gaming commission, the governor, the temporary president of the senate, and the speaker of the assembly, no later than ninety days after the end of each fiscal year, detailing the actual allocation and use of such additional vendor fee during the preceding fiscal year. Such report shall specify the amounts applied to each purpose outlined in subclause two of this clause, provide data demonstrating the impact on employee healthcare costs and compensation including the specific job titles or categories that received increased compensation pursuant to item (B) of subclause two of this clause, detail the supplemental distributions made to localities, compare actual use to the plan, and provide justification for any significant variances.

(6) (A) The additional vendor fee shall only be used to supplement amounts previously allocated or appropriated by the corporation for the purposes stated in subclause two of this clause and may not be used to replace or backfill such amounts.

(B) The gaming commission shall have the authority to audit the use of such additional vendor fee by such vendor track. If the gaming commission determines, after notice and an opportunity for a hearing, that such funds have been used for purposes other than those authorized in subclause two of this clause or inconsistent with the plan, including a failure to benefit non-executive and non-managerial employees as required by item (B) of subclause two of this clause, the gaming commission may impose monetary penalties pursuant to its authority under the racing, pari-mutuel wagering and breeding law and may require that an amount equivalent to any funds used in a manner inconsistent with the provisions of this clause shall be expended for authorized purposes pursuant to an amended plan.

(7) Nothing contained in this clause shall affect any existing collective bargaining agreement or the obligation of such vendor track to negotiate terms and conditions of employment with any certified employee representative.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed April 1, 2030.

PART NN

Section 1. Subparagraph (ii) of paragraph (a) of subdivision 1 of section 207 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part NN of chapter 59 of the laws of 2017, is amended and two new subparagraphs (iv) and (v) are added to read as follows:

(ii) The term of voting membership on the New York racing association board shall be three years. Individual appointees shall be limited to serving as a voting member the lesser of three terms or nine years. Notwithstanding the foregoing, the initial term of one member appointed by each of the governor, temporary president of the senate, and speaker of the assembly, the member appointed by the New York thoroughbred horsemen's association, and the member appointed by the New York Thoroughbred Breeders, Inc. shall expire March thirty-first, two thousand eighteen; the initial term of the remaining members appointed by each of the governor, temporary president of the senate, and speaker of the assembly and two members appointed by the New York racing association reorganization board shall expire on March thirty-first, two thousand nineteen; [~~and the remaining members shall serve full three-year terms~~] **the initial term of three members appointed by the New York racing association reorganization board shall expire on March thirty-first, two thousand twenty-one, and the initial term of three members appointed by the New York racing association reorganization board shall expire on March thirty-first, two thousand twenty-three. The eight initial members appointed by the New York racing association reorganization board shall hold appointment as a voting member for the greater of three terms or nine years**.

(iv) Beginning January first, two thousand twenty-six, one member appointed by the governor, one member appointed by the temporary president of the senate, one member appointed by the speaker of the assembly, and four members appointed by the executive committee of the New York racing association board of directors shall satisfy at least one of the following requirements at the time of appointment or reappointment: (1) over the three years prior, owned or trained horses with a cumulative average of fifteen starts at New York race tracks per year, (2) be a breeder of record registered with the thoroughbred breeding and development fund, (3) be a managing partner in a New York state-based ownership syndicate licensed with the commission, or (4) have a cogent interest in the racing and breeding industry in the state. The provisions of this subparagraph shall not impact any members serving as of January first, two thousand twenty-six.

(v) Beginning January first, two thousand twenty-six, all non-publicly appointed members must hold a license pursuant to section two hundred twenty of this article.

§ 2. Subdivision 1 of section 220 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part S of chapter 59 of the laws of 2024, is amended to read as follows:

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of this article, the commission shall license owners, which term shall be deemed to include part-owners and lessees, trainers, assistant trainers and jockeys, jockey agents, stable employees, **non-publicly appointed members of the board of a franchised corporation,** and such other persons as the commission may by rule prescribe at running races and at steeplechases, provided, however, that no such license shall be required for

seasonal employees hired solely to work for no longer than six weeks during the summer meet at Saratoga racetrack, and any such other times as race dates historically assigned to Belmont Park are conducted at the Saratoga racetrack in two thousand twenty-four and two thousand twenty-five as approved in writing by the commission. In the event that a proposed licensee is other than a natural person, the commission shall require by regulation disclosure of the names and addresses of all owners of an interest in such entity. The commission may retain, employ or appoint such officers, employees and agents, as it may deem necessary to receive, examine and make recommendations, for the consideration of the commission, in respect of applications for such licenses; prescribe their duties in connection therewith, and fix their compensation therefor within the limitations prescribed by law. Each applicant for a license shall pay to the commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, thirty dollars; assistant trainer's license, thirty dollars; jockey's license, fifty dollars; jockey agent's license, twenty dollars; and stable employee's license, five dollars. Each applicant may apply for a two-year or three-year license by payment to the commission of the appropriate multiple of the annual fee. The commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the commission, not to exceed thirty dollars per category. The application for the license shall be in writing in such form as the commission may prescribe, and contain such information as the commission may require. The commission shall henceforth cause all applicants for licenses to be photographed and fingerprinted and may issue identification cards to licensees. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. A fee equal to the actual cost of issuance shall be charged for the initial issuance of such identification cards. Each such license unless revoked for cause shall be for the period of no more than one, two or three years, determined by rule of the commission, expiring on the applicant's birth date. **Licenses of non-publicly appointed members of the board of a franchised corporation shall be issued without fee and remain in effect for the duration of their board service.** Licenses current on the effective date of this provision shall not be reduced in duration by this provision. An applicant who applies for a license that, if issued, would take effect less than six months prior to the applicant's birth date may, by payment of a fifty percent higher fee, receive a license which shall not expire until the applicant's second succeeding birth date. All receipts of the commission derived from the operation of this section shall be paid by it into the state treasury on or before the tenth day of each month. All officials connected with the actual conduct of racing shall be subject to approval by the commission.

§ 3. Subdivision 1 of section 220 of the racing, pari-mutuel wagering and breeding law, as amended by section 243 of the laws of 2020, is amended to read as follows:

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of this article, the commission shall license owners, which term shall be deemed to include part-owners and lessees, trainers, assistant trainers and jockeys, jockey agents, stable employees, **non-publicly appointed**

members of the board of a franchised corporation, and such other persons as the commission may by rule prescribe at running races and at steeplechases, provided, however, that no such license shall be required for seasonal employees hired solely to work for no longer than six weeks during the summer meet at Saratoga racetrack. In the event that a proposed licensee is other than a natural person, the commission shall require by regulation disclosure of the names and addresses of all owners of an interest in such entity. The commission may retain, employ or appoint such officers, employees and agents, as it may deem necessary to receive, examine and make recommendations, for the consideration of the commission, in respect of applications for such licenses; prescribe their duties in connection therewith, and fix their compensation therefor within the limitations prescribed by law. Each applicant for a license shall pay to the commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, thirty dollars; assistant trainer's license, thirty dollars; jockey's license, fifty dollars; jockey agent's license, twenty dollars; and stable employee's license, five dollars. Each applicant may apply for a two-year or three-year license by payment to the commission of the appropriate multiple of the annual fee. The commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the commission, not to exceed thirty dollars per category. The application for the license shall be in writing in such form as the commission may prescribe, and contain such information as the commission may require. The commission shall henceforth cause all applicants for licenses to be photographed and fingerprinted and may issue identification cards to licensees. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. A fee equal to the actual cost of issuance shall be charged for the initial issuance of such identification cards. Each such license unless revoked for cause shall be for the period of no more than one, two or three years, determined by rule of the commission, expiring on the applicant's birth date. **Licenses of non-publicly appointed members of the board of a franchised corporation shall be issued without fee and remain in effect for the duration of their board service.** Licenses current on the effective date of this provision shall not be reduced in duration by this provision. An applicant who applies for a license that, if issued, would take effect less than six months prior to the applicant's birth date may, by payment of a fifty percent higher fee, receive a license which shall not expire until the applicant's second succeeding birth date. All receipts of the commission derived from the operation of this section shall be paid by it into the state treasury on or before the tenth day of each month. All officials connected with the actual conduct of racing shall be subject to approval by the commission.

§ 4. The New York racing association shall immediately identify which members are designated to which specific seats on the board.

§ 5. This act shall take effect immediately and shall apply to all initial appointments by the New York racing association reorganization board; provided, however, that if section 1 of part NN of chapter 59 of the laws of 2017 shall not have taken effect on or before such date then section one of this act shall take effect on the same date and in the same manner as such section of such part of such chapter of the laws of

2017 takes effect; and provided, further, that the amendments to subdivision 1 of section 220 of the racing, pari-mutuel wagering and breeding law made by section two of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 2 of part S of chapter 59 of the laws of 2024, as amended, when upon such date the provisions of section three of this act shall take effect.

PART OO

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

8. Notwithstanding section thirteen hundred fifty-one of this article, mobile sports wagering gross gaming revenue and tax revenue shall be excluded from sports wagering gross gaming revenue and tax revenue. Mobile sports wagering tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid except as otherwise provided in this subdivision. Any interest and penalties imposed by the commission relating to those taxes, all penalties levied and collected by the commission, and the appropriate funds, cash or prizes forfeited from sports wagering shall be deposited into the state lottery fund for education. In [~~the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section~~] **fiscal year two thousand twenty-two**, the commission shall pay into the commercial gaming fund one percent of the state tax imposed on mobile sports wagering by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law; provided however, that such amount shall be equal to six million dollars for each fiscal year **through fiscal year two thousand twenty-six and twelve million dollars for each fiscal year** thereafter**, provided that this amount may only be expended pursuant to a plan approved by the director of the budget**. In [~~the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section~~] **fiscal year two thousand twenty-two**, the commission shall pay one percent of the state tax imposed on mobile sports wagering by this section to the general fund, a program to be administered by the office of children and family services for a statewide youth sports activities and education grant program for the purpose of providing annual awards to sports programs for underserved youth under the age of eighteen years; provided however, that such amount shall be equal to five million dollars for each fiscal year thereafter. The commission shall require at least monthly deposits by a platform provider of any payments pursuant to subdivision seven of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

§ 2. This act shall take effect immediately.

