

STATE OF NEW YORK

9009--B

IN SENATE

January 21, 2026

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

AN ACT to amend the tax law, in relation to enhancing and reforming the child and dependent care credit (Part A); to amend the tax law, in relation to excluding certain tips earned from New York adjusted gross income (Part B); to amend the tax law, in relation to enacting the "NY-PROTECT ACT"; and providing for the repeal of such provisions upon expiration thereof (Part C); to amend the tax law, in relation to standardizing the definition of farmer for various credits; and to repeal certain provisions of such law relating thereto (Part D); to amend the tax law, in relation to extending the current corporate tax rates and providing new rates depending on an income base (Part E); to amend the tax law, in relation to the treatment of certain deductions allowable under the internal revenue code in calculating federal adjusted gross income (Part F); to amend the administrative code of the city of New York, in relation to the treatment of certain deductions allowable under the internal revenue code in calculating New York city taxable income for corporations (Part G); to amend the tax law, in relation to the pass-through entity tax and New York city pass-through entity tax election deadline (Part H); to amend the executive law and the tax law, in relation to extending the commercial security tax credit (Part I); to amend the tax law, in relation to enhancing the New York city musical and theatrical production tax credit (Part J); to amend the tax law and the state finance law, in relation to alternative nicotine products (Part K); intentionally omitted (Part L); intentionally omitted (Part M); establishing a sales and use tax reregistration program and a sales and use tax penalty and interest discount program (Part N); intentionally omitted (Part O); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through a vending machine for three years and conduct a study on the effect of such exemption (Part P); to amend part PP of chapter 58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy stor-

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

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age, in relation to extending the residential energy storage exemption for two years (Part Q); to amend the tax law, in relation to the petroleum business tax filing deadline for commercial vessel operators (Part R); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions (Part S); to amend the real property tax law and the tax law, in relation to making technical corrections to the STAR exemption and STAR credit programs; and to repeal certain provisions of the real property tax law relating thereto (Part T); to amend chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2031 (Part U); to amend the real property tax law, in relation to increasing the combined household income limit for eligibility for a senior citizen rent increase exemption (SCRIE), disability rent increase exemption (DRIE), senior citizen homeowners' exemption (SCHE), and disabled homeowners' exemption (DHE) on the basis of the consumer price index; to amend part U of chapter 55 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by senior citizens, in relation to the effectiveness thereof; and to amend chapter 129 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by persons with disabilities, in relation to the effectiveness thereof (Subpart A); and to amend the administrative code of the city of New York and the real property tax law, in relation to notice regarding the rent increase exemption for low income elderly persons and persons with disabilities programs (Subpart B) (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to conforming pari-mutuel tax provisions (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the utilization of funds in off-track betting corporations' capital acquisition funds (Part X); 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; 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 (Part Y); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain seasonal employee licensing requirements for additional race dates at Saratoga Racetrack (Part Z); to amend the tax law, in relation to residential solar tax credits (Part AA); to amend the tax law, in relation to tax on sales of motor fuel and petroleum products and to make conforming changes; to amend the tax law, in relation to taxes not authorized and the disposition of revenue; to repeal paragraph 3 of subdivision (f) and paragraph 4 of subdivision (g) of section 301-a of the tax law relating to manufacturing gallonage for purposes of the imposition of certain taxes; to repeal subdivisions (i), (j), and (l) of section 301-c of the tax law relating to reimbursement; to repeal section 301-d of the tax law relating to a utility credit or reimbursement; to repeal subdivision (f) of section 301-e of the tax law relating to an

aviation fuel business which services four or more cities; to repeal subparagraph (xi) of paragraph 3 of subdivision (c) of section 1105 of the tax law relating to services rendered with respect to certain property; and to repeal paragraph 9 of subdivision (a) of section 1115 of the tax law relating to fuel sold to an airline for use in its airplanes (Part BB); to amend the tax law and the administrative code of the city of New York, in relation to treatment of gains from qualified opportunity zones in calculating taxable income (Part CC); to amend the tax law, in relation to tax credits for volunteer firefighters and volunteer ambulance workers (Part DD); 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 making the provisions thereof permanent (Part EE); to amend the tax law, in relation to top personal income tax rates (Part FF); to amend the tax law, in relation to the limitation on the pass-through entity tax credit (Part GG); to amend the tax law, in relation to authorizing the city of Buffalo to impose real estate transfer taxes (Part HH); to repeal subdivision (jj) of section 1115 of the tax law relating to sales and compensating use taxes imposed with respect to vessels; and to repeal subdivision 13 of section 1118 of the tax law relating to sales and compensating use taxes imposed with respect to vessels (Part II); to amend the tax law, in relation to designating revenue collected by the opioid excise tax for the New York state drug treatment and public education fund (Part JJ); to amend the tax law, in relation to establishing a tax credit for food service establishment donations to food pantries (Part KK); to amend the tax law, in relation to increasing tax credits for donations to food pantries by farmers (Part LL); to amend the tax law, in relation to establishing a tax on noise emissions from non-essential helicopter and seaplane flights in cities with a population of one million or more (Part MM); to amend the tax law, in relation to requiring the state to keep state lottery winners identities anonymous to the general public unless the lottery winner gives their consent (Part NN); to amend the tax law, in relation to the sales and use tax exemption for certain transactions in precious metal bullion held for investment purposes (Part OO); to amend the tax law, in relation to modifications increasing federal adjusted gross income (Part PP); to amend the tax law, in relation to authorizing the city of Albany to impose real estate transfer taxes (Part QQ); to amend the tax law and the administrative code of the city of New York, in relation to decreasing the amount of the credit allowed for the city pass-through entity tax against the city personal income tax (Part RR); to amend chapter 772 of the laws of 1966, relating to enabling any city having a population of one million or more to raise tax revenue, and the administrative code of the city of New York, in relation to increasing tax rates imposed on unincorporated businesses and corporations in New York city for taxable years beginning on or after January first, two thousand twenty-six, upon adoption of a local law by the local legislative body of the city of New York (Part SS); and to amend the tax law and the administrative code of the city of New York, in relation to increasing the rate of tax on certain conveyances of real property, transfers of leasehold interests, and transfers of controlling economic interests in real property in the city of New York (Part TT)

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 2026-2027 state fiscal year. Each component is wholly contained within a Part identified as Parts A through TT. 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. Paragraph 1 of subsection (c) of section 606 of the tax law, as amended by section 1 of part M of chapter 63 of the laws of 2000, is amended to read as follows:

(1) [A] For taxable years beginning before January first, two thousand twenty-six, a taxpayer shall be allowed a credit as provided herein equal to the applicable percentage of the credit allowable under section twenty-one of the internal revenue code for the same taxable year (without regard to whether the taxpayer in fact claimed the credit under such section twenty-one for such taxable year). The applicable percentage shall be the sum of (i) twenty percent and (ii) a multiplier multiplied by a fraction. For taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, the numerator of such fraction shall be the lesser of (i) four thousand dollars or (ii) fourteen thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For the taxable year beginning in nineteen hundred ninety-eight, the numerator of such fraction shall be the lesser of (i) thirteen thousand dollars or (ii) thirty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For taxable years beginning in nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) fifty thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. For taxable years beginning after nineteen hundred ninety-nine, the numerator of such fraction shall be the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand dollars less the New York adjusted gross income for the taxable year, provided, however, the numerator shall not be less than zero. The denominator of such fraction shall be four thousand dollars for taxable years beginning in nineteen hundred ninety-six and nineteen hundred ninety-seven, thirteen thousand dollars for the taxable year beginning in nineteen hundred ninety-eight, and fifteen thousand dollars for taxable years beginning after nineteen hundred ninety-eight. The multiplier shall be ten percent for taxable years beginning in nineteen hundred ninety-six, forty percent for taxable years beginning in nineteen hundred ninety-seven, and eighty percent for taxable years beginning after nineteen hundred ninety-seven. Provided, however, for taxable years beginning after nineteen hundred ninety-nine, for a person whose New York adjusted gross income is less than forty thousand dollars, such applicable percentage shall be equal to (i) one hundred percent, plus

(ii) ten percent multiplied by a fraction whose numerator shall be the lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars less the New York adjusted gross income for the taxable year, provided such numerator shall not be less than zero, and whose denominator shall be fifteen thousand dollars. Provided, further, that if the reversion event, as defined in this paragraph, occurs, the applicable percentage shall, for taxable years ending on or after the date on which the reversion event occurred, be determined using the rules specified in this paragraph applicable to taxable years beginning in nineteen hundred ninety-nine. The reversion event shall be deemed to have occurred on the date on which federal action, including but not limited to, administrative, statutory or regulatory changes, materially reduces or eliminates New York state's allocation of the federal temporary assistance for needy families block grant, or materially reduces the ability of the state to spend federal temporary assistance for needy families block grant funds for the credit for certain household and dependent care services necessary for gainful employment or to apply state general fund spending on the credit for certain household and dependent care services necessary for gainful employment toward the temporary assistance for needy families block grant maintenance of effort requirement, and the commissioner of the office of temporary and disability assistance shall certify the date of such event to the commissioner, the director of the division of the budget, the speaker of the assembly and the temporary president of the senate.

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

(c-2) New York state child and dependent care credit. (1) For taxable years beginning on or after January first, two thousand twenty-six, an eligible taxpayer shall be allowed a credit as provided herein to enable the eligible taxpayer to be gainfully employed or a full-time student at an educational institution for any period of the taxable year. If the amount of the credit allowed under this subsection for any taxable year shall exceed the eligible 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 six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

(2) For the purposes of this subsection:

(A) "Eligible taxpayer" shall mean a resident individual as defined in paragraph one of subsection (b) of section six hundred five of this article who, during the taxable year: (i) is not a dependent of another taxpayer pursuant to section one hundred fifty-two of the internal revenue code; and (ii) is not a resident married individual filing a separate return unless such individual meets the conditions in paragraph four of subdivision (e) of section twenty-one of the internal revenue code. Provided, however, where married individuals file a joint federal return, but are required to determine their New York taxes separately pursuant to subsection (b) of section six hundred fifty-one of this article, the credit allowed pursuant to this subsection may only be applied against the tax imposed on the spouse with the lower New York adjusted gross income.