PART PP

Section 1. (a) Notwithstanding any provision of law, rule or regulation to the contrary, any site for which (i) a brownfield cleanup agreement with the department of environmental conservation was entered into prior to June 23, 2008 with respect to a site located within the Renaissance Commerce Park situate within the city of Lackawanna, Erie county, (ii) which received a certificate of completion on or before December 31, 2017, and (iii) that has not otherwise had property placed in service upon such a site as of the effective date of this act, shall be a qualified site for purposes of the brownfield redevelopment tax credits available to such a site pursuant to section 21 of the tax law as in effect for such a site as of the effective date of this act provided that both the site preparation credit component and the on-site groundwater remediation credit component shall be allowed for all eligible costs incurred on such a site prior to and within the tax year in which qualified tangible property on such a site is placed in service, and for a seven year period following the year such property is first placed in service upon such a site, provided, such a date occurs prior to the 2036 tax year, and the tangible property credit component shall be allowed for all eligible costs incurred on such a site prior to and within the tax year in which qualified tangible property on such a site is placed in service, and for a ten year period (120 months) following the year such property is first placed in service upon such a site, provided such a date occurs prior to the 2036 tax year.

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

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

§ 2. This act shall take effect immediately.

PART QQ

Section 1. Section 171 of the tax law is amended by adding a new subdivision fifteenth-a to read as follows:

Fifteenth-a. Notwithstanding any other provision of this chapter: (i) the commissioner may grant the relief described in paragraph (iii) of this subdivision to a limited partner of a limited partnership (but not a partner of a limited liability partnership) or a member of a limited liability company if such limited partner or member demonstrates to the satisfaction of the commissioner that such limited partner's or member's ownership interest and the percentage of their distributive share of the profits and losses of such limited partnership or limited liability company are each less than fifty percent, and such limited partner or member was not under a duty to act, and did not act, for such limited partnership or limited liability company in complying with any requirement of the taxes imposed under article twenty-eight of this chapter and pursuant to the authority of article twenty-nine of this chapter. Provided, however, the commissioner shall deny an application for relief if: (A) such limited partner or member had a duty to act or has acted on behalf of such limited partnership or limited liability company in complying with any requirement of the taxes imposed under article twenty-eight of this chapter and pursuant to the authority of article twenty-nine of this chapter; (B) such limited partner or member has been convicted of a crime provided in this chapter; (C) such limited partner or member has a past-due tax liability, as such term is defined in section one hundred seventy-one-v of this article; (D) approval of such application would undermine compliance with the taxes or other impositions administered by the commissioner; or (E) approval of such application would be adverse to the best interests of the state.

(ii) The relief described in paragraph (iii) of this subdivision shall not be provided unless a limited partner or member submits a properly completed application for relief on a form prescribed by the commissioner. The information provided in such application must be true and complete in all material respects. Providing materially false or fraudulent information on such application shall disqualify such limited partner or member for the relief described in paragraph (iii) of this subdivision, shall void any agreement with the commissioner with respect to such relief, and shall result in such limited partner or member bearing strict liability for the total amount of tax, interest and penalty owed by their respective limited partnership or limited liability company under article twenty-eight of this chapter and pursuant to the authority of article twenty-nine of this chapter.

(iii) If the commissioner approves such application, such limited partner or member shall be liable for the percentage of the original liability under article twenty-eight of this chapter and pursuant to the authority of article twenty-nine of this chapter of their respective limited partnership or limited liability company that reflects such limited partner's or member's ownership interest or distributive share of the profits and losses of such limited partnership or limited liability company, whichever is higher. Such original liability shall include any interest accrued thereon up to and including the date of payment by such limited partner or member at the underpayment rate set by the commissioner pursuant to section eleven hundred forty-two of this chapter, and shall be reduced by the sum of any payments made by the limited partnership or limited liability company. Provided, however, such limited partner or member shall not be liable for any penalty owed by such limited partnership or limited liability company or any other partner or member of such limited partnership or limited liability company; and

provided further that the sum of the amounts owed by all of the persons required to collect tax of a limited partnership or limited liability company shall not exceed the total liability of such limited partnership or limited liability company.

(iv) The denial of a limited partner's or member's application for relief shall not be reviewable by the division of tax appeals, but may be reviewed pursuant to article seventy-eight of the civil practice law and rules by a proceeding commenced within four months of such denial in the county where the commissioner has their principal office.

(v) Any payment made by a limited partner or member in excess of such limited partner's or member's percentage of ownership or distributive share, whichever is higher, shall be deemed a payment by the respective limited partnership or limited liability company, and such limited partner or member shall not be entitled to a refund of such amount.

§ 2. Subdivision (a) of section 1133 of the tax law, as amended by section 2 of part X of chapter 59 of the laws of 2018, is amended to read as follows:

(a) [~~(1)~~] Except as otherwise provided in [~~paragraph two of this subdivision and in~~] section eleven hundred thirty-seven of this part, every person required to collect any tax imposed by this article shall be personally liable for the tax imposed, collected or required to be collected under this article. Any such person shall have the same right in respect to collecting the tax from [~~his~~] their customer or in respect to nonpayment of the tax by the customer as if the tax were a part of the purchase price of the property or service, amusement charge or rent, as the case may be, and payable at the same time; provided, however, that the tax commission shall be joined as a party in any action or proceeding brought to collect the tax.

[~~(2) Notwithstanding any other provision of this article: (i) The commissioner shall grant the relief described in subparagraph (iii) of this paragraph to a limited partner of a limited partnership (but not a partner of a limited liability partnership) or a member of a limited liability company if such limited partner or member demonstrates to the satisfaction of the commissioner that such limited partner's or member's ownership interest and the percentage of the distributive share of the profits and losses of such limited partnership or limited liability company are each less than fifty percent, and such limited partner or member was not under a duty to act for such limited partnership or limited liability company in complying with any requirement of this article. Provided, however, the commissioner may deny an application for relief to any such limited partner or member who the commissioner finds has acted on behalf of such limited partnership or limited liability company in complying with any requirement of this article or has been convicted of a crime provided in this chapter or who has a past-due liability, as such term is defined in section one hundred seventy-one-v of this chapter.~~

~~(ii) Such limited partner or member must submit an application for relief, on a form prescribed by the commissioner, and the information provided in such application must be true and complete in all material respects. Providing materially false or fraudulent information on such application shall disqualify such limited partner or member for the relief described in subparagraph (iii) of this paragraph, shall void any agreement with the commissioner with respect to such relief, and shall result in such limited partner or member bearing strict liability for the total amount of tax, interest and penalty owed by their respective~~

~~limited partnership or limited liability company pursuant to this subdivision.~~

~~(iii) A limited partner of a limited partnership or member of a limited liability company, who meets the requirements set forth in this paragraph and whose application for relief is approved by the commissioner, shall be liable for the percentage of the original sales and use tax liability of their respective limited partnership or limited liability company that reflects such limited partner's or member's ownership interest of distributive share of the profits and losses of such limited partnership or limited liability company, whichever is higher. Such original liability shall include any interest accrued thereon up to and including the date of payment by such limited partner or member at the underpayment rate set by the commissioner pursuant to section eleven hundred forty-two of this part, and shall be reduced by the sum of any payments made by (A) the limited partnership or limited liability company; (B) any person required to collect tax not eligible for relief; and (C) any person required to collect tax who was eligible for relief but had not been approved for relief by the commissioner at the time such payment was made. Provided, however, such limited partner or member shall not be liable for any penalty owed by such limited partnership or limited liability company or any other partner or member of such limited partnership or limited liability company. Any payment made by a limited partner or member pursuant to the provisions of this paragraph shall not be credited against the liability of other limited partners or members of their respective limited partnership or limited liability company who are eligible for the same relief; provided, however that the sum of the amounts owed by all of the persons required to collect tax of a limited partnership or limited liability company shall not exceed the total liability of such limited partnership or limited liability company.]

§ 3. This act shall take effect immediately.

PART RR

Section 1. Subparagraphs (A), (E) and (F) of paragraph 1 of subsection (e) of section 606 of the tax law, subparagraph (A) and (F) as amended by chapter 28 of the laws of 1987 and subparagraph (E) as amended by chapter 105 of the laws of 2006, are amended to read as follows:

(A) [~~"Qualified~~] **(i) For taxable years beginning before January first, two thousand twenty-five, "qualified** taxpayer" means a resident individual of the state who has occupied the same residence for six months or more of the taxable year, and is required or chooses to file a return under this article.

(ii) For taxable years beginning on or after January first, two thousand twenty-five, "qualified taxpayer" means a resident individual of the state who has occupied the same residence for six months or more of the taxable year, and has qualifying real property taxes as defined in clause (ii) of subparagraph (E) of this paragraph, or a real property tax equivalent as defined in clause (ii) of subparagraph (F) of this paragraph, in excess of the following percentages of federal adjusted gross income:

If federal adjusted gross income for the taxable year is:	**Percentage**
$3,000 or less	**3 1/2**
Over $3,000 but not over $5,000	**4**

Over $5,000 but not over $7,000	4 1/2
Over $7,000 but not over $9,000	5
Over $9,000 but not over $11,000	5 1/2
Over $11,000 but not over $14,000	6
Over $14,000 but not over $18,000	6 1/2

(E) [~~"Qualifying~~] (i) For taxable years beginning before January first, two thousand twenty-five, "qualifying real property taxes" means all real property taxes, special ad valorem levies and special assessments, exclusive of penalties and interest, levied on the residence of a qualified taxpayer and paid during the taxable year less the credit claimed under subsection (n-1) of this section. In addition, for taxable years beginning after December thirty-first, nineteen hundred eighty-four, a qualified taxpayer may elect to include any additional amount that would have been levied in the absence of an exemption from real property taxation pursuant to section four hundred sixty-seven of the real property tax law. If tenant-stockholders in a cooperative housing corporation have met the requirements of section two hundred sixteen of the internal revenue code by which they are allowed a deduction for real estate taxes, the amount of taxes so allowable, or which would be allowable if the taxpayer had filed returns on a cash basis, shall be qualifying real property taxes. If a residence is owned by two or more individuals as joint tenants or tenants in common, and one or more than one individual is not a member of the household, qualifying real property taxes is that part of such taxes on the residence which reflects the ownership percentage of the qualified taxpayer and members of [~~his~~] their household. If a residence is an integral part of a larger unit, qualifying real property taxes shall be limited to that amount of such taxes paid as may be reasonably apportioned to such residence. If a household owns and occupies two or more residences during different periods in the same taxable year, qualifying real property taxes shall be the sum of the prorated qualifying real property taxes attributable to the household during the periods such household occupies each of such residences. If the household owns and occupies a residence for part of the taxable year and rents a residence for part of the same taxable year, it may include both the proration of qualifying real property taxes on the residence owned and the real property tax equivalent with respect to the months the residence is rented. Provided, however, for purposes of the credit allowed under this subsection, qualifying real property taxes may be included by a qualified taxpayer only to the extent that such taxpayer or the spouse of such taxpayer occupying such residence for six months or more of the taxable year owns or has owned the residence and paid such taxes.

(ii) For taxable years beginning on or after January first, two thousand twenty-five, "qualifying real property taxes" means all real property taxes, special ad valorem levies and special assessments, exclusive of penalties and interest, levied on the residence of a qualified taxpayer and paid during the taxable year less any school tax relief credit allowed under subsection (eee) of this section. A qualified taxpayer may elect to include any additional amount that would have been levied in the absence of an exemption from real property taxation pursuant to section four hundred sixty-seven of the real property tax law. If tenant-stockholders in a cooperative housing corporation have met the requirements of section two hundred sixteen of the internal revenue code by which they are allowed a deduction for real estate taxes, the amount of taxes so allowable, or which would be allowable if the taxpayer had

filed returns on a cash basis, shall be qualifying real property taxes. If a residence is owned by two or more individuals as joint tenants or tenants in common, qualifying real property taxes is that part of such taxes on the residence which reflects the ownership percentage of the qualified taxpayer. If a residence is an integral part of a larger unit, qualifying real property taxes shall be limited to that amount of the taxes paid as may be reasonably apportioned to such residence. If a qualified taxpayer owns and occupies two or more residences during different periods in the same taxable year, qualifying real property taxes shall be the sum of the prorated qualifying real property taxes attributable to the qualified taxpayer during the periods the taxpayer occupies each of the residences. If a qualified taxpayer owns and occupies a residence for part of the taxable year and rents a residence for part of the same taxable year, the taxpayer may include both the proration of qualifying real property taxes on the residence owned and the real property tax equivalent with respect to the months the residence is rented. Provided, however, for purposes of the credit allowed under this subsection, qualifying real property taxes may be included by a qualified taxpayer only to the extent that such taxpayer or the spouse of such taxpayer occupying such residence for six months or more of the taxable year owns or has owned the residence and paid such taxes.

(F) [~~"Real~~] (i) For taxable years beginning before January first, two thousand twenty-five, "real property tax equivalent" means twenty-five percent of the adjusted rent actually paid in the taxable year by a household solely for the right of occupancy of its New York residence for the taxable year. If [~~(i)~~] (I) a residence is rented to two or more individuals as cotenants, or such individuals share in the payment of a single rent for the right of occupancy of such residence, and [~~(ii)~~] (II) each of such individuals is a member of a different household, one or more of which individuals shares such residence, real property tax equivalent is that portion of twenty-five percent of the adjusted rent paid in the taxable year which reflects that portion of the rent attributable to the qualified taxpayer and the members of [~~his~~] their household.

(ii) For taxable years beginning on or after January first, two thousand twenty-five, "real property tax equivalent" means twenty-five percent of the adjusted rent actually paid in the taxable year by a qualified taxpayer solely for the right of occupancy of their New York residence for the taxable year.

§ 2. Paragraph 2 of subsection (e) of section 606 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(2) [~~A~~] (A) For taxable years beginning before January first, two thousand twenty-five, a qualified taxpayer shall be allowed a credit as provided in subparagraph (A) of paragraph three [~~hereof~~] of this subsection against the taxes imposed by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced for such year under this article the qualified taxpayer may receive, and the comptroller, subject to a certificate of the [~~state tax commission~~] commissioner, shall pay as an overpayment, without interest, any excess between such tax as so reduced and the amount of the credit. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one, a qualified taxpayer may nevertheless receive and the comptroller, subject to a certificate of the [~~state tax commission~~] commissioner, shall pay as an overpayment the full amount of the credit, without interest.

(B) For taxable years beginning on or after January first, two thousand twenty-five, a qualified taxpayer shall be allowed a credit against the tax imposed by this article as provided for in subparagraph (B) of paragraph three of this subsection. If the amount of the credit allowed under this subsection exceeds the taxpayer's tax for the taxable year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon. If a taxpayer is not required to file a return pursuant to section six hundred fifty-one, a qualified taxpayer may nevertheless receive and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment the full amount of the credit, without interest.

§ 3. Paragraph 3 of subsection (e) of section 606 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(3) Determination of credit. (A) For **taxable years beginning before January first, two thousand twenty-five, (i) for** qualified taxpayers who have attained the age of sixty-five years before the beginning of or during the taxable year the amount of the credit allowable under this subsection shall be fifty percent, or in the case of a qualified taxpayer who has elected to include an additional amount pursuant to subparagraph (E) of paragraph one of this subsection, twenty-five percent, of the excess of real property taxes or the excess of real property tax equivalent determined as follows:

If household gross income for the taxable year is:	Excess real property taxes are the excess of real property tax equivalent or the excess of qualifying real property taxes over the following percentage of household gross income:
$3,000 or less	3 1/2
Over $3,000 but not over $5,000	4
Over $5,000 but not over $7,000	4 1/2
Over $7,000 but not over $9,000	5
Over $9,000 but not over $11,000	5 1/2
Over $11,000 but not over $14,000	6
Over $14,000 but not over $18,000	6 1/2

Notwithstanding the foregoing provisions, the maximum credit determined under this [~~subparagraph~~] **clause** may not exceed the amount determined in accordance with the following table:

If household gross income for the taxable year is:	The maximum credit is:
$1,000 or less	$375
Over $1,000 but not over $2,000	$358
Over $2,000 but not over $3,000	$341
Over $3,000 but not over $4,000	$324
Over $4,000 but not over $5,000	$307
Over $5,000 but not over $6,000	$290
Over $6,000 but not over $7,000	$273
Over $7,000 but not over $8,000	$256

Over $8,000 but not over $9,000	$239
Over $9,000 but not over $10,000	$222
Over $10,000 but not over $11,000	$205
Over $11,000 but not over $12,000	$188
Over $12,000 but not over $13,000	$171
Over $13,000 but not over $14,000	$154
Over $14,000 but not over $15,000	$137
Over $15,000 but not over $16,000	$120
Over $16,000 but not over $17,000	$103
Over $17,000 but not over $18,000	$ 86

[~~(B) For~~] **(ii) for** all other qualified taxpayers the amount of the credit allowable under this subsection shall be fifty percent of excess real property taxes or the excess of the real property tax equivalent determined as follows:

If household gross income for the taxable year is:	Excess real property taxes are the excess of real property tax equivalent or the excess of qualifying real property taxes over the following percentage of household gross income:
$3,000 or less	3 1/2
Over $3,000 but not over $5,000	4
Over $5,000 but not over $7,000	4 1/2
Over $7,000 but not over $9,000	5
Over $9,000 but not over $11,000	5 1/2
Over $11,000 but not over $14,000	6
Over $14,000 but not over $18,000	6 1/2

Notwithstanding the foregoing provisions, the maximum credit determined under this [~~subparagraph~~] **clause** may not exceed the amount determined in accordance with the following table:

If household gross income for the taxable year is:	The maximum credit is:
$1,000 or less	$75
Over $1,000 but not over $2,000	$73
Over $2,000 but not over $3,000	$71
Over $3,000 but not over $4,000	$69
Over $4,000 but not over $5,000	$67
Over $5,000 but not over $6,000	$65
Over $6,000 but not over $7,000	$63
Over $7,000 but not over $8,000	$61
Over $8,000 but not over $9,000	$59
Over $9,000 but not over $10,000	$57
Over $10,000 but not over $11,000	$55
Over $11,000 but not over $12,000	$53
Over $12,000 but not over $13,000	$51
Over $13,000 but not over $14,000	$49
Over $14,000 but not over $15,000	$47
Over $15,000 but not over $16,000	$45
Over $16,000 but not over $17,000	$43
Over $17,000 but not over $18,000	$41

(B) For taxable years beginning on or after January first, two thousand twenty-five, (i) for qualified taxpayers who have attained the age of sixty-five years before the beginning of or during the taxable year or are claiming dependents as defined under section one hundred fifty-two of the internal revenue code who have attained the age of sixty-five years before the beginning of or during the taxable year, the credit allowable under this subsection shall be:

If the taxpayer's federal adjusted gross income for the taxable year is:	The credit amount is:
$3,000 or less	$375
Over $3,000 but not over $5,000	$330
Over $5,000 but not over $7,000	$300
Over $7,000 but not over $9,000	$260
Over $9,000 but not over $11,000	$230
Over $11,000 but not over $14,000	$200
Over $14,000 but not over $18,000	$150

(ii) for all other taxpayers the amount of the credit allowable under this subsection shall be:

If the taxpayer's federal adjusted gross income for the taxable year is:	The credit amount is:
$5,000 or less	$75
Over $5,000 but not over $9,000	$70
Over $9,000 but not over $14,000	$60
Over $14,000 but not over $18,000	$50

§ 4. Paragraph 4 of subsection (e) of section 606 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(4) If a qualified taxpayer occupies a residence for a period of less than twelve months during the taxable year or occupies two or more residences during different periods in such taxable year, the credit allowed pursuant to this subsection shall be computed in such manner as the [~~tax commission~~] commissioner may[~~, by regulation,~~] prescribe in order to properly reflect the credit or portion thereof attributable to such residence or residences and such period or periods.

§ 5. Paragraph 5 of subsection (e) of section 606 of the tax law is REPEALED.

§ 6. Paragraph 6 of subsection (e) of section 606 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(6) [~~Only~~] (A) For taxable years beginning before January first, two thousand twenty-five, only one credit per household and per qualified taxpayer shall be allowed per taxable year under this subsection. [~~When~~] Where two or more members of a household are able to meet the qualifications for a qualified taxpayer, the credit shall be equally divided between or among such individuals unless such individuals file with the [~~tax commission~~] commissioner a written agreement among such individuals setting forth a different division. Where two or more members of a household are able to meet the qualifications of a qualified taxpayer and one of them is sixty-five years of age or more, the credit which may be taken shall be the credit applicable to individuals who have attained the age of sixty-five years.

[~~(A)~~] **(B) For taxable years beginning on or after January first, two thousand twenty-five, only one credit per qualified taxpayer shall be allowed per taxable year under this subsection.**

(C) Provided, however, where a joint income tax return has been filed pursuant to the provisions of section six hundred fifty-one by a qualified taxpayer and [~~his~~] **their** spouse (or where both spouses are qualified taxpayers and have filed such joint return), the credit, or the portion of the credit if divided, to which the [~~husband and wife~~] **spouses** are entitled shall be applied against the tax of both spouses and any overpayment shall be made to both spouses.