(B) "Qualifying individual" shall mean an individual who: (i) is under the age of thirteen at the close of the taxable year or is physically or mentally incapable of caring for themselves during the taxable year; (ii) resides with the eligible taxpayer for more than one-half of the taxable year; and (iii) is claimed as a dependent pursuant to section one hundred fifty-two of the internal revenue code, or could otherwise

1 be claimed as a dependent. Provided, a qualifying individual shall also
2 include an individual where a noncustodial parent claims such individual
3 under subsection (e) of section one hundred fifty-two of the internal
4 revenue code or the individual is the eligible taxpayer's spouse who is
5 physically or mentally incapable of caring for themselves during the
6 taxable year and resides with the eligible taxpayer for more than one-
7 half of the taxable year.

8 (C) "Earned income" shall mean the wages, salaries, tips and other
9 employee compensation, and those items of gross income which are inclu-
10 dible in the computation of net earnings from self-employment.

11 (D) (i) "Qualifying expenses" shall mean the sum of the amount
12 incurred and paid in the taxable year directly by an eligible taxpayer
13 for: a. services provided in and about the eligible taxpayer's resi-
14 dence to provide care for any qualifying individual, including such
15 expenses for the room and board of any such caregiver; and b. non-over-
16 night services provided outside of the eligible taxpayer's residence to
17 provide care for any qualifying individual; provided, however, that
18 amounts incurred or paid for which the primary purpose is educational
19 shall not be included.

20 (ii) Provided, however, "qualifying expenses" shall not include: a.
21 any amounts paid whereby the taxpayer receives reimbursement or are paid
22 from funds provided by a government entity, dependent care account, or
23 other third party; b. any amounts paid to a dependent of the taxpayer
24 for which the taxpayer or the taxpayer's spouse is entitled to a
25 deduction for the taxable year under subsection (c) of section one
26 hundred fifty-one of the internal revenue code; or c. any amounts paid
27 to a child of the taxpayer as defined in paragraph one of subsection (f)
28 of section one hundred fifty-two of the internal revenue code who has
29 not attained the age of nineteen at the close of the taxable year.

30 (iii) For the purposes of the credit provided pursuant to this
31 subsection, an eligible taxpayer's qualifying expenses shall not exceed:
32 a. three thousand dollars, in the case of an eligible taxpayer with
33 one qualifying individual;

34 b. six thousand dollars, in the case of an eligible taxpayer with two
35 qualifying individuals;

36 c. seven thousand five hundred dollars, in the case of an eligible
37 taxpayer with three qualifying individuals;

38 d. eight thousand five hundred dollars, in the case of an eligible
39 taxpayer with four qualifying individuals; and

40 e. nine thousand dollars, in the case of an eligible taxpayer with
41 five or more qualifying individuals.

42 Provided, further, that an eligible taxpayer's qualifying expenses
43 shall not exceed such eligible taxpayer's earned income as defined in
44 subparagraph (C) of this paragraph, or in the case of a married eligible
45 taxpayer filing a joint return, the lesser of the earned income of each
46 spouse determined separately.

47 (E) "Applicable percentage" shall mean: (i) fifty-five percent in the
48 case of an eligible taxpayer with a New York adjusted gross income
49 determined pursuant to section six hundred twelve of this article of
50 fifteen thousand dollars or less; or (ii) fifty-five percent reduced by
51 twenty-five hundred thousandths of a percentage point for each dollar of
52 an eligible taxpayer's New York adjusted gross income determined pursu-
53 ant to section six hundred twelve of this article in excess of fifteen
54 thousand dollars. Provided, however, that the applicable percentage for
55 an eligible taxpayer shall not be reduced below four percent.

(3) The amount of the credit allowed to an eligible taxpayer under this subsection shall be the product of the eligible taxpayer's qualifying expenses determined pursuant to subparagraph (D) of paragraph two of this subsection and the applicable percentage determined pursuant to subparagraph (E) of paragraph two of this subsection.

(3-a) Provided, however, that for taxable years beginning on or after January first, two thousand twenty-six, the credit allowed under this subsection shall be reduced by twenty dollars for each one thousand dollars by which the eligible taxpayer's New York adjusted gross income determined pursuant to section six hundred twelve of this article exceeds five hundred thousand dollars, or, in the case of a joint return, by twenty dollars for each one thousand dollars by which such taxpayer's New York adjusted gross income determined pursuant to section six hundred twelve of this article exceeds one million dollars; provided, further, that the credit shall never be reduced below zero.

(4) To be eligible for the credit provided by this subsection, an eligible taxpayer shall provide the following information to the satisfaction of the commissioner: (i) the amount of qualifying expenses; (ii) identifying information related to the care provider; (iii) identifying information related to the qualifying individual for whom the expenses were incurred; and (iv) any other information as required.

(5) Any references to the internal revenue code in this subsection shall be to the internal revenue code as it existed prior to January first, two thousand twenty-five.

§ 3. Paragraph 3 of subsection (e) of section 697 of the tax law, as amended by chapter 284 of the laws of 2016, is amended to read as follows:

(3) Nothing herein shall be construed to prohibit the department, its officers or employees from furnishing information to the office of temporary and disability assistance relating to the payment of the credit for certain household and dependent care services necessary for gainful employment under subsection (c) of section six hundred six of this article, the New York state child and dependent care credit under subsection (c-2) of section six hundred six of this article, and the earned income credit under subsection (d) of section six hundred six of this article and the enhanced earned income credit under subsection (d-1) of section six hundred six of this article, or pursuant to a local law enacted by a city having a population of one million or more pursuant to subsection (f) of section thirteen hundred ten of this chapter, only to the extent necessary to calculate qualified state expenditures under paragraph seven of subdivision (a) of section four hundred nine of the federal social security act or to document the proper expenditure of federal temporary assistance for needy families funds under section four hundred three of such act. The office of temporary and disability assistance may redisclose such information to the United States department of health and human services only to the extent necessary to calculate such qualified state expenditures or to document the proper expenditure of such federal temporary assistance for needy families funds. Nothing herein shall be construed to prohibit the delivery by the commissioner to a commissioner of jurors, appointed pursuant to section five hundred four of the judiciary law, or, in counties within cities having a population of one million or more, to the county clerk of such county, or to the clerk of the court or jury administrator of a United States district court appointed pursuant to title twenty-eight of the United States Code, section 1836(b)(2), of a mailing list of individuals to whom income tax forms are mailed by the commissioner for the sole

1 purpose of compiling a list of prospective jurors as provided in article
2 sixteen of the judiciary law or title twenty-eight of the United States
3 Code. Provided, however, such delivery shall only be made pursuant to an
4 order of the chief administrator of the courts, appointed pursuant to
5 section two hundred ten of the judiciary law or an order of a chief
6 judge of any United States district court in New York State. No such
7 order may be issued unless such chief administrator or chief judge of
8 such United States district court is satisfied that such mailing list is
9 needed to compile a proper list of prospective jurors for the county or
10 such United States district court for which such order is sought and
11 that, in view of the responsibilities imposed by the various laws of the
12 state on the department, it is reasonable to require the commissioner to
13 furnish such list. Such order shall provide that such list shall be used
14 for the sole purpose of compiling a list of prospective jurors and that
15 such commissioner of jurors, or such county clerk, or clerk of the court
16 or jury administrator of such United States district court shall take
17 all necessary steps to insure that the list is kept confidential and
18 that there is no unauthorized use or disclosure of such list. Further-
19 more, nothing herein shall be construed to prohibit the delivery to a
20 taxpayer or [~~his or her~~] their duly authorized representative of a
21 certified copy of any return or report filed in connection with [~~his or~~
22 ~~her~~] their tax or to prohibit the publication of statistics so classi-
23 fied as to prevent the identification of particular reports or returns
24 and the items thereof, or the inspection by the attorney general or
25 other legal representatives of the state of the report or return of any
26 taxpayer or of any employer filed under section one hundred
27 seventy-one-h of this chapter, where such taxpayer or employer shall
28 bring action to set aside or review the tax based thereon, or against
29 whom an action or proceeding under this chapter or under this chapter
30 and article eighteen of the labor law has been recommended by the
31 commissioner, the commissioner of labor with respect to unemployment
32 insurance matters, or the attorney general or has been instituted, or
33 the inspection of the reports or returns required under this article by
34 the comptroller or duly designated officer or employee of the state
35 department of audit and control, for purposes of the audit of a refund
36 of any tax paid by a taxpayer under this article, or the furnishing to
37 the state department of labor of unemployment insurance information
38 obtained or derived from quarterly combined withholding, wage reporting
39 and unemployment insurance returns required to be filed by employers
40 pursuant to paragraph four of subsection (a) of section six hundred
41 seventy-four of this article, for purposes of administration of such
42 department's unemployment insurance program, employment services
43 program, federal and state employment and training programs, employment
44 statistics and labor market information programs, worker protection
45 programs, federal programs for which the department has administrative
46 responsibility or for other purposes deemed appropriate by the commis-
47 sioner of labor consistent with the provisions of the labor law, and
48 redisclosure of such information in accordance with the provisions of
49 sections five hundred thirty-six and five hundred thirty-seven of the
50 labor law or any other applicable law, or the furnishing to the state
51 office of temporary and disability assistance of information obtained or
52 derived from New York state personal income tax returns as described in
53 paragraph (b) of subdivision two of section one hundred seventy-one-g of
54 this chapter for the purpose of reviewing support orders enforced pursu-
55 ant to title six-A of article three of the social services law to aid in
56 the determination of whether such orders should be adjusted, or the