[~~(B)~~] **(D)** Where any return required to be filed pursuant to the provisions of section six hundred fifty-one is combined with any return of tax imposed pursuant to the authority of this chapter or any other law if such tax is administered by the [~~tax commission~~] **commissioner**, the credit or the portion of the credit if divided, allowed to the qualified taxpayer may be applied by the [~~tax commission~~] **commissioner** toward any liability for the aforementioned taxes.

§ 7. Subparagraph (A) of paragraph 7 of subsection (e) of section 606 of the tax law, as amended by chapter 28 of the laws of 1987, is amended to read as follows:

(A) [~~If~~] **(i) For taxable years beginning before January first, two thousand twenty-five, if** household gross income for the taxable year exceeds eighteen thousand dollars.

(ii) For taxable years beginning on or after January first, two thousand twenty-five, if the taxpayer's federal adjusted gross income exceeds eighteen thousand dollars.

§ 8. Paragraphs 9, 10 and 14 of subsection (e) of section 606 of the tax law, paragraphs 9 and 10 as amended by chapter 28 of the laws of 1987 and paragraph 14 as amended by chapter 23 of the laws of 1990, are amended to read as follows:

(9) Returns. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one, a claim for a credit may be taken on a return filed with the [~~tax commission~~] **commissioner, or a form prescribed by the commissioner,** within three years from the time it would have been required that a return be filed pursuant to such section had the qualified taxpayer had a taxable year ending on December thirty-first. Returns under this paragraph shall be in such form as shall be prescribed by the [~~tax commission~~] **commissioner**, which shall make available such forms and instructions for filing such returns.

(10) Proof of claim. The [~~tax commission~~] **commissioner** may require a qualified taxpayer to furnish the following information in support of [~~his~~] **their** claim for credit under this subsection: **federal adjusted gross income,** household gross income, rent paid, name and address of owner or managing agent of the property rented, real property taxes levied or that would have been levied in the absence of an exemption from real property tax pursuant to section four hundred sixty-seven of the real property tax law, the names of members of the household and other qualifying taxpayers occupying the same residence and their identifying numbers including social security numbers, household gross income, size and nature of property claimed as residence and all other information which may be required by the [~~tax commission~~] **commissioner** to determine the credit.

(14) [~~The~~] **(A) For calendar years before two thousand twenty-five, the** commissioner [~~of taxation and finance~~] shall prepare a preliminary written report after July thirty-first and a final written report after December thirty-first of each calendar year, which shall contain statis-

tical information regarding the credits granted on or before such dates under this subsection during such calendar year. Copies of these reports shall be submitted by [~~such~~] **the** commissioner to the governor, the temporary president of the senate, the speaker of the assembly, the [~~chairman~~] **chair** of the senate finance committee and the [~~chairman~~] **chair** of the assembly ways and means committee within sixty days of July thirty-first with respect to the preliminary report, and within forty-five days of December thirty-first with respect to the final report. Such reports shall contain, but need not be limited to, the number of credits and the average amount of such credits allowed; and of those, the number of credits and the average amount of such credits allowed to qualified taxpayers in each county; and of those, the number of credits and the average amount of such credits allowed to qualified taxpayers whose household gross income falls within each of the household gross income ranges set forth in paragraph three of this subsection; and of those, the number of credits and the average amount of such credits allowed to qualified taxpayers whose credit amount falls within credit amount ranges set forth in twenty-five dollar increments.

(B) For calendar years beginning with two thousand twenty-five, the commissioner of taxation and finance shall prepare an annual report by September first of each such year, which shall contain statistical information regarding the credits claimed under this subsection for the second preceding taxable year. Copies of such report shall be submitted by the commissioner to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee and the chair of the assembly ways and means committee. Such report shall contain, but need not be limited to, the number of credits and the amount of such credits allowed; and of those, the number of credits and the amount of such credits allowed to qualified taxpayers in each county; and of those, the number of credits and the amount of such credits allowed to qualified taxpayers whose federal adjusted gross income falls within each of the federal adjusted gross income ranges set forth in paragraph three of this subsection.

§ 9. This act shall take effect immediately.

PART SS

Section 1. The tax law is amended by adding a new section 1202-z-5 to read as follows:

§ 1202-z-5. Occupancy tax in the city of Auburn. (1) Notwithstanding any other provision of law to the contrary, the city of Auburn, in the county of Cayuga, is hereby authorized and empowered to adopt and amend local laws imposing in such city a tax, in addition to any other tax authorized and imposed pursuant to this article, such as the legislature has or would have the power and authority to impose upon persons occupying any room for hire in any hotel. For the purposes of this section, the term "hotel" shall mean a building or portion of it which is regularly used and kept open as such for the lodging of guests. The term "hotel" includes an apartment hotel, a motel, a boarding house, and facilities designated and commonly known as a "bed and breakfast" and similar "tourist" facilities, whether or not meals are served. The rate of such tax shall not exceed five percent of the per diem rental rate for each room whether such room is rented on a daily or longer basis.

(2) Such taxes may be collected and administered by the chief fiscal officer of the city of Auburn by such means and in such manner as other

taxes which are now collected and administered by such officer or as otherwise may be provided by such local law.

(3) Such local laws may provide that any taxes imposed shall be paid by the person liable therefor to the owner of the room for hire in the tourist home, inn, club, hotel, motel or other similar place of public accommodation occupied or to the person entitled to be paid the rent or charge the room for hire in the tourist home, inn, club, hotel, motel or other similar place of public accommodation occupied for and on account of the city of Auburn imposing the tax and that such owner or person entitled to be paid the rent or charge shall be liable for the collection and payment of the tax; and that such owner or person entitled to be paid the rent or charge shall have the same right in respect to collecting the tax from the person occupying the room for hire in the tourist home, inn, club, hotel, motel or other similar place of public accommodation, or in respect to nonpayment of the tax by the person occupying the room for hire in the tourist home, inn, club, hotel, motel or similar place of public accommodation, as if the taxes were a part of the rent or charge and payable at the same time as the rent or charge; provided, however, that the chief fiscal officer of the city, specified in such local laws, shall be joined as a party in any action or proceeding brought to collect the tax by the owner or by the person entitled to be paid the rent or charge.

(4) Such local laws may provide for the filing of returns and the payment of the taxes on a monthly basis or on the basis of any longer or shorter period of time.

(5) This section shall not authorize the imposition of such tax upon any of the following:

a. The state of New York, or any public corporation (including a public corporation created pursuant to agreement or compact with another state or the dominion of Canada), improvement district or other political subdivision of the state;

b. The United States of America, insofar as it is immune from taxation;

c. Any corporation or association, or trust, or community chest, fund or foundation organized and operated exclusively for religious, charitable or educational purposes, or for the prevention of cruelty to children or animals, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; provided, however, that nothing in this paragraph shall include an organization operated for the primary purpose of carrying on a trade or business for profit, whether or not all of its profits are payable to one or more organizations described in this paragraph; or

d. A permanent resident of a hotel or motel. For the purposes of this section, the term "permanent resident" shall mean a natural person occupying any room or rooms in a hotel or motel for at least ninety consecutive days.

(6) Any final determination of the amount of any tax payable hereunder shall be reviewable for error, illegality or unconstitutionality or any other reason whatsoever by a proceeding under article seventy-eight of the civil practice law and rules if application therefor is made to the supreme court within thirty days after the giving of notice of such final determination, provided, however, that any such proceeding under article seventy-eight of the civil practice law and rules shall not be instituted unless:

a. The amount of any tax sought to be reviewed, with such interest and penalties thereon as may be provided for by local laws or regulations shall be first deposited and there shall be filed an undertaking, issued by a surety company authorized to transact business in this state and approved by the superintendent of financial services of this state as to solvency and responsibility, in such amount as a justice of the supreme court shall approve to the effect that if such proceeding be dismissed or the tax confirmed the petitioner will pay all costs and charges which may accrue in the prosecution of such proceeding; or

b. At the option of the petitioner, such undertaking may be in a sum sufficient to cover the taxes, interests and penalties stated in such determination plus the costs and charges which may accrue against it in the prosecution of the proceeding, in which event the petitioner shall not be required to pay such taxes, interest or penalties as a condition precedent to the application.

(7) Where any taxes imposed hereunder shall have been erroneously, illegally or unconstitutionally collected and application for the refund therefor duly made to the proper fiscal officer or officers, and such officer or officers shall have made a determination denying such refund, such determination shall be reviewable by a proceeding under article seventy-eight of the civil practice law and rules, provided, however, that such proceeding is instituted within thirty days after the giving of the notice of such denial, that a final determination of tax due was not previously made, and that an undertaking is filed with the proper fiscal officer or officers in such amount and with such sureties as a justice of the supreme court shall approve to the effect that if such proceeding be dismissed or the taxes confirmed, the petitioner will pay all costs and charges which may accrue in the prosecution of such proceeding.

(8) Except in the case of a willfully false or fraudulent return with intent to evade the tax, no assessment of additional tax shall be made after the expiration of more than three years from the date of the filing of a return, provided, however, that where no return has been filed as provided by law the tax may be assessed at any time.

(9) All revenues resulting from the imposition of the tax under the local laws shall be paid into the treasury of the city of Auburn and shall be credited to and deposited in the general fund of the city. Such revenues may be used for any lawful purpose.

(10) Each enactment of such a local law may provide for the imposition of a hotel or motel tax for a period of time no longer than two years from the date of its enactment. Nothing in this section shall prohibit the adoption and enactment of local laws, pursuant to the provisions of this section, upon the expiration of any other local law adopted pursuant to this section.

(11) If any provision of this section or the application thereof to any person or circumstance shall be held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 31, 2027.

PART TT

Section 1. The tax law is amended by adding a new section 1202-kk to read as follows:

§ 1202-kk. Hotel or motel taxes in the city of Buffalo. (1) Notwithstanding any other provisions of law to the contrary, the city of Buffalo, in the county of Erie, is hereby authorized and empowered to adopt and amend local laws imposing in such city a tax, in addition to any other tax authorized and imposed pursuant to this article such as the legislature has or would have the power and authority to impose upon persons occupying hotel or motel rooms in such city. For the purposes of this section, the term "hotel" or "motel" shall mean and include any facility consisting of rentable units and providing lodging on an overnight basis and shall include those facilities designated and commonly known as "bed and breakfast" and "tourist" facilities. The rates of such tax shall not exceed three percent of the per diem rental rate for each room, provided however, that such tax shall not be applicable to a permanent resident of a hotel or motel. For the purposes of this section the term "permanent resident" shall mean a person occupying any room or rooms in a hotel or motel for at least ninety consecutive days.

(2) Such tax may be collected and administered by the commissioner of administration, finance, policy and urban affairs of the city of Buffalo by such means and in such manner as other taxes which are now collected and administered by such officer or as otherwise may be provided by such local law.

(3) Such local laws may provide that any tax imposed shall be paid by the person liable therefor to the owner of the hotel or motel room occupied or to the person entitled to be paid the rent or charge for the hotel or motel room occupied for and on account of the city of Buffalo imposing the tax and that such owner or person entitled to be paid the rent or charge shall be liable for the collection and payment of the tax; and that such owner or person entitled to be paid the rent or charge shall have the same right in respect to collecting the tax from the person occupying the hotel or motel room, or in respect to nonpayment of the tax by the person occupying the hotel or motel room, as if the tax were a part of the rent or charge and payable at the same time as the rent or charge; provided, however, that the commissioner of administration, finance, policy and urban affairs of the city, specified in such local law, shall be joined as a party in any action or proceeding brought to collect the tax by the owner or by the person entitled to be paid the rent or charge.

(4) Such local laws may provide for the filing of returns and the payment of the tax on a monthly basis or on the basis of any longer or shorter period of time.

(5) This section shall not authorize the imposition of such tax upon any transaction, by or with any of the following in accordance with section twelve hundred thirty of this article:

a. The state of New York, or any public corporation (including a public corporation created pursuant to agreement or compact with another state or the Dominion of Canada), improvement district or other political subdivision of the state;

b. The United States of America, insofar as it is immune from taxation;

c. Any corporation or association, or trust, or community chest, fund or foundation organized and operated exclusively for religious, charitable or educational purposes, or for the prevention of cruelty to children or animals, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; provided, however, that nothing in

this paragraph shall include an organization operated for the primary purpose of carrying on a trade or business for profit, whether or not all of its profits are payable to one or more organizations described in this paragraph.

(6) Any final determination of the amount of any tax payable hereunder shall be reviewable for error, illegality or unconstitutionality or any other reason whatsoever by a proceeding under article seventy-eight of the civil practice law and rules if application therefor is made to the supreme court within thirty days after the giving of the notice of such final determination, provided, however, that any such proceeding under article seventy-eight of the civil practice law and rules shall not be instituted unless:

a. The amount of any tax sought to be reviewed, with such interest and penalties thereon as may be provided for by local law shall be first deposited and there is filed an undertaking, issued by a surety company authorized to transact business in this state and approved by the superintendent of financial services of this state as to solvency and responsibility, in such amount as a justice of the supreme court shall approve to the effect that if such proceeding be dismissed or the tax confirmed the petitioner will pay all costs and charges which may accrue in the prosecution of such proceeding; or

b. At the option of the petitioner such undertaking may be in a sum sufficient to cover the taxes, interests and penalties stated in such determination plus the costs and charges which may accrue against it in the prosecution of the proceeding, in which event the petitioner shall not be required to pay such taxes, interest or penalties as a condition precedent to the application.

(7) Where any tax imposed hereunder shall have been erroneously, illegally or unconstitutionally collected and application for the refund thereof duly made to the proper fiscal officer or officers, and such officer or officers shall have made a determination denying such refund, such determination shall be reviewable by a proceeding under article seventy-eight of the civil practice law and rules, provided, however, that such proceeding is instituted within thirty days after the giving of the notice of such denial, that a final determination of tax due was not previously made, and that an undertaking is filed with the proper fiscal officer or officers in such amount and with such sureties as a justice of the supreme court shall approve to the effect that if such proceeding be dismissed or the tax confirmed, the petitioner will pay all costs and charges which may accrue in the prosecution of such proceeding.

(8) Except in the case of a willfully false or fraudulent return with intent to evade the tax, no assessment of additional tax shall be made after the expiration of more than three years from the date of the filing of a return, provided, however, that where no return has been filed as provided by law the tax may be assessed at any time.

(9) All revenues resulting from the imposition of the tax under the local laws shall be paid into the treasury of the city of Buffalo and shall be credited to and deposited in the general fund of the city. Such revenues shall be used as follows: twenty-five percent of such revenue from this tax shall be allocated to support organizations dedicated to maintenance of the city-owned public realm and city-owned parking facilities in downtown as well as public safety initiatives undertaken by the Buffalo police department and other organizations in downtown, and seventy-five percent shall be allocated for capital improvements to

city-owned cultural facilities citywide, the city-owned public realm in downtown, and city-owned professional sporting venues.

(10) If any provision of this section or the application thereof to any person or circumstance shall be held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 31, 2027.

PART UU

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

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

(9) [~~Carryover~~] Application of credit. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. For taxable years beginning on or after January first, two thousand twenty-six, taxpayers who are (A) married filing jointly or qualifying surviving spouses with a federal adjusted gross income of one hundred eighty thousand dollars or less, or (B) single, married filing separate, or heads of household with a federal adjusted gross income of ninety thousand dollars or less, may elect to receive such excess amount as a refund. Any refund paid pursuant to this paragraph shall be deemed to be a refund of an overpayment of tax as provided in section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 2. This act shall take effect immediately.

PART VV

Section 1. Section 800 of the tax law, as added by section 1 of part C of chapter 25 of the laws of 2009, subsection (b) as amended by section 1 of part B of chapter 56 of the laws of 2011, paragraph 4 of subsection (b) as amended by section 1 of part YY of chapter 59 of the laws of 2015 and subsection (e) as amended by section 1 of part B of chapter 59 of the laws of 2023, is amended to read as follows:

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

(a) Metropolitan commuter transportation district. The metropolitan commuter transportation district ("MCTD") means the area of the state included in the district created and governed by section twelve hundred sixty-two of the public authorities law. The MCTD shall have two zones:

(1) MCTD zone one shall be comprised of the counties of Bronx, Kings, New York, Queens, and Richmond.

(2) MCTD zone two shall be comprised of the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

(b) Employer. Employer means an employer required by section six hundred seventy-one of this chapter to deduct and withhold tax from wages, [~~that has a payroll expense in excess of three hundred twelve thousand five hundred dollars in any calendar quarter;~~] other than

(1) any agency or instrumentality of the United States;

(2) the United Nations;

(3) an interstate agency or public corporation created pursuant to an agreement or compact with another state or the Dominion of Canada; [~~or~~]

(4) Any eligible educational institution. An "eligible educational institution" shall mean any public school district, a board of cooperative educational services, a public elementary or secondary school, a school approved pursuant to article eighty-five or eighty-nine of the education law to serve students with disabilities of school age, or a nonpublic elementary or secondary school that provides instruction in grade one or above, all public library systems as defined in subdivision one of section two hundred seventy-two of the education law, and all public and free association libraries as such terms are defined in subdivision two of section two hundred fifty-three of the education law; or

(5) any local government employer whose covered employees are within MCTD zone two.

(c) Payroll expense. Payroll expense means wages and compensation as defined in sections 3121 and 3231 of the internal revenue code (without regard to section 3121(a)(1) and section 3231(e)(2)(A)(i)), paid to all covered employees.

(d) Covered employee. Covered employee means an employee who is employed within the MCTD.

(e) Net earnings from self-employment. Net earnings from self-employment has the same meaning as in section 1402 of the internal revenue code, provided, however, that for purposes of determining whether the exclusion pursuant to paragraph 13 of subsection (a) of section 1402 of the internal revenue code applies, an individual shall not be considered a limited partner if the individual, directly or indirectly, takes part in the control, or participates in the management or operations of the partnership such that the individual is not a passive investor, regardless of the individual's title or characterization in a partnership or operating agreement.

(f) Local government employer. Local government employer means (1) a county, city, town, village or any other political subdivision or civil division of the state, (2) a public improvement or special district, (3) a public authority, commission, community college, or public benefit corporation, (4) any other public corporation, agency or instrumentality or unit of government which exercises governmental powers under the laws of the state, or (5) in the case of a county sheriff's office in those counties where the office of sheriff is an elected position, both the county and the sheriff, shall be designated as a joint public employer for all purposes of this article.

§ 2. Section 801 of the tax law, as added by section 1 of part C of chapter 25 of the laws of 2009, subsection (a) as amended by section 1 of part N of chapter 59 of the laws of 2012, paragraph 1 of subsection (a) as amended by section 1 and subparagraph (B) of paragraph 2 of subsection (a) as amended by section 3 of part Q of chapter 58 of the laws of 2023 and subparagraph (A) of paragraph 2 of subsection (a) as

amended by section 1 of part C of chapter 59 of the laws of 2024, is amended to read as follows:

§ 801. Imposition of tax and rate. (a) For the sole purpose of providing an additional stable and reliable dedicated funding source for the metropolitan transportation authority and its subsidiaries and affiliates to preserve, operate and improve essential transit and transportation services in the metropolitan commuter transportation district, a tax is hereby imposed on employers and individuals as follows: (1) (A) For **tax quarters beginning before July first, two thousand twenty-five,** employers who engage in business within the MCTD, in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester, the tax is imposed at a rate of (i) eleven hundredths (.11) percent of the payroll expense for employers with payroll expense **greater than three hundred twelve thousand five hundred dollars and** no greater than three hundred seventy-five thousand dollars in any calendar quarter, (ii) twenty-three hundredths (.23) percent of the payroll expense for employers with payroll expense greater than three hundred seventy-five thousand dollars and no greater than four hundred thirty-seven thousand five hundred dollars in any calendar quarter, and (iii) thirty-four hundredths (.34) percent of the payroll expense for employers with payroll expense in excess of four hundred thirty-seven thousand five hundred dollars in any calendar quarter. If the employer is a professional employer organization, as defined in section nine hundred sixteen of the labor law, the employer's tax shall be calculated by determining the payroll expense attributable to each client who has entered into a professional employer agreement with such organization and the payroll expense attributable to such organization itself, multiplying each of those payroll expense amounts by the applicable rate set forth in this paragraph and adding those products together.