1 furnishing of information obtained from the reports required to be
2 submitted by employers regarding newly hired or re-hired employees
3 pursuant to section one hundred seventy-one-h of this chapter to the
4 state office of temporary and disability assistance, the state depart-
5 ment of health, the state department of labor and the workers' compen-
6 sation board for purposes of administration of the child support
7 enforcement program, verification of individuals' eligibility for one or
8 more of the programs specified in subsection (b) of section eleven
9 hundred thirty-seven of the federal social security act and for other
10 public assistance programs authorized by state law, and administration
11 of the state's employment security and workers' compensation programs,
12 and to the national directory of new hires established pursuant to
13 section four hundred fifty-three-A of the federal social security act
14 for the purposes specified in such section, or the furnishing to the
15 state office of temporary and disability assistance of the amount of an
16 overpayment of income tax and interest thereon certified to the comp-
17 troller to be credited against past-due support pursuant to section one
18 hundred seventy-one-c of this chapter and of the name and social securi-
19 ty number of the taxpayer who made such overpayment, or the disclosing
20 to the commissioner of finance of the city of New York, pursuant to
21 section one hundred seventy-one-l of this chapter, of the amount of an
22 overpayment and interest thereon certified to the comptroller to be
23 credited against a city of New York tax warrant judgment debt and of the
24 name and social security number of the taxpayer who made such overpay-
25 ment, or the furnishing to the New York state higher education services
26 corporation of the amount of an overpayment of income tax and interest
27 thereon certified to the comptroller to be credited against the amount
28 of a default in repayment of any education loan debt, including judg-
29 ments, owed to the federal or New York state government that is being
30 collected by the New York state higher education services corporation,
31 and of the name and social security number of the taxpayer who made such
32 overpayment, or the furnishing to the state department of health of the
33 information required by paragraph (f) of subdivision two and subdivision
34 two-a of section two thousand five hundred eleven of the public health
35 law and by subdivision eight of section three hundred sixty-six-a of the
36 social services law, or the furnishing to the state university of New
37 York or the city university of New York respectively or the attorney
38 general on behalf of such state or city university the amount of an
39 overpayment of income tax and interest thereon certified to the comp-
40 troller to be credited against the amount of a default in repayment of a
41 state university loan pursuant to section one hundred seventy-one-e of
42 this chapter and of the name and social security number of the taxpayer
43 who made such overpayment, or the disclosing to a state agency, pursuant
44 to section one hundred seventy-one-f of this chapter, of the amount of
45 an overpayment and interest thereon certified to the comptroller to be
46 credited against a past-due legally enforceable debt owed to such agency
47 and of the name and social security number of the taxpayer who made such
48 overpayment, or the furnishing of employee and employer information
49 obtained through the wage reporting system, pursuant to section one
50 hundred seventy-one-a of this chapter, as added by chapter five hundred
51 forty-five of the laws of nineteen hundred seventy-eight, to the state
52 office of temporary and disability assistance, the department of health
53 or to the state office of the medicaid inspector general for the purpose
54 of verifying eligibility for and entitlement to amounts of benefits
55 under the social services law or similar law of another jurisdiction,
56 locating absent parents or other persons legally responsible for the

1 support of applicants for or recipients of public assistance and care
2 under the social services law and persons legally responsible for the
3 support of a recipient of services under section one hundred eleven-g of
4 the social services law and, in appropriate cases, establishing support
5 obligations pursuant to the social services law and the family court act
6 or similar provision of law of another jurisdiction for the purpose of
7 evaluating the effect on earnings of participation in employment, train-
8 ing or other programs designed to promote self-sufficiency authorized
9 pursuant to the social services law by current recipients of public
10 assistance and care and by former applicants and recipients of public
11 assistance and care, (except that with regard to former recipients,
12 information which relates to a particular former recipient shall be
13 provided with client identifying data deleted), to the state office of
14 temporary and disability assistance for the purpose of determining the
15 eligibility of any child in the custody, care and custody or custody and
16 guardianship of a local social services district or of the office of
17 children and family services for federal payments for foster care and
18 adoption assistance pursuant to the provisions of title IV-E of the
19 federal social security act by providing information with respect to the
20 parents, the stepparents, the child and the siblings of the child who
21 were living in the same household as such child during the month that
22 the court proceedings leading to the child's removal from the household
23 were initiated, or the written instrument transferring care and custody
24 of the child pursuant to the provisions of section three hundred fifty-
25 eight-a or three hundred eighty-four-a of the social services law was
26 signed, provided however that the office of temporary and disability
27 assistance shall only use the information obtained pursuant to this
28 subdivision for the purpose of determining the eligibility of such child
29 for federal payments for foster care and adoption assistance pursuant to
30 the provisions of title IV-E of the federal social security act, and to
31 the state department of labor, or other individuals designated by the
32 commissioner of labor, for the purpose of the administration of such
33 department's unemployment insurance program, employment services
34 program, federal and state employment and training programs, employment
35 statistics and labor market information programs, worker protection
36 programs, federal programs for which the department has administrative
37 responsibility or for other purposes deemed appropriate by the commis-
38 sioner of labor consistent with the provisions of the labor law, and
39 redisclosure of such information in accordance with the provisions of
40 sections five hundred thirty-six and five hundred thirty-seven of the
41 labor law, or the furnishing of information, which is obtained from the
42 wage reporting system operated pursuant to section one hundred seventy-
43 one-a of this chapter, as added by chapter five hundred forty-five of
44 the laws of nineteen hundred seventy-eight, to the state office of
45 temporary and disability assistance so that it may furnish such informa-
46 tion to public agencies of other jurisdictions with which the state
47 office of temporary and disability assistance has an agreement pursuant
48 to paragraph (h) or (i) of subdivision three of section twenty of the
49 social services law, and to the state office of temporary and disability
50 assistance for the purpose of fulfilling obligations and responsibil-
51 ities otherwise incumbent upon the state department of labor, under
52 section one hundred twenty-four of the federal family support act of
53 nineteen hundred eighty-eight, by giving the federal parent locator
54 service, maintained by the federal department of health and human
55 services, prompt access to such information as required by such act, or
56 to the state department of health to verify eligibility under the child

1 health insurance plan pursuant to subdivisions two and two-a of section
2 two thousand five hundred eleven of the public health law, to verify
3 eligibility under the medical assistance and family health plus programs
4 pursuant to subdivision eight of section three hundred sixty-six-a of
5 the social services law, and to verify eligibility for the program for
6 elderly pharmaceutical insurance coverage under title three of article
7 two of the elder law, or to the office of vocational and educational
8 services for individuals with disabilities of the education department,
9 the commission for the blind and any other state vocational rehabili-
10 tation agency, for purposes of obtaining reimbursement from the federal
11 social security administration for expenditures made by such office,
12 commission or agency on behalf of disabled individuals who have achieved
13 economic self-sufficiency or to the higher education services corpo-
14 ration for the purpose of assisting the corporation in default
15 prevention and default collection of education loan debt, including
16 judgments, owed to the federal or New York state government; provided,
17 however, that such information shall be limited to the names, social
18 security numbers, home and/or business addresses, and employer names of
19 defaulted or delinquent student loan borrowers, or to the office of the
20 state comptroller for purposes of verifying the income of a retired
21 member of a retirement system or pension plan administered by the state
22 or any of its political subdivisions who returns to public employment.

23 Provided, however, that with respect to employee information the
24 office of temporary and disability assistance shall only be furnished
25 with the names, social security account numbers and gross wages of those
26 employees who are (A) applicants for or recipients of benefits under the
27 social services law, or similar provision of law of another jurisdiction
28 (pursuant to an agreement under subdivision three of section twenty of
29 the social services law) or, (B) absent parents or other persons legally
30 responsible for the support of applicants for or recipients of public
31 assistance and care under the social services law or similar provision
32 of law of another jurisdiction (pursuant to an agreement under subdivi-
33 sion three of section twenty of the social services law), or (C) persons
34 legally responsible for the support of a recipient of services under
35 section one hundred eleven-g of the social services law or similar
36 provision of law of another jurisdiction (pursuant to an agreement under
37 subdivision three of section twenty of the social services law), or (D)
38 employees about whom wage reporting system information is being
39 furnished to public agencies of other jurisdictions, with which the
40 state office of temporary and disability assistance has an agreement
41 pursuant to paragraph (h) or (i) of subdivision three of section twenty
42 of the social services law, or (E) employees about whom wage reporting
43 system information is being furnished to the federal parent locator
44 service, maintained by the federal department of health and human
45 services, for the purpose of enabling the state office of temporary and
46 disability assistance to fulfill obligations and responsibilities other-
47 wise incumbent upon the state department of labor, under section one
48 hundred twenty-four of the federal family support act of nineteen
49 hundred eighty-eight, and, only if, the office of temporary and disabil-
50 ity assistance certifies to the commissioner that such persons are such
51 applicants, recipients, absent parents or persons legally responsible
52 for support or persons about whom information has been requested by a
53 public agency of another jurisdiction or by the federal parent locator
54 service and further certifies that in the case of information requested
55 under agreements with other jurisdictions entered into pursuant to
56 subdivision three of section twenty of the social services law, that

such request is in compliance with any applicable federal law. Provided, further, that where the office of temporary and disability assistance requests employee information for the purpose of evaluating the effects on earnings of participation in employment, training or other programs designed to promote self-sufficiency authorized pursuant to the social services law, the office of temporary and disability assistance shall only be furnished with the quarterly gross wages (excluding any reference to the name, social security number or any other information which could be used to identify any employee or the name or identification number of any employer) paid to employees who are former applicants for or recipients of public assistance and care and who are so certified to the commissioner by the commissioner of the office of temporary and disability assistance. Provided, further, that with respect to employee information, the department of health shall only be furnished with the information required pursuant to the provisions of paragraph (f) of subdivision two and subdivision two-a of section two thousand five hundred eleven of the public health law and subdivision eight of section three hundred sixty-six-a of the social services law, with respect to those individuals whose eligibility under the child health insurance plan, medical assistance program, and family health plus program is to be determined pursuant to such provisions and with respect to those members of any such individual's household whose income affects such individual's eligibility and who are so certified to the commissioner or by the department of health. Provided, further, that wage reporting information shall be furnished to the office of vocational and educational services for individuals with disabilities of the education department, the commission for the blind and any other state vocational rehabilitation agency only if such office, commission or agency, as applicable, certifies to the commissioner that such information is necessary to obtain reimbursement from the federal social security administration for expenditures made on behalf of disabled individuals who have achieved self-sufficiency. Reports and returns shall be preserved for three years and thereafter until the commissioner orders them to be destroyed.