(B) For **tax quarters beginning before July first, two thousand twenty-five,** employers who engage in business within the MCTD, in the counties of Bronx, Kings, New York, Queens, and Richmond, the tax is imposed at a rate of (i) eleven hundredths (.11) percent of the payroll expense for employers with payroll expense **greater than three hundred twelve thousand five hundred dollars and** no greater than three hundred seventy-five thousand dollars in any calendar quarter, (ii) twenty-three hundredths (.23) percent of the payroll expense for employers with payroll expense greater than three hundred seventy-five thousand dollars and no greater than four hundred thirty-seven thousand five hundred dollars in any calendar quarter, and (iii) sixty hundredths (.60) percent of the payroll expense for employers with payroll expense in excess of four hundred thirty-seven thousand five hundred dollars in any calendar quarter. If the employer is a professional employer organization, as defined in section nine hundred sixteen of the labor law, the employer's tax shall be calculated by determining the payroll expense attributable to each client who has entered into a professional employer agreement with such organization and the payroll expense attributable to such organization itself, multiplying each of those payroll expense amounts by the applicable rate set forth in this paragraph and adding those products together.

(C) For tax quarters beginning on and after July first, two thousand twenty-five, for employers within MCTD zone one, the tax is imposed at a rate of (i) fifty-five thousandths (.055) percent of the payroll expense for employers with payroll expense greater than three hundred twelve thousand five hundred dollars and no greater than three hundred seventy-five thousand dollars in any calendar quarter, (ii) one hundred

fifteen thousandths (.115) percent of the payroll expense for employers with payroll expense greater than three hundred seventy-five thousand dollars and no greater than four hundred thirty-seven thousand five hundred dollars in any calendar quarter, (iii) sixty hundredths (.60) percent of the payroll expense for employers with payroll expense greater than four hundred thirty-seven thousand five hundred dollars and no greater than two million five hundred thousand dollars in any calendar quarter; and (iv) eight hundred ninety-five thousandths (.895) percent of the payroll expense for employers with payroll expense in excess of two million five hundred thousand dollars in any calendar quarter. Provided, however, that for employers within MCTD zone one who are local government employers as defined in this article with payroll expense in excess of two million five hundred thousand dollars in any calendar quarter, the tax is imposed at a rate of sixty hundredths (.60) percent of the payroll expense. If the employer is a professional employer organization, as defined in section nine hundred sixteen of the labor law, the employer's tax shall be calculated by determining the payroll expense attributable to each client who has entered into a professional employer agreement with such organization and the payroll expense attributable to such organization itself, multiplying each of those payroll expense amounts by the applicable rate set forth in this paragraph and adding those products together.

(D) For tax quarters beginning on and after July first, two thousand twenty-five, for employers within MCTD zone two that are not local government employers, the tax is imposed at a rate of (i) fifty-five thousandths (.055) percent of the payroll expense for employers with payroll expense greater than three hundred twelve thousand five hundred dollars and no greater than three hundred seventy-five thousand dollars in any calendar quarter, (ii) one hundred fifteen thousandths (.115) percent of the payroll expense for employers with payroll expense greater than three hundred seventy-five thousand dollars and no greater than four hundred thirty-seven thousand five hundred dollars in any calendar quarter, (iii) thirty-four hundredths (.34) percent of the payroll expense for employers with payroll expense greater than four hundred thirty-seven thousand five hundred dollars and no greater than two million five hundred thousand dollars in any calendar quarter; and (iv) six hundred thirty-five thousandths (.635) percent of the payroll expense for employers with payroll expense in excess of two million five hundred thousand dollars in any calendar quarter. If the employer is a professional employer organization, as defined in section nine hundred sixteen of the labor law, the employer's tax shall be calculated by determining the payroll expense attributable to each client who has entered into a professional employer agreement with such organization and the payroll expense attributable to such organization itself, multiplying each of those payroll expense amounts by the applicable rate set forth in this paragraph and adding those products together.

(2) For individuals in calendar years beginning before January first, two thousand twenty-six: (A) [~~For individuals,~~] the tax is imposed at a rate of thirty-four hundredths (.34) percent of the net earnings from self-employment of individuals that are attributable to the MCTD, in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester, if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

(B) [~~For individuals,~~] the tax is imposed at a rate of sixty hundredths (.60) percent of the net earnings from self-employment of individuals that are attributable to the MCTD, in the counties of Bronx,

Kings, New York, Queens, and Richmond, if such earnings attributable to the MCTD exceed fifty thousand dollars for the tax year.

(3) For individuals in calendar years beginning on and after January first, two thousand twenty-six: (A) the tax is imposed at a rate of sixty hundredths (.60) percent of the net earnings from self-employment of individuals that are attributable to MCTD zone one, if such earnings attributable to the MCTD exceed one hundred fifty thousand dollars for the tax year.

(B) the tax is imposed at a rate of thirty-four hundredths (.34) percent of the net earnings from self-employment of individuals that are attributable to MCTD zone two, if such earnings attributable to the MCTD exceed one hundred fifty thousand dollars for the tax year.

(b)(1) An individual having net earnings from self-employment from activity both within and without the metropolitan commuter transportation district is required to allocate and apportion such net earnings to the MCTD in the manner required for allocation and apportionment of income under article twenty-two of this chapter.

(2) In the case of individuals with earnings from self-employment, the net earnings from self employment threshold in [~~paragraph~~] **paragraphs** two **or three** of subsection (a) of this section will be computed on an individual basis regardless of whether that individual filed a joint personal income tax return.

(c) The determination of whether a covered employee is employed within the MCTD will be made by utilizing the rules applicable to the jurisdiction of employment for purposes of the statewide wage reporting system under section one hundred seventy-one-a of this chapter and substituting the MCTD for the state in that application.

§ 3. Subdivision 4 of section 1270-h of the public authorities law is renumbered subdivision 5 and a new subdivision 4 is added to read as follows:

4. Commencing September first, two thousand twenty-five, no later than the last business day of each month, after satisfying the requirements of any debt service or reserve requirements, if any, of any resolution authorizing bonds, notes or other obligations, the authority shall transfer twenty-eight and five-tenths percent of the revenue, including taxes, interest and penalties collected in accordance with article twenty-three of the tax law to the 2025 to 2029 capital program account in the metropolitan transportation authority capital lockbox fund established pursuant to section five hundred fifty-three-j of this chapter.

§ 4. Section 553-j of the public authorities law, as added by section 5 of subpart A of part ZZZ of chapter 59 of the laws of 2019, is amended to read as follows:

§ 553-j. [~~Additional powers and provisions in relation to central business district tolling program~~] **Metropolitan transportation authority capital lockbox fund**. 1. The authority shall establish a fund to be known as the [~~central business district tolling~~] **metropolitan transportation authority** capital lockbox fund which shall be kept separate from and shall not be commingled with any other monies of the authority. The fund shall consist of **two separate and distinct accounts: (i) the "2020 to 2024 capital program account" and (ii) the "2025 to 2029 capital program account".**

(a) The 2020 to 2024 capital program account shall consist of all monies received by the authority pursuant to article forty-four-C of the vehicle and traffic law, subdivision twelve-a of section five hundred fifty-three of this title, and revenues of the real estate transfer tax deposited pursuant to subdivision (b) of section fourteen hundred twen-

ty-one of the tax law, and sales tax pursuant to subdivision (c) of section eleven hundred forty-eight of the tax law, subparagraph (B) of paragraph five of subdivision (c) of section twelve hundred sixty-one of the tax law, and funds appropriated from the central business district trust fund established pursuant to section [~~ninty-nine-ff~~] **ninety-nine-ff** of the state finance law.

(b) The 2025 to 2029 capital program account shall consist of all monies deposited pursuant to subdivision four of section twelve hundred seventy-h of this chapter.

2. Monies in the [~~fund~~] **2020 to 2024 capital program account** shall be applied, subject to agreements with bondholders and applicable federal law, to the payment of operating, administration, and other necessary expenses of the authority, or to the city of New York subject to the memorandum of understanding executed pursuant to subdivision two-a of section seventeen hundred four of the vehicle and traffic law properly allocable to such program, including the planning, designing, constructing, installing or maintaining of the central business district tolling program, including, without limitation, the central business district tolling infrastructure, the central business district tolling collection system and the central business district tolling customer service center, and the costs of any metropolitan transportation authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs. Monies in the [~~fund~~] **2020 to 2024 capital program account** may be: (a) pledged by the authority to secure and be applied to the payment of the bonds, notes or other obligations of the authority to finance the costs of the central business district tolling program, including, without limitation, the central business district tolling infrastructure, the central business district tolling collection system and the central business district tolling customer service center, and the costs of any metropolitan transportation authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto; or (b) used by the authority for the payment of such capital costs of the central business district tolling program and the costs of any metropolitan transportation authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs; or (c) transferred to the metropolitan transportation authority and (1) pledged by the metropolitan transportation authority to secure and be applied to the payment of the bonds, notes or other obligations of the metropolitan transportation authority to finance the costs of any metropolitan transportation authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto, or (2) used by the metropolitan transportation authority for the payment of **or to reimburse** the costs**, including debt service,** of any metropolitan transportation authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs. Such revenues shall only supplement and shall not supplant any federal, state, or local funds expended by the authority or the metropolitan transportation authority, or such authority's or metropolitan transportation authority's affiliates or subsidiaries for such respective

purposes. Central business district toll revenues may be used as required to obtain, utilize, or maintain federal authorization to collect tolls on federal aid highways.

2-a. Monies in the 2025 to 2029 capital program account shall be applied, subject to agreements with bondholders and applicable federal law, to the payment of the costs of any metropolitan transportation authority capital projects included within the 2025 to 2029 MTA capital program or any successor programs. Monies in the 2025 to 2029 capital program account may be: (a) pledged by the authority to secure and be applied to the payment of the bonds, notes or other obligations of the authority to finance the costs of any metropolitan transportation authority capital projects included within the 2025 to 2029 MTA capital program or any successor programs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto; or (b) used by the authority for the payment of such capital costs of any metropolitan transportation authority capital projects included within the 2025 to 2029 MTA capital program or any successor programs; or (c) transferred to the metropolitan transportation authority and (1) pledged by the metropolitan transportation authority to secure and be applied to the payment of the bonds, notes or other obligations of the metropolitan transportation authority to finance the costs of any metropolitan transportation authority capital projects included within the 2025 to 2029 MTA capital program or any successor programs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto, or (2) used by the metropolitan transportation authority for the payment of or to reimburse the costs, including debt service, of any metropolitan transportation authority capital projects included within the 2025 to 2029 MTA capital program or any successor programs. Such revenues shall only supplement and shall not supplant any federal, state, or local funds expended by the authority or the metropolitan transportation authority, or such authority's or metropolitan transportation authority's affiliates or subsidiaries for such respective purposes.

3. Any monies deposited in the fund shall be held in the fund free and clear of any claim by any person arising out of or in connection with article forty-four-C of the vehicle and traffic law [~~and~~], subdivision twelve-a of section five hundred fifty-three of this title**, and article twenty-three of the tax law**. Without limiting the generality of the foregoing, no person paying any amount that is deposited into the fund shall have any right or claim against the authority or the metropolitan transportation authority, any of their bondholders, any of the authority's or the metropolitan transportation authority's subsidiaries or affiliates to any monies in or distributed from the fund or in respect of a refund, rebate, credit or reimbursement of monies arising out of or in connection with article forty-four-C of the vehicle and traffic law [~~and~~], subdivision twelve-a of section five hundred fifty-three of this title**, and article twenty-three of the tax law**.

3-a. Of the capital project costs paid by this fund: eighty percent shall be capital project costs of the New York city transit authority and its subsidiary, Staten Island Rapid Transit Operating Authority, and MTA Bus with priority given to the subway system, new signaling, new subway cars, track and car repair, accessibility, buses and bus system

improvements and further investments in expanding transit availability to areas in the outer boroughs that have limited mass transit options; ten percent shall be capital project costs of the Long Island Rail Road, including but not limited to, parking facilities, rolling stock, capacity enhancements, accessibility, and expanding transit availability to areas in the Metropolitan Commuter Transportation District that have limited mass transit options; and ten percent shall be capital project costs of the Metro-North Commuter Railroad Company, including but not limited to, parking facilities, rolling stock, capacity enhancements, accessibility, and expanding transit availability to areas in the Metropolitan Commuter Transportation District that have limited mass transit options.

4. The authority shall report annually on all receipts and expenditures of the fund **and each account within the fund**. The report shall detail operating expenses of the central business district tolling program and all fund expenditures including capital projects. The report shall be readily available to the public, and shall be posted on the authority's website and be submitted to the governor, the temporary president of the senate, the speaker of the assembly, the mayor and council of the city of New York, the metropolitan transportation authority board, and the metropolitan transportation authority capital program review board.

5. Any operating funding used for the purposes of a central business district tolling program **shall only be** from [~~this fund~~] **the 2020 to 2024 capital program account and** shall be approved, annually, in a plan of expenditures, by the director of the budget.

§ 5. This act shall take effect immediately; provided, however, that sections three and four of this act shall apply to tax quarters beginning on and after July 1, 2025.

PART WW

Section 1. Paragraph 2 of subdivision (d) of section 1109 of the tax law, as added by chapter 485 of the laws of 1981, is amended to read as follows:

(2) On or before the twelfth day of each month, after reserving such amount for such refunds and such costs, the commissioner of taxation and finance shall certify to the comptroller the amount of all revenues so received during the prior month as a result of the taxes, interest and penalties so imposed and in addition on or before the last day of June the commissioner shall certify the amount of such revenues received during and including the first twenty-five days of June. [~~The amount of revenues so certified shall be deposited by the comptroller in the mass transportation operating assistance fund established by section eighty-eight-a of the state finance law to the credit of the metropolitan mass transportation operating assistance account therein.~~] **Fifteen percent of the revenues so certified shall be deposited by the comptroller in the mass transportation operating assistance fund established by section eighty-eight-a of the state finance law to the credit of the metropolitan mass transportation operating assistance account therein. Eighty-five percent of the revenues so certified shall be deposited by the comptroller in the dedicated mass transportation trust fund established pursuant to section eighty-nine-c of the state finance law to be distributed as follows: eighty-five percent of such amount shall be allocated to the New York city transit authority and its subsidiaries and the Staten Island rapid transit operating authority and fifteen**

percent of such amount shall be allocated to the Long Island Rail Road Company and Metro-North commuter railroad company in accordance with the procedures for payment and distribution specified in section twelve hundred seventy-c of the public authorities law, for payment, subject to appropriation, to the metropolitan transportation authority dedicated tax fund established pursuant to section twelve hundred seventy-c of the public authorities law.

§ 2. Paragraph 3 of subdivision g of section 1109 of the tax law, as amended by section 2 of part GG of chapter 57 of the laws of 2010, is amended to read as follows:

(3) By the fifteenth day of the month in which the commissioner has made the certifications to the comptroller described in paragraph two of this subdivision, the comptroller shall bill any county, city or school district in such metropolitan commuter transportation district which provides such clothing and footwear exemption, and any city in such district in which the taxes imposed by section eleven hundred eight of this part are in effect, an amount equal to one-half of the amount certified to the comptroller by the commissioner in respect of such county, city or school district; and such county, city or school district shall pay the amount of such bill to the comptroller by the twenty-fifth day of such month. The comptroller shall deposit any such amounts received [~~in the mass transportation operating assistance fund established by section eighty-eight-a of the state finance law to the credit of the metropolitan mass transportation operating assistance account therein~~] **as provided in subdivision (d) of this section**.

§ 3. Paragraph 4 of subdivision g of section 1109 of the tax law, as amended by section 2 of part GG of chapter 57 of the laws of 2010, is amended to read as follows:

(4) In the event that a county, city or school district imposing tax pursuant to the authority of subpart B of part I of article twenty-nine of this chapter does not pay in full a bill described in paragraph three of this subdivision by the twenty-fifth day of the month described in paragraphs two and three of this subdivision, the comptroller shall deduct any amount not paid from the amount of the next payment or payments due such county, city or school district pursuant to subdivision (c) of section twelve hundred sixty-one of this chapter until such amount not paid has been recovered. The comptroller shall deposit the amounts so deducted and recovered [~~in the mass transportation operating assistance fund~~] to be credited as provided in paragraph three of this subdivision.

§ 4. Paragraph 5 of subdivision g of section 1109 of the tax law, as amended by section 2 of part GG of chapter 57 of the laws of 2010, is amended to read as follows:

(5) In the event that a city in which the taxes imposed by section eleven hundred eight of this article are in effect does not pay in full a bill described in paragraph three of this subdivision by the twenty-fifth day of the month described in paragraphs two and three of this subdivision, the comptroller shall deduct any amount not paid from the amount of any other moneys due such city from the comptroller, not otherwise pledged, dedicated or encumbered pursuant to other state law, until such amount not paid has been recovered. The comptroller shall deposit the amounts so deducted and recovered [~~in the mass transportation operating assistance fund~~] to be credited as provided in paragraph three of this subdivision.

§ 5. Paragraph 7 of subdivision g of section 1109 of the tax law, as amended by section 2 of part GG of chapter 57 of the laws of 2010, is amended to read as follows:

(7) On the same date that the comptroller is required to bill a county, city or school district an amount as provided in paragraph three of this subdivision, the comptroller shall, after having first made any deposits required by section ninety-two-r of the state finance law and only to the extent that there are moneys remaining after having made such required deposits, withdraw from the state treasury, to the debit of the general fund, an amount equal to the total of the amounts required to be billed to counties, cities and school districts pursuant to such subdivision three and deposit such total amount [~~in the mass transportation operating assistance fund~~] to be credited as provided in such paragraph three. The amount of any over calculation or under calculation determined in paragraph six of this subdivision shall likewise be applied to the amounts required to be deposited under this paragraph, so that the amounts deposited under this paragraph equal the total of the amounts required to be billed to counties, cities and school districts under such paragraph three, as adjusted, pursuant to paragraph six of this subdivision.

§ 6. Paragraph 3 of subdivision h of section 1109 of the tax law, as amended by section 2 of part M-1 of chapter 109 of the laws of 2006, is amended to read as follows:

(3) The comptroller shall, after having first made any deposits required by section ninety-two-r of the state finance law and only to the extent that there are moneys remaining after having made such required deposits, withdraw from the state treasury, to the debit of the general fund, and shall deposit the amount certified by the commissioner as such revenue foregone [~~in the mass transportation operating assistance fund established by section eighty-eight-a of the state finance law to the credit of the metropolitan mass transportation operating assistance account therein~~] **as provided in subdivision (d) of this section**.

§ 7. Paragraph (a) of subdivision 7 of section 88-a of the state finance law, as added by chapter 481 of the laws of 1981, is amended to read as follows:

(a) The "metropolitan mass transportation operating assistance account" shall consist of **that proportion of** the revenues derived from the taxes for the metropolitan transportation district imposed by section eleven hundred nine of the tax law **as specified in such section** and that proportion of the receipts received pursuant to the tax imposed by article [~~nine-a~~] **nine-A** of such law as specified in section one hundred seventy-one-a of such law, and that proportion of the receipts received pursuant to the tax imposed by article nine of such law as specified in section two hundred five of such law, and the receipts required to be deposited pursuant to the provisions of section one hundred eighty-two-a **of such law**, and all other moneys credited or transferred thereto from any other fund or source pursuant to law.

§ 8. Subdivision 3 of section 89-c of the state finance law, as amended by chapter 56 of the laws of 1993, is amended to read as follows:

3. Moneys in the dedicated mass transportation trust fund shall, following appropriation by the legislature, be utilized for the reconstruction, replacement, purchase, modernization, improvement, reconditioning, preservation and maintenance of mass transit facilities, vehicles and rolling stock, or the payment of debt service or operating expenses incurred by mass transit operating agencies, and for rail