§ 4. This act shall take effect immediately.

PART B

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

(48) For taxable years beginning on or after January first, two thousand twenty-six, an amount of up to twenty-five thousand dollars to the extent allowed as a federal deduction pursuant to section two hundred twenty-four of the internal revenue code.

§ 2. This act shall take effect immediately.

PART C

Section 1. This act shall be known and may be cited as the "NY-PROTECT ACT".

§ 2. The tax law is amended by adding a new section 27-a to read as follows:

§ 27-a. Improper suspension of tax-exempt status by the United States Internal Revenue Service. 1. Notwithstanding any state or local law, every organization designated by the Internal Revenue Service of the United States under section 501(c)(3) of the Internal Revenue Code as a

1 tax-exempt organization as of January nineteenth, two thousand twenty-
2 five shall automatically maintain their tax-exempt status for New York
3 state purposes until the earlier of: (a) a determination by the commis-
4 sioner pursuant to an application as provided by this section; or (b)
5 January first, two thousand twenty-six.

6 2. (a) Within ninety days of the effective date of this section, the
7 commissioner shall establish a procedure or application allowing an
8 organization that believes that the United States Internal Revenue
9 Service illegally or improperly revoked its designation as a tax-exempt
10 organization under section 501(c)(3) of the Internal Revenue Code to
11 establish to the satisfaction of the commissioner that the organization
12 meets the requirements of that section without regard to such revocation
13 or federal status. The commissioner shall designate such organization as
14 a "state protected not-for-profit organization" upon such satisfaction.

15 (b) The commissioner shall automatically designate an organization as
16 a "state protected not-for-profit organization" if the organization
17 provides to the commissioner a copy of a federal or state court ruling
18 in effect holding that the United States Internal Revenue Service acted
19 or likely acted illegally when it revoked the tax-exempt status of the
20 organization, regardless of whether the United States Internal Revenue
21 Service has complied with or is appealing such ruling.

22 3. An organization whose request to be designated as a "state
23 protected not-for-profit organization" is denied by the commissioner
24 shall have the right to appeal the determination using the procedure
25 prescribed by article forty of this chapter or otherwise prescribed
26 pursuant to this chapter, and must, in such proceeding, challenge the
27 merits of the determination made by the United States Internal Revenue
28 Service.

29 4. A "state protected not-for-profit organization" shall maintain its
30 tax-exempt status under New York state and local law without regard to
31 the change in its federal status. It shall, notwithstanding any other
32 state or local law or rule, be treated as if it were an organization
33 designated as a 501(c)(3) organization by the United States Internal
34 Revenue Service in respect to any tax, fee or other imposition adminis-
35 tered by the commissioner; and in respect to any sale, transfer or
36 assignment; and in respect to any tax, fee or other imposition adminis-
37 tered by a local government; and in respect to any contract, grant,
38 benefit, license, obligation, qualification, procedure or program estab-
39 lished or operated by or with the state or a local government, inclusive
40 of any agency, authority or subdivision thereof.

41 5. (a) The commissioner shall provide a determination to an organiza-
42 tion satisfying the requirements imposed by subdivision two of this
43 section with respect to a certification of its designation as a "state
44 protected not-for-profit organization" within thirty days of receipt of
45 a completed application.

46 (b) Notwithstanding any state or local law, rule or regulation or
47 procedure, this certification shall be accepted in lieu of any require-
48 ment that an organization provide documentation, or otherwise certify or
49 affirm, that it is an organization exempt from taxation under section
50 501(c)(3) of the Internal Revenue Code.

51 (c) The certification shall remain in effect until the earlier of
52 either April fifteenth of the year following the issuance of such
53 certificate, or one year after the date that the United States Internal
54 Revenue Service restores the designation of the organization as tax-ex-
55 empt; provided that the commissioner may revoke the certificate and
56 designation at any time if the commissioner determines that the organ-

1 ization: (i) no longer satisfies the requirements set forth in subdivi-
2 sion two of this section; or (ii) provided false information material to
3 the determination of the commissioner that the organization satisfied
4 such requirements.

5 (d) The commissioner may establish a truncated application or proce-
6 dure to allow for the renewal or re-issuance of such certification.

7 § 3. This act shall take effect immediately and shall be deemed to
8 have been in full force and effect on and after January 19, 2025, and
9 shall expire and be deemed repealed January 20, 2029.

10 PART D

11 Section 1. Paragraph (c) of section 42 of the tax law, as amended by
12 section 1 of part N of chapter 59 of the laws of 2019, is amended to
13 read as follows:

14 (c) For purposes of this section, the term "eligible farmer" [~~means a~~
15 ~~taxpayer whose federal gross income from farming as defined~~] shall have
16 the same meaning as set forth in subsection (n) of section six hundred
17 six of this chapter [~~for the taxable year is at least two thirds of~~
18 ~~excess federal gross income. Excess federal gross income means the~~
19 ~~amount of federal gross income from all sources for the taxable year in~~
20 ~~excess of thirty thousand dollars. For purposes of this section,~~
21 ~~payments from the state's farmland protection program, administered by~~
22 ~~the department of agriculture and markets, shall be included as federal~~
23 ~~gross income from farming for otherwise eligible farmers].~~

24 § 2. Paragraph (b) of section 42-a of the tax law, as amended by
25 section 2 of part KK of chapter 59 of the laws of 2025, is amended to
26 read as follows:

27 (b) For purposes of this section, the term "eligible farm employer"
28 means a taxpayer who received an overtime expense certificate pursuant
29 to section three hundred thirty-five of the agriculture and markets law
30 and [~~whose federal gross income from farming~~] who is an eligible farmer,
31 as defined in subsection (n) of section six hundred six of this chapter
32 for the taxable year [~~is at least two thirds of excess federal gross~~
33 ~~income. Excess federal gross income means the amount of federal gross~~
34 ~~income from all sources for the taxable year in excess of thirty thou-~~
35 ~~sand dollars. For purposes of this section, payments from the state's~~
36 ~~farmland protection program, administered by the department of agricul-~~
37 ~~ture and markets, shall be included as federal gross income from farming~~
38 ~~for otherwise eligible farmers].~~

39 § 3. Subdivision 11 of section 210-B of the tax law is amended by
40 adding a new paragraph (a-1) to read as follows:

41 (a-1) New York gross income from farming. For purposes of this subdivi-
42 vision, the term "New York gross income from farming" means a taxpayer's
43 federal gross income from farming, plus payments from the state's farm-
44 land protection program, administered by the department of agriculture
45 and markets, income from a commercial horse boarding operation as
46 defined by subdivision thirteen of section three hundred one of the
47 agriculture and markets law, and income from the production or sale of
48 maple syrup, Christmas trees, and cider or wine from a licensed New York
49 state farm cidery or winery, as provided for in section fifty-eight-c
50 and article six of the alcoholic beverage control law.

51 § 4. Paragraph (b) of subdivision 11 of section 210-B of the tax law,
52 as added by section 17 of part A of chapter 59 of the laws of 2014, is
53 amended to read as follows:

54 (b) Eligible farmer. For purposes of this subdivision, the term
55 "eligible farmer" means a taxpayer whose [~~federal~~] New York gross income

1 from farming for the taxable year, or whose average New York gross
2 income from farming for the current year and two prior taxable years, is
3 at least two-thirds of [~~excess~~] such taxpayer's federal gross income
4 from all sources less thirty thousand dollars. The term "eligible farm-
5 er" also includes a corporation other than the taxpayer of record for
6 qualified agricultural land which has paid the school district property
7 taxes on such land pursuant to a contract for the future purchase of
8 such land; provided that such corporation [~~has a federal gross income~~
9 ~~from farming for the taxable year which is at least two-thirds of excess~~
10 ~~federal gross income; and provided further that, in determining such~~
11 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~
12 ~~age of such federal gross income from farming for that taxable year and~~
13 ~~such income for the two consecutive taxable years immediately preceding~~
14 ~~such taxable year. Excess federal gross income means the amount of~~
15 ~~federal gross income from all sources for the taxable year in excess of~~
16 ~~thirty thousand dollars. For the purposes of this paragraph, payments~~
17 ~~from the state's farmland protection program, administered by the~~
18 ~~department of agriculture and markets, shall be included as federal~~
19 ~~gross income from farming for otherwise eligible farmers]~~ meets the
20 definition of eligible farmer pursuant to this paragraph.

21 § 5. Paragraph (i) of subdivision 11 of section 210-B of the tax law
22 is REPEALED.

23 § 6. Paragraph (b) of subdivision 52 of section 210-B of the tax law,
24 as added by section 4 of part DDD of chapter 59 of the laws of 2017, is
25 amended to read as follows:

26 (b) Eligible farmer. For purposes of this subdivision, the term
27 "eligible farmer" [~~means a taxpayer whose federal gross income from~~
28 ~~farming for the taxable year is at least two thirds of excess federal~~
29 ~~gross income. Excess federal gross income means the amount of federal~~
30 ~~gross income from all sources for the taxable year in excess of thirty~~
31 ~~thousand dollars. For purposes of this paragraph, payments from the~~
32 ~~state's farmland protection program, administered by the department of~~
33 ~~agriculture and markets, shall be included as federal gross income from~~
34 ~~farming for otherwise eligible farmers]~~ shall have the same meaning as
35 set forth subdivision eleven of this section.

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

38 (1-a) New York gross income from farming. For purposes of this
39 subsection, the term "New York gross income from farming" means a
40 taxpayer's federal gross income from farming, plus payments from the
41 state's farmland protection program, administered by the department of
42 agriculture and markets, income from a commercial horse boarding opera-
43 tion as defined by subdivision thirteen of section three hundred one of
44 the agriculture and markets law, and income from the production or sale
45 of maple syrup, Christmas trees, and cider or wine from a licensed New
46 York state farm cidery or winery, as provided for in section fifty-
47 eight-c and article six of the alcoholic beverage control law.

48 § 8. Paragraph 2 of subsection (n) of section 606 of the tax law, as
49 amended by chapter 297 of the laws of 2010, is amended to read as
50 follows:

51 (2) Eligible farmer. For purposes of this subsection, the term "eligi-
52 ble farmer" means a taxpayer whose [~~federal~~] New York gross income from
53 farming for the taxable year, or whose average New York gross income
54 from farming for the current year and two prior taxable years, is at
55 least two-thirds of [~~excess~~] such taxpayer's federal gross income from
56 all sources less thirty thousand dollars. The term "eligible farmer"

1 also includes an individual other than the taxpayer of record for quali-
2 fied agricultural land who has paid the school district property taxes
3 on such land pursuant to a contract for the future purchase of such
4 land; provided that such individual ~~[has a federal gross income from~~
5 ~~farming for the taxable year which is at least two-thirds of excess~~
6 ~~federal gross income; and provided further that, in determining such~~
7 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~
8 ~~age of such federal gross income from farming for that taxable year and~~
9 ~~such income for the two consecutive taxable years immediately preceding~~
10 ~~such taxable year. Excess federal gross income means the amount of~~
11 ~~federal gross income from all sources for the taxable year reduced by~~
12 ~~the sum (not to exceed thirty thousand dollars) of those items included~~
13 ~~in federal gross income which consist of (i) earned income, (ii) pension~~
14 ~~payments, including social security payments, (iii) interest, and (iv)~~
15 ~~dividends. For purposes of this paragraph, the term "earned income"~~
16 ~~shall mean wages, salaries, tips and other employee compensation, and~~
17 ~~those items of gross income which are includible in the computation of~~
18 ~~net earnings from self-employment. For the purposes of this paragraph,~~
19 ~~payments from the state's farmland protection program, administered by~~
20 ~~the department of agriculture and markets, shall be included as federal~~
21 ~~gross income from farming for otherwise eligible farmers]~~ meets the
22 definition of "eligible farmer" pursuant to this paragraph.

23 § 9. Paragraph 8 of subsection (n) of section 606 of the tax law is
24 REPEALED.

25 § 10. Paragraph 2 of subsection (n-2) of section 606 of the tax law,
26 as added by section 1 of part DDD of chapter 59 of the laws of 2017, is
27 amended to read as follows:

28 (2) Eligible farmer. For purposes of this subsection, the term "eligi-
29 ble farmer" ~~[means a taxpayer whose federal gross income from farming~~
30 ~~for the taxable year is at least two-thirds of excess federal gross~~
31 ~~income. Excess federal gross income means the amount of federal gross~~
32 ~~income from all sources for the taxable year reduced by the sum (not to~~
33 ~~exceed thirty thousand dollars) of those items included in federal gross~~
34 ~~income that consist of: (i) earned income, (ii) pension payments,~~
35 ~~including social security payments, (iii) interest, and (iv) dividends.~~
36 ~~For purposes of this paragraph, the term "earned income" shall mean~~
37 ~~wages, salaries, tips and other employee compensation, and those items~~
38 ~~of gross income that are includible in the computation of net earnings~~
39 ~~from self-employment. For the purposes of this paragraph, payments from~~
40 ~~the state's farmland protection program, administered by the department~~
41 ~~of agriculture and markets, shall be included as federal gross income~~
42 ~~from farming for otherwise eligible farmers]~~ shall have the same meaning
43 as set forth in subsection (n) of this section.

44 § 11. This act shall take effect immediately and shall apply to taxa-
45 ble years beginning on or after January 1, 2026.

46 PART E

47 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of
48 section 210 of the tax law, as amended by section 1 of subpart A of part
49 I of chapter 59 of the laws of 2023, is amended to read as follows:

50 For taxable years beginning before January first, two thousand
51 sixteen, the amount prescribed by this paragraph shall be computed at
52 the rate of seven and one-tenth percent of the taxpayer's business
53 income base. For taxable years beginning on or after January first, two
54 thousand sixteen, the amount prescribed by this paragraph shall be six

1 and one-half percent of the taxpayer's business income base. For taxable
2 years beginning on or after January first, two thousand twenty-one and
3 before January first, two thousand [~~twenty-seven~~ twenty-six] for any
4 taxpayer with a business income base for the taxable year of more than
5 five million dollars, the amount prescribed by this paragraph shall be
6 seven and one-quarter percent of the taxpayer's business income base.

7 For taxable years beginning on or after January first, two thousand
8 twenty-six and before January first, two thousand thirty for any taxpay-
9 er with a business income base for the taxable year of more than five
10 million dollars, the amount prescribed by this paragraph shall be nine
11 percent of the taxpayer's business income base. The taxpayer's business
12 income base shall mean the portion of the taxpayer's business income
13 apportioned within the state as hereinafter provided. However, in the
14 case of a small business taxpayer, as defined in paragraph (f) of this
15 subdivision, the amount prescribed by this paragraph shall be computed
16 pursuant to subparagraph (iv) of this paragraph and in the case of a
17 manufacturer, as defined in subparagraph (vi) of this paragraph, the
18 amount prescribed by this paragraph shall be computed pursuant to
19 subparagraph (vi) of this paragraph, and, in the case of a qualified
20 emerging technology company, as defined in subparagraph (vii) of this
21 paragraph, the amount prescribed by this paragraph shall be computed
22 pursuant to subparagraph (vii) of this paragraph.

23 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210
24 of the tax law, as amended by section 2 of subpart A of part I of chap-
25 ter 59 of the laws of 2023, is amended to read as follows:

26 (1) (i) The amount prescribed by this paragraph shall be computed
27 at .15 percent for each dollar of the taxpayer's total business capital,
28 or the portion thereof apportioned within the state as hereinafter
29 provided for taxable years beginning before January first, two thousand
30 sixteen. However, in the case of a cooperative housing corporation as
31 defined in the internal revenue code, the applicable rate shall be .04
32 percent until taxable years beginning on or after January first, two
33 thousand twenty and zero percent for taxable years beginning on or after
34 January first, two thousand twenty-one. The rate of tax for subsequent
35 tax years shall be as follows: .125 percent for taxable years beginning
36 on or after January first, two thousand sixteen and before January
37 first, two thousand seventeen; .100 percent for taxable years beginning
38 on or after January first, two thousand seventeen and before January
39 first, two thousand eighteen; .075 percent for taxable years beginning
40 on or after January first, two thousand eighteen and before January
41 first, two thousand nineteen; .050 percent for taxable years beginning
42 on or after January first, two thousand nineteen and before January
43 first, two thousand twenty; .025 percent for taxable years beginning on
44 or after January first, two thousand twenty and before January first,
45 two thousand twenty-one; and .1875 percent for years beginning on or
46 after January first, two thousand twenty-one and before January first,
47 two thousand [~~twenty-seven~~ thirty], and zero percent for taxable years
48 beginning on or after January first, two thousand [~~twenty-seven~~ thirty].
49 Provided however, for taxable years beginning on or after January first,
50 two thousand twenty-one, the rate of tax for a small business as defined
51 in paragraph (f) of this subdivision shall be zero percent. The rate of
52 tax for a qualified New York manufacturer shall be .132 percent for
53 taxable years beginning on or after January first, two thousand fifteen
54 and before January first, two thousand sixteen, .106 percent for taxable
55 years beginning on or after January first, two thousand sixteen and
56 before January first, two thousand seventeen, .085 percent for taxable

1 years beginning on or after January first, two thousand seventeen and
2 before January first, two thousand eighteen; .056 percent for taxable
3 years beginning on or after January first, two thousand eighteen and
4 before January first, two thousand nineteen; .038 percent for taxable
5 years beginning on or after January first, two thousand nineteen and
6 before January first, two thousand twenty; .019 percent for taxable
7 years beginning on or after January first, two thousand twenty and
8 before January first, two thousand twenty-one; and zero percent for
9 years beginning on or after January first, two thousand twenty-one. (ii)
10 In no event shall the amount prescribed by this paragraph exceed three
11 hundred fifty thousand dollars for qualified New York manufacturers and
12 for all other taxpayers five million dollars.

13 § 3. This act shall take effect immediately.

14 PART F

15 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax
16 law is amended by adding four new subparagraphs 24, 25, 26, and 27 to
17 read as follows:

18 (24) For taxable years beginning on or after January first, two thou-
19 sand twenty-five, in the case of qualified production property described
20 in paragraph two of subsection (n) of section one hundred sixty-eight of
21 the internal revenue code, the amount of any deduction allowed pursuant
22 to subsection (a) of section one hundred sixty-seven of the internal
23 revenue code as if the taxpayer has not made an election pursuant to
24 subsection (n) of section one hundred sixty-eight of the internal reven-
25 ue code.

26 (25) For taxable years beginning on or after January first, two thou-
27 sand twenty-five, the amount of any foreign and domestic research or
28 experimental expenditures, as defined in sections one hundred seventy-
29 four and 174A of the internal revenue code, paid or incurred in each
30 taxable year on and after January first, two thousand twenty-five, amor-
31 tized over a sixty-month period as if the election in subsection (c) of
32 section 174A of the internal revenue code applied to such foreign and
33 domestic research or experimental expenditures.

34 (26) For taxable years beginning on or after January first, two thou-
35 sand twenty-five, the remaining amount of any foreign and domestic
36 research or experimental expenditures, as defined in sections one
37 hundred seventy-four and 174A of the internal revenue code, paid or
38 incurred prior to January first, two thousand twenty-five, determined as
39 if section one hundred seventy-four of the internal revenue code in
40 effect as of January first, two thousand twenty-two, applied to such
41 expenditures.

42 (27) For taxable years beginning on or after January first, two thou-
43 sand twenty-five, in the case of section 179 property as described in
44 subsection (d) of section one hundred seventy-nine of the internal
45 revenue code with respect to such property the amount of any deduction
46 made pursuant to section 179 of the internal revenue code as it shall
47 have been in effect as of January first, two thousand twenty-two.

48 § 2. Paragraph (b) of subdivision 9 of section 208 of the tax law is
49 amended by adding three new subparagraphs 28, 29, and 30 to read as
50 follows:

51 (28) For taxable years beginning on or after January first, two thou-
52 sand twenty-five, in the case of qualified production property described
53 in paragraph two of subsection (n) of section one hundred sixty-eight of
54 the internal revenue code, any amount which the taxpayer claimed as a

deduction under subsection (a) of section one hundred sixty-seven of the internal revenue code that included an allowance solely as a result of an election made pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(29) For taxable years beginning on or after January first, two thousand twenty-five, any amount claimed as a deduction under sections one hundred seventy-four and 174A of the internal revenue code in effect as of January first, two thousand twenty-five, and any amount claimed as a deduction pursuant to federal Public Law 119-21, title VII, section 70302(f)(2)(a), for foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code.

(30) For taxable years beginning on or after January first, two thousand twenty-five, in the case of section 179 property described in subsection (d) of section one hundred seventy-nine of the internal revenue code with respect to such property the amount of the deduction allowable under section one hundred seventy-nine of the internal revenue code.

§ 3. Subsection (b) of section 612 of the tax law is amended by adding three new paragraphs 44, 45 and 46 to read as follows:

(44) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, any amount which the taxpayer claimed as a deduction under subsection (a) of section one hundred sixty-seven of the internal revenue code that included an allowance solely as a result of an election made pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(45) For taxable years beginning on or after January first, two thousand twenty-five, any amount claimed as a deduction under sections one hundred seventy-four and 174A of the internal revenue code in effect as of January first, two thousand twenty-five, and any amount claimed as a deduction pursuant to federal Public Law 119-21, title VII, section 70302(f)(2)(a), for foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code.

(46) For taxable years beginning after December thirty-first, two thousand twenty-five, in the case of section 179 property described in subsection (d) of section one hundred seventy-nine of the internal revenue code, with respect to such property the amount of the deduction allowable under section one hundred seventy-nine of the internal revenue code.

§ 4. Subsection (c) of section 612 of the tax law is amended by adding four new paragraphs 48, 49, 50, and 51 to read as follows:

(48) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, the amount of any deduction allowed pursuant to subsection (a) of section one hundred sixty-seven of the internal revenue code as if the taxpayer has not made an election pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(49) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code, paid or incurred in each

1 taxable year on and after January first, two thousand twenty-five, amor-
2 tized over a sixty-month period as if the election in subsection (c) of
3 section 174A of the internal revenue code applied to such foreign and
4 domestic research or experimental expenditures.

5 (50) For taxable years beginning on or after January first, two thou-
6 sand twenty-five, the remaining amount of any foreign and domestic
7 research or experimental expenditures, as defined in sections one
8 hundred seventy-four and 174A of the internal revenue code, paid or
9 incurred prior to January first, two thousand twenty-five, determined as
10 if section one hundred seventy-four of the internal revenue code in
11 effect as of January first, two thousand twenty-two, applied to such
12 expenditures.

13 (51) For taxable years beginning on or after January first, two thou-
14 sand twenty-five, in the case of section 179 property as described in
15 subsection (d) of section one hundred seventy-nine of the internal
16 revenue code with respect to such property the amount of any deduction
17 made pursuant to section 179 of the internal revenue code as it shall
18 have been in effect as of January first, two thousand twenty-two.

19 § 5. Paragraph 1 of subdivision (b) of section 1503 of the tax law is
20 amended by adding four new subparagraphs (X), (Y), (Z), and (AA) to read
21 as follows:

22 (X) For taxable years beginning on or after January first, two thou-
23 sand twenty-five, in the case of qualified production property described
24 in paragraph two of subsection (n) of section one hundred sixty-eight of
25 the internal revenue code, the amount of any deduction allowed pursuant
26 to subsection (a) of section one hundred sixty-seven of the internal
27 revenue code as if the taxpayer has not made an election pursuant to
28 subsection (n) of section one hundred sixty-eight of the internal reven-
29 ue code.

30 (Y) For taxable years beginning on or after January first, two thou-
31 sand twenty-five, the amount of any foreign and domestic research or
32 experimental expenditures, as defined in sections one hundred seventy-
33 four and 174A of the internal revenue code, paid or incurred in each
34 taxable year on and after January first, two thousand twenty-five, amor-
35 tized over a sixty-month period as if the election in subsection (c) of
36 section 174A of the internal revenue code applied to such foreign and
37 domestic research or experimental expenditures.

38 (Z) For taxable years beginning on or after January first, two thou-
39 sand twenty-five, the remaining amount of any foreign and domestic
40 research or experimental expenditures, as defined in sections one
41 hundred seventy-four and 174A of the internal revenue code, paid or
42 incurred prior to January first, two thousand twenty-five, determined as
43 if section one hundred seventy-four of the internal revenue code in
44 effect as of January first, two thousand twenty-two, applied to such
45 expenditures.

46 (AA) For taxable years beginning on or after January first, two thou-
47 sand twenty-five, in the case of section 179 property as described in
48 subsection (d) of section one hundred seventy-nine of the internal
49 revenue code with respect to such property the amount of any deduction
50 made pursuant to section 179 of the internal revenue code as it shall
51 have been in effect as of January first, two thousand twenty-two.

52 § 6. Paragraph 2 of subdivision (b) of section 1503 of the tax law is
53 amended by adding three new subparagraphs (AA), (BB), and (CC) to read
54 as follows:

55 (AA) For taxable years beginning on or after January first, two thou-
56 sand twenty-five, in the case of qualified production property described

in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, any amount which the taxpayer claimed as a deduction under subsection (a) of section one hundred sixty-seven of the internal revenue code that included an allowance solely as a result of an election made pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(BB) For taxable years beginning on or after January first, two thousand twenty-five, any amount claimed as a deduction under sections one hundred seventy-four and 174A of the internal revenue code in effect as of January first, two thousand twenty-five, and any amount claimed as a deduction pursuant to federal Public Law 119-21, title VII, section 70302(f)(2)(a), for foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code.

(CC) For taxable years beginning on or after January first, two thousand twenty-five, in the case of section 179 property described in subsection (d) of section one hundred seventy-nine of the internal revenue code with respect to such property the amount of the deduction allowable under section one hundred seventy-nine of the internal revenue code.

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

PART G

Section 1. Subdivision (b) of section 11-506 of the administrative code of the city of New York is amended by adding four new paragraphs 19, 20, 21 and 22 to read as follows:

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this chapter, such property shall not be treated as section 1245 property as described in section twelve hundred forty-five of the internal revenue code.

(20) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(21) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(22) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 2. Paragraph (c) of section 11-506 of the administrative code of the city of New York is amended by adding three new paragraphs 14, 15 and 16 to read as follows:

(14) For taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property as defined in such subsection, the amount allowed as an exclusion or deduction in determining federal gross income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(15) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of subparagraph (A) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(16) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal gross income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 3. Paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding three new subparagraphs 18, 19 and 20 to read as follows:

(18) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such

section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of subparagraph (A) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(20) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 4. Paragraph (b) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding four new subparagraphs 23, 24, 25 and 26 to read as follows:

(23) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as section 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(24) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(25) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(26) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 5. Clause (E) of subparagraph (2) of paragraph (a) of subdivision 3 of section 11-604 of the administrative code of the city of New York, as added by chapter 59 of the laws of 2019, is amended to read as follows:

(E) notwithstanding any other provision of this paragraph, ~~[net global intangible low-taxed income shall be included in the receipts fraction as provided in this clause. Receipts constituting net global intangible low-taxed income]~~ the amount required to be included in the taxpayer's

federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code shall not be included in the numerator of the receipts fraction. [Receipts constituting not global intangible low-taxed income] The amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code shall be included in the denominator of the receipts fraction. [For purposes of this clause, the term "not global intangible low-taxed income" means the amount that would have been required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction that would have been allowed under clause (i) of section 250(a)(1)(B) of such code if the taxpayer had not made an election under subchapter s of chapter one of the internal revenue code] For any taxable year, such amount shall be calculated pursuant to such provisions of the internal revenue code provisions as in effect in such taxable year.

§ 6. Subdivision (b) of section 11-641 of the administrative code of the city of New York is amended by adding four new paragraphs 18, 19, 20 and 21 to read as follows:

(18) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as section 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(20) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(21) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 7. Subdivision (e) of section 11-641 of the administrative code of the city of New York is amended by adding three new paragraphs 17, 18 and 19 to read as follows:

(17) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production prop-

erty defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(18) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of subparagraph (A) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 8. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding three new subparagraphs 19, 20 and 21 to read as follows:

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(20) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of subparagraph (A) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(21) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 9. Paragraph (b) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding four new subparagraphs 24, 25, 26 and 27 to read as follows:

(24) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as section 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(25) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(26) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(27) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 10. Subdivision 5-a of section 11-654.2 of the administrative code of the city of New York, as added by chapter 59 of the laws of 2019, is amended to read as follows:

5-a. Notwithstanding any other provision of this section, ~~[net—global intangible low-taxed income shall be included in the receipts fraction as provided in this subdivision. Receipts constituting net-global intangible low-taxed income]~~ the amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code shall not be included in the numerator of the receipts fraction. [Receipts constituting net-global intangible low-taxed income] The amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the

deduction allowed under clause (i) of section 250(a)(1)(B) of such code shall be included in the denominator of the receipts fraction. ~~[For purposes of this subdivision, the term "net global intangible low-taxed income" means the amount required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951A of the internal revenue code less the amount of the deduction allowed under clause (i) of section 250(a)(1)(B) of such code]~~ For any taxable year, such amount shall be calculated pursuant to such provisions of the internal revenue code provisions as in effect in such taxable year.

§ 11. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 31, 2024, and shall apply to taxable years beginning after December 31, 2024.

PART H

Section 1. Subsection (c) of section 861 of the tax law, as amended by section 2 of subpart C of part J of chapter 59 of the laws of 2023, is amended to read as follows:

(c) The annual election must be made on or before ~~[the due date of the first estimated payment under section eight hundred sixty-four of this article]~~ September fifteenth and will take effect for the current taxable year. Only one election may be made during each calendar year. An election made under this section is irrevocable after ~~[the due date]~~ September fifteenth of the taxable year.

§ 2. Subsection (b) of section 864 of the tax law, as added by section 1 of part C of chapter 59 of the laws of 2021, paragraph 3 as amended by chapter 555 of the laws of 2022, is amended to read as follows:

(b) General. The estimated tax shall be paid as follows for an electing partnership and an electing S corporation:

(1) ~~[The]~~ For a partnership or S corporation that made an election to be taxed pursuant to this article on or before March fifteenth of the taxable year, the electing partnership or electing S corporation shall make estimated tax ~~[shall be paid]~~ payments in four equal installments on March fifteenth, June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of each installment shall be twenty-five percent of the required annual payment.

(2) ~~[The amount of any required installment shall be twenty-five percent of the required annual payment]~~ For a partnership or S corporation that made an election to be taxed pursuant to this article after March fifteenth but on or before June fifteenth in the taxable year, the electing partnership or electing S corporation shall make payments on June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the June fifteenth payment shall be fifty percent of the required annual amount. The amount of the September fifteenth payment shall be twenty-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(2-a) For a partnership or S corporation that made an election to be taxed pursuant to this article after June fifteenth but on or before September fifteenth in the taxable year, the electing partnership or electing S corporation shall make payments on September fifteenth and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the September fifteenth payment shall be seventy-five percent of the

required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(3) Notwithstanding paragraph four of subsection (c) of section six hundred eighty-five of this chapter, the required annual payment is the lesser of: (A) ninety percent of the tax shown on the return for the taxable year; or (B) one hundred percent of the tax shown on the return of the electing partnership or electing S corporation for the preceding taxable year.

§ 3. Subsection (c) of section 868 of the tax law, as amended by section 7 of subpart C of part J of chapter 59 of the laws of 2023, is amended to read as follows:

(c) The annual election to be taxed pursuant to this article must be made on or before ~~[the due date of the first estimated payment under section eight hundred sixty-four of this chapter]~~ September fifteenth and will take effect for the current taxable year. Only one election to be taxed pursuant to this article may be made during each calendar year. An election made under this section is irrevocable after ~~[such due date]~~ September fifteenth of the taxable year. To the extent an election made under section eight hundred sixty-one of this chapter is revoked or otherwise invalidated an election made under this section is automatically invalidated.

§ 4. Subsection (b) of section 871 of the tax law, as added by section 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3 as amended by chapter 555 of the laws of 2022, is amended to read as follows:

(b) General. Except as provided in subsection (c) of this section, the estimated tax shall be paid as follows for an electing city partnership and an electing city resident S corporation:

(1) ~~[The]~~ For an electing city partnership or electing city S corporation that made an election to be taxed pursuant to this article on or before March fifteenth in the taxable year, the electing city partnership or electing city S corporation shall make estimated tax ~~[shall be paid]~~ payments in four equal installments on March fifteenth, June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of each installment shall be twenty-five percent of the required annual payment.

(2) ~~[The amount of any required installment shall be twenty five percent of the required annual payment]~~ For an electing city partnership or electing city S corporation that made an election to be taxed pursuant to this article after March fifteenth but on or before June fifteenth in the taxable year, the electing city partnership or electing city S corporation shall make payments on June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the June fifteenth payment shall be fifty percent of the required annual amount. The amount of the September fifteenth payment shall be twenty-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(2-a) For an electing city partnership or electing city S corporation that made an election to be taxed pursuant to this article after June fifteenth but on or before September fifteenth in the taxable year, the electing city partnership or electing city S corporation shall make payments on September fifteenth and December fifteenth in the calendar year prior to the year in which the due date of the return required by

this article falls. The amount of the September fifteenth payment shall be seventy-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(3) Without regard to paragraph four of subsection (c) of section six hundred eighty-five of this chapter, the required annual payment is the lesser of: (A) ninety percent of the tax shown on the return for the taxable year; or (B) one hundred percent of the tax shown on the return of the electing city partnership or electing city resident S corporation for the preceding taxable year.

§ 5. This act shall take effect immediately and shall apply to all taxable years beginning on or after January 1, 2027.

PART I

Section 1. Paragraph (a) of subdivision 5 of section 845-e of the executive law, as added by section 1 of part E of chapter 59 of the laws of 2024, is amended to read as follows:

(a) For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a business entity in the commercial security tax credit program that meets the eligibility requirements of subdivision two of this section may be eligible to claim a credit equal to three thousand dollars for each retail location of the business entity located in New York state.

§ 2. Subdivision (a) of section 49 of the tax law, as added by section 2 of part E of chapter 59 of the laws of 2024, is amended to read as follows:

(a) Allowance of credit. For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a taxpayer required to file a return pursuant to articles nine, nine-A or twenty-two of this chapter shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (f) of this section. The amount of the credit is equal to the amount determined pursuant to section eight hundred forty-five-e of the executive law. No cost or expense paid or incurred by the taxpayer that is included as part of the calculation of this credit shall be the basis of any other tax credit allowed under this chapter.

§ 3. This act shall take effect immediately.

PART J

Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax law, as amended by section 4 of part L of chapter 59 of the laws of 2025, is amended to read as follows:

(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 ~~[four]~~ five hundred fifty 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. This act shall take effect immediately and apply to qualified New York city musical and theatrical production companies whose first performance was on or after December 1, 2025; provided, however, that the amendments to section 24-c of the tax law made by section one of

1 this act shall not affect the repeal of such section and shall be deemed
2 repealed therewith.

3 PART K

4 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdivi-
5 sion 2 as amended by chapter 728 of the laws of 2019 and subdivision
6 12 as added by chapter 61 of the laws of 1989, are amended and two new
7 subdivisions 22 and 23 are added to read as follows:

8 2. "Tobacco products." Any cigar, including a little cigar, [~~or~~]
9 tobacco, or alternative nicotine product, other than cigarettes,
10 intended for consumption by smoking, chewing, or as snuff. "Tobacco
11 products" shall not include research tobacco products.

12 12. "Distributor." Any person who imports or causes to be imported
13 into this state any tobacco product (in excess of fifty cigars [~~or~~], one
14 pound of tobacco, or fifteen units of alternative nicotine products) for
15 sale, or who manufactures any tobacco product in this state, and any
16 person within or without the state who is authorized by the commissioner
17 of taxation and finance to make returns and pay the tax on tobacco
18 products sold, shipped or delivered by [~~him~~] them to any person in the
19 state.

20 22. "Alternative nicotine product." Any noncombustible product, other
21 than vapor products, which contains nicotine or a nicotine analog but
22 not tobacco and is intended for human consumption, whether chewed,
23 absorbed, dissolved, or ingested by any other means. "Alternative nico-
24 tine product" does not include any product regulated as a drug or device
25 by the U.S. Food and Drug Administration (FDA) under Chapter V (21
26 U.S.C. § 351 et seq.) of the Federal Food, Drug, and Cosmetic Act. The
27 term "unit" as it relates to alternative nicotine products means any
28 canister, pack, box, carton, or container of any kind or, if no other
29 container, any wrapping, in which an alternative nicotine product is
30 offered for sale, sold, or otherwise distributed to consumers.

31 23. "Nicotine analog." (a) A substance:

32 (i) The chemical structure of which is substantially similar to the
33 chemical structure of nicotine regardless of whether the chemical is
34 naturally or synthetically derived; or

35 (ii) Which has, purports to have, or is represented to have, an effect
36 on the central nervous system that is similar to or greater than the
37 effect on the central nervous system as nicotine.

38 (b) Factors relevant to determining whether a substance is a "nicotine
39 analog" include, but are not limited to, the marketing, advertising and
40 labeling of the substance, and whether the substance has been manufac-
41 tured, formulated, sold, distributed, or marketed with the intent to
42 avoid the provisions of this subdivision and other applicable provisions
43 of the law.

44 § 2. The opening paragraph of subdivision (a) of section 471-c of the
45 tax law, as amended by section 2 of part I1 of chapter 57 of the laws of
46 2009, is amended to read as follows:

47 There is hereby imposed and shall be paid a tax on all tobacco
48 products used in the state by any person, except that no such tax shall
49 be imposed (1) if the tax provided in section four hundred seventy-one-b
50 of this article is paid, or (2) on the use of tobacco products which are
51 exempt from the tax imposed by said section, or (3) on the use of two
52 hundred fifty cigars or less, or five pounds or less of tobacco other
53 than roll-your-own tobacco, or thirty-six ounces or less of roll-your-
54 own tobacco, or seventy-five units or less of alternative nicotine

1 products, brought into the state on, or in the possession of, any
2 person.

3 § 3. Subdivisions 2 and 3 of section 474 of the tax law, subdivision 2
4 as amended by chapter 552 of the laws of 2008 and subdivision 3 as added
5 by chapter 61 of the laws of 1989, are amended to read as follows:

6 2. Every person who shall possess or transport more than two hundred
7 fifty cigars, or more than five pounds of tobacco other than roll-your-
8 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or
9 more than seventy-five units of alternative nicotine products, upon the
10 public highways, roads or streets of the state, shall be required to
11 have in [~~his~~] their actual possession invoices or delivery tickets for
12 such tobacco products. Such invoices or delivery tickets shall show the
13 name and address of the consignor or seller, the name and address of the
14 consignee or purchaser, the quantity and brands of the tobacco products
15 transported, and the name and address of the person who has or shall
16 assume the payment of the tax and the wholesale price or the tax paid or
17 payable. The absence of such invoices or delivery tickets shall be prima
18 facie evidence that such person is a dealer in tobacco products in this
19 state and subject to the requirements of this article.

20 3. Every dealer or distributor or employee thereof, or other person
21 acting on behalf of a dealer or distributor, who shall possess or trans-
22 port more than fifty cigars [~~or~~], more than one pound of tobacco, or
23 more than fifteen units of alternative nicotine products, upon the
24 public highways, roads or streets of the state, shall be required to
25 have in [~~his~~] their actual possession invoices or delivery tickets for
26 such tobacco products. Such invoices or delivery tickets shall show the
27 name and address of the consignor or seller, the name and address of the
28 consignee or purchaser, the quantity and brands of the tobacco products
29 transported, and the name and address of the person who has or shall
30 assume the payment of the tax and the wholesale price or the tax paid or
31 payable. The absence of such invoices or delivery tickets shall be prima
32 facie evidence that the tax imposed by this article on tobacco products
33 has not been paid and is due and owing.

34 § 4. Subparagraph (i) of paragraph (b) of subdivision 1 of section 481
35 of the tax law, as amended by section 1 of part 0 of chapter 59 of the
36 laws of 2013, is amended to read as follows:

37 (i) In addition to any other penalty imposed by this article, the
38 commissioner may (A) impose a penalty of not more than six hundred
39 dollars for each two hundred cigarettes, or fraction thereof, in excess
40 of one thousand cigarettes in unstamped or unlawfully stamped packages
41 in the possession or under the control of any person or (B) impose a
42 penalty of not more than two hundred dollars for each ten unaffixed
43 false, altered or counterfeit cigarette tax stamps, imprints or
44 impressions, or fraction thereof, in the possession or under the control
45 of any person. In addition, the commissioner may impose a penalty of not
46 more than seventy-five dollars for each fifty cigars [~~or~~], one pound of
47 tobacco, or fifteen units of alternative nicotine products, or fraction
48 thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of
49 tobacco, or seventy-five units of alternative nicotine products, in the
50 possession or under the control of any person and a penalty of not more
51 than one hundred fifty dollars for each fifty cigars [~~or~~], pound of
52 tobacco, or fifteen units of alternative nicotine products, or fraction
53 thereof, in excess of five hundred cigars [~~or~~], ten pounds of tobacco,
54 or one hundred fifty units of alternative nicotine products, in the
55 possession or under the control of any person, with respect to which the
56 tobacco products tax has not been paid or assumed by a distributor or

1 tobacco products dealer; provided, however, that any such penalty
2 imposed shall not exceed seven thousand five hundred dollars in the
3 aggregate. The commissioner may impose a penalty of not more than seven-
4 ty-five dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or
5 fifteen units of alternative nicotine products, or fraction thereof, in
6 excess of fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of
7 alternative nicotine products, in the possession or under the control of
8 any tobacco products dealer or distributor appointed by the commission-
9 er, and a penalty of not more than one hundred fifty dollars for each
10 fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alternative
11 nicotine products, or fraction thereof, in excess of two hundred fifty
12 cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of alterna-
13 tive nicotine products, in the possession or under the control of any
14 such dealer or distributor, with respect to which the tobacco products
15 tax has not been paid or assumed by a distributor or a tobacco products
16 dealer; provided, however, that any such penalty imposed shall not
17 exceed fifteen thousand dollars in the aggregate.

18 § 5. Clauses (B) and (C) of subparagraph (ii) of paragraph (b) of
19 subdivision 1 of section 481 of the tax law, as added by chapter 262 of
20 the laws of 2000, are amended to read as follows:

21 (B)(I) not less than twenty-five dollars but not more than one hundred
22 dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen
23 units of alternative nicotine products, or fraction thereof, in excess
24 of two hundred fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-
25 five units of alternative nicotine products, knowingly in the possession
26 or knowingly under the control of any person, with respect to which the
27 tobacco products tax has not been paid or assumed by a distributor or
28 tobacco products dealer; and

29 (II) not less than fifty dollars but not more than two hundred dollars
30 for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alter-
31 native nicotine products, or fraction thereof, in excess of five hundred
32 cigars ~~[or]~~, ten pounds of tobacco, or one hundred fifty units of alter-
33 native nicotine products, knowingly in the possession or knowingly under
34 the control of any person, with respect to which the tobacco products
35 tax has not been paid or assumed by a distributor or tobacco products
36 dealer; provided, however, that any such penalty imposed under this
37 clause shall not exceed ten thousand dollars in the aggregate.

38 (C)(I) not less than twenty-five dollars but not more than one hundred
39 dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen
40 units of alternative nicotine products, or fraction thereof, in excess
41 of fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alterna-
42 tive nicotine products, knowingly in the possession or knowingly under
43 the control of any person, with respect to which the tobacco products
44 tax has not been paid or assumed by a distributor or tobacco products
45 dealer; and

46 (II) not less than fifty dollars but not more than two hundred dollars
47 for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alter-
48 native nicotine products, or fraction thereof, in excess of two hundred
49 fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of
50 alternative nicotine products, knowingly in the possession or knowingly
51 under the control of any person, with respect to which the tobacco
52 products tax has not been paid or assumed by a distributor or a tobacco
53 products dealer; provided, however, that any such penalty imposed under
54 this clause shall not exceed twenty thousand dollars in the aggregate.

§ 6. Paragraph (a) of subdivision 2 of section 481 of the tax law, as amended by chapter 552 of the laws of 2008, is amended to read as follows:

(a) The possession within this state of more than four hundred cigarettes in unstamped or unlawfully stamped packages or more than two hundred fifty cigars, or more than five pounds of tobacco other than roll-your-own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or more than seventy-five units of alternative nicotine products, by any person other than an agent or distributor, as the case may be, at any one time shall be presumptive evidence that such cigarettes or tobacco products are subject to tax as provided by this article.

§ 7. Section 482 of the tax law is amended by adding a new subdivision (c) to read as follows:

(c) From the taxes, interest and penalties collected or received by the commissioner under section four hundred seventy-one-b of this article, effective April first, two thousand twenty-seven, fifty million dollars from the moneys collected or received under such section shall be deposited annually to the credit of the tobacco control and insurance initiatives pool to be established and distributed by the commissioner of health in accordance with section twenty-eight hundred seven-v of the public health law.

§ 8. Subdivisions (a) and (h) of section 1814 of the tax law, as amended by section 28 of subpart I of part V1 of chapter 57 of the laws of 2009, are amended to read as follows:

(a) Any person who willfully attempts in any manner to evade or defeat the taxes imposed by article twenty of this chapter or payment thereof on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars or more, ~~[or]~~ (iii) four hundred forty pounds of tobacco or more, or (iv) six thousand six hundred units of alternative nicotine products or more, or has previously been convicted two or more times of a violation of paragraph one of this subdivision shall be guilty of a class E felony.

(h) (1) Any dealer, other than a distributor appointed by the commissioner of taxation and finance under article twenty of this chapter, who shall knowingly transport or have in ~~[his]~~ their custody, possession or under ~~[his]~~ their control more than ten pounds of tobacco ~~[or]~~, more than five hundred cigars, or more than one hundred fifty units of alternative nicotine products, upon which the taxes imposed by article twenty of this chapter have not been assumed or paid by a distributor appointed by the commissioner of taxation and finance under article twenty of this chapter, or other person treated as a distributor pursuant to section four hundred seventy-one-d of this chapter, shall be guilty of a misdemeanor punishable by a fine of not more than five thousand dollars or by a term of imprisonment not to exceed thirty days.

(2) Any person, other than a dealer or a distributor appointed by the commissioner under article twenty of this chapter, who shall knowingly transport or have in ~~[his]~~ their custody, possession or under ~~[his]~~ their control more than fifteen pounds of tobacco ~~[or]~~, more than seven hundred fifty cigars, or more than two hundred twenty-five units of alternative nicotine products, upon which the taxes imposed by article twenty of this chapter have not been assumed or paid by a distributor appointed by the commissioner under article twenty of this chapter, or other person treated as a distributor pursuant to section four hundred seventy-one-d of this chapter shall be guilty of a misdemeanor punishable