projects authorized pursuant to section fourteen-j of the transportation law, for payments to the general debt service fund of amounts equal to amounts required for service contract payments related to rail projects as provided and authorized by section three hundred eighty-six of the public authorities law and for programs to assist small and minority and women-owned firms engaged in transportation construction and reconstruction projects, including a revolving fund for working capital loans, and a bonding guarantee assistance program in accordance with provisions of this chapter. It is the intent of the governor to submit and the legislature to enact in a budget bill for fiscal year nineteen hundred ninety-four--ninety-five, two appropriations from the dedicated mass transportation trust fund to the metropolitan transportation authority dedicated tax fund established by section twelve hundred seventy-c of the public authorities law. One such appropriation shall be equal to the amounts expected to be available for such purpose pursuant to subdivision (d) of section three hundred one-j of the tax law during the nineteen hundred ninety-four--ninety-five fiscal year and shall be effective in that fiscal year. The other such appropriation shall be equal to the amount expected to be available for such purpose pursuant to subdivision (d) of section three hundred one-j of the tax law during the nineteen hundred ninety-five--ninety-six fiscal year and shall, notwithstanding the provisions of section forty of this chapter, take effect on the first day of the nineteen hundred ninety-five--ninety-six fiscal year and lapse on the last day of that fiscal year. It is the intent of the governor to submit and the legislature to enact for each fiscal year after the nineteen hundred ninety-four--ninety-five fiscal year in an annual budget bill: (i) an appropriation for the amount expected to be available in the dedicated mass transportation trust fund during such fiscal year for the metropolitan transportation authority pursuant to subdivision (d) of section three hundred one-j of the tax law **and paragraph two of subdivision (d) of section eleven hundred nine of the tax law**, including any amounts on deposit therein from any prior year which have been previously appropriated, and (ii) an appropriation of the amounts projected by the director of the budget to be deposited in the metropolitan transportation authority dedicated tax fund from the dedicated mass transportation trust fund pursuant to subdivision (d) of section three hundred one-j of the tax law **and paragraph two of subdivision (d) of section eleven hundred nine of the tax law,** for the next succeeding fiscal year. Such appropriation for payment of revenues expected to be received in the succeeding fiscal year shall, notwithstanding section forty of this chapter, take effect on the first day of such succeeding fiscal year and lapse on the last day of such fiscal year. If for any fiscal year commencing on or after the first day of April, nineteen hundred ninety-four the governor fails to submit a budget bill containing the foregoing, or the legislature fails to enact a bill with such provisions, then the authority shall notify the comptroller, the director of the budget, the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee of amounts required to be disbursed from the appropriation made during the preceding fiscal year for payment in such fiscal year. In no event shall the comptroller make any payments from such appropriation prior to May first of such fiscal year, and unless and until the director of the budget, the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee have been notified of the required payments and the timing of such payments to be made from the dedicated mass transportation trust fund to the metropol-

itan transportation authority dedicated tax fund at least forty-eight hours prior to any such payments. Until such time as payments pursuant to such appropriation are made in full, revenues in the dedicated mass transportation trust fund shall not be paid over to any person other than the metropolitan transportation authority. Nothing contained in this subdivision shall be deemed to restrict the right of the state to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to section three hundred one-j of the tax law**, the taxes imposed pursuant to paragraph two of subdivision (d) of section eleven hundred nine of the tax law,** or the appropriations relating thereto. The metropolitan transportation authority shall not include within any resolution, contract or agreement with holders of the bonds or notes issued under section twelve hundred sixty-nine of the public authorities law any provision which provides that a default occurs as a result of the state exercising its right to amend, repeal, modify or otherwise alter such taxes or appropriations.

§ 9. Subdivision 2 of section 1270-c of the public authorities law, as added by chapter 56 of the laws of 1993, is amended to read as follows:

2. There shall be deposited, pursuant to appropriation, into the fund the moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to the provisions of subdivision (d) of section three hundred one-j of the tax law, **paragraph two of subdivision (d) of section eleven hundred nine of the tax law,** and any other moneys collected for or transferred to such fund pursuant to section eighty-eight-a of the state finance law and any other provision of law directing or permitting the deposit of moneys in such fund.

§ 10. Subdivision 3 of section 1270-c of the public authorities law, as amended by section 30 of part O of chapter 61 of the laws of 2000, is amended to read as follows:

3. Moneys in the fund may be (a) pledged by the authority to secure and be applied to the payment of its bonds, notes or other obligations specified by the authority and issued to finance (i) transit projects undertaken for the New York city transit authority and its subsidiaries and (ii) transportation facilities undertaken for the authority and its subsidiaries and (b) used for payment of operating costs, and capital costs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto, and the payment of all costs related to such obligations, of or for the authority, the New York city transit authority and their subsidiaries as the authority shall determine. To the extent moneys in the fund have been pledged by the authority to secure and pay its bonds, notes or other obligations as herein provided, moneys deposited into the fund shall first be deposited into the pledged amounts account to the extent necessary to satisfy the requirements of any debt service or reserve requirements, if any, of the resolution authorizing such bonds, notes or other obligations. After satisfaction of such requirements of the resolution, or if the authority has not so pledged the moneys in the fund, moneys deposited in the fund shall be directly deposited into the operating and capital costs account and, subject to the provisions of any resolutions of the authority not secured by the pledged amounts account, transferred forthwith to or for the benefit of the New York city transit authority and its subsidiaries and the Staten Island rapid transit operating authority (the "TA") and to and for the benefit of the Long Island Rail Road company and the

Metro-North commuter rail road company (the "CRR") as provided in this section.

Moneys in the operating and capital costs account which were deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law **or paragraph two of subdivision (d) of section eleven hundred nine of the tax law** (the "remaining PBT amount") shall be distributed by the authority as follows: an amount equal to the debt service incurred in such calendar year as a result of obligations issued and secured by moneys in the fund, to the extent such debt service is to be paid from money deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law **or paragraph two of subdivision (d) of section eleven hundred nine of the tax law** ("PBT debt service"), shall be added to the remaining PBT amount. The sum of these figures shall then be allocated as follows: eighty-five per centum of such sum shall be allocated to the TA and fifteen per centum of such sum shall be allocated to the CRR. The amounts so allocated shall then be reduced respectively by the proportional amount of PBT debt service attributable to the payments for transit projects undertaken for the TA and transportation facility projects undertaken for the CRR. The remaining amounts shall constitute the respective distributable shares of the remaining PBT amount and shall be distributed to or for the benefit of the TA and the CRR.

Moneys in the operating and capital costs account which were deposited in the fund pursuant to section eighty-eight-a of the state finance law (the "remaining MMTOA amount") shall be distributed by the authority as follows: an amount equal to the debt service incurred in such calendar year as a result of obligations issued and secured by money in the fund, to the extent such debt service is to be paid from money deposited in the fund pursuant to section eighty-eight-a of the state finance law ("MMTOA debt service"), shall be added to the remaining MMTOA amount. The sum of these figures shall then be allocated as follows: there shall be allocated (i) to the TA an amount of such sum which bears the same proportion to such sum as the amount appropriated and paid during such calendar year from the metropolitan mass transportation operating assistance account to the authority for the operating expenses of the TA bears to the total amounts so appropriated and paid from such operating assistance account during such calendar year to the TA and CRR combined and (ii) to the CRR an amount of such sum which bears the same proportion to such sum as the amount appropriated and paid during such calendar year from the metropolitan mass transportation operating assistance account to the CRR bears to the total amounts so appropriated and paid from such operating assistance account during such calendar year to the TA and CRR combined. The amounts so allocated shall then be reduced respectively by the proportional amount of MMTOA debt service attributable to the payments for transit projects undertaken for the TA and transportation facility projects undertaken for the CRR. The remaining amounts shall constitute the respective distributable shares of the remaining MMTOA amount and shall be distributed to or for the benefit of the TA and the CRR. In no event shall the authority utilize any measure or calculation for determining such distributable shares other than the formula prescribed herein nor shall the authority take any action which

would result in the use of such money which is different from or inconsistent with the use prescribed in this section.

To the extent that amounts described in the preceding two paragraphs are distributed more frequently than annually, each such distribution shall be made as nearly as may be practicable in accordance with the allocations described above to the TA and the CRR. Within thirty days after the end of each calendar year, the authority shall certify to the director of the budget, the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee, the amount of money deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law**, paragraph two of subdivision (d) of section eleven hundred nine of the tax law,** and section eighty-eight-a of the state finance law, the amounts expended from the pledged amounts account for the benefit of the TA and the CRR, and the amounts of the remaining PBT amount and the remaining MMTOA amount distributed during the prior calendar year to the TA and the CRR and specifying in each case the appropriation or appropriations which was the source of such amounts.

§ 11. Subdivision 4 of section 1270-c of the public authorities law, as added by chapter 56 of the laws of 1993, is amended to read as follows:

4. Any money deposited in the fund shall be held in the fund free and clear of any claim by any person arising out of or in connection with article thirteen-A **and article twenty-eight** of the tax law. Without limiting the generality of the foregoing and without limiting the rights and duties of the commissioner of taxation and finance under article thirteen-A of the tax law, no petroleum business, as defined in section three hundred of the tax law, or any other person, including the state, shall have any right or claim against the authority, any of its bondholders, the TA or the CRR to any moneys in or distributed from the fund or in respect of a refund, rebate, credit or reimbursement of taxes paid under article thirteen-A **and article twenty-eight** of the tax law.

§ 12. This act shall take effect April 1, 2026.

PART XX

Section 1. Subdivision 12 of section 1269 of the public authorities law, as amended by section 1 of part I of chapter 58 of the laws of 2020, is amended to read as follows:

12. The aggregate principal amount of bonds, notes or other obligations issued after the first day of January, nineteen hundred ninety-three by the authority, the Triborough bridge and tunnel authority and the New York city transit authority to fund projects contained in capital program plans approved pursuant to section twelve hundred sixty-nine-b of this title for the period nineteen hundred ninety-two through two thousand [~~twenty-four~~] **twenty-nine** shall not exceed [~~ninety~~] **one hundred fifteen** billion [~~one~~] **five** hundred million dollars. Such aggregate principal amount of bonds, notes or other obligations or the expenditure thereof shall not be subject to any limitation contained in any other provision of law on the principal amount of bonds, notes or other obligations or the expenditure thereof applicable to the authority, the Triborough bridge and tunnel authority or the New York city transit authority. The aggregate limitation established by this subdivision shall not include (i) obligations issued to refund, redeem or

otherwise repay, including by purchase or tender, obligations theretofore issued either by the issuer of such refunding obligations or by the authority, the New York city transit authority or the Triborough bridge and tunnel authority, (ii) obligations issued to fund any debt service or other reserve funds for such obligations, (iii) obligations issued or incurred to fund the costs of issuance, the payment of amounts required under bond and note facilities, federal or other governmental loans, security or credit arrangements or other agreements related thereto and the payment of other financing, original issue premiums and related costs associated with such obligations, (iv) an amount equal to any original issue discount from the principal amount of such obligations or to fund capitalized interest, (v) obligations incurred pursuant to section twelve hundred seven-m of this article, (vi) obligations incurred to fund the acquisition of certain buses for the New York city transit authority as identified in a capital program plan approved pursuant to chapter fifty-three of the laws of nineteen hundred ninety-two, (vii) obligations incurred in connection with the leasing, selling or transferring of equipment, and (viii) bond anticipation notes or other obligations payable solely from the proceeds of other bonds, notes or other obligations which would be included in the aggregate principal amount specified in the first sentence of this subdivision, whether or not additionally secured by revenues of the authority, or any of its subsidiary corporations, New York city transit authority, or any of its subsidiary corporations, or Triborough bridge and tunnel authority.

§ 2. This act shall take effect immediately.

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

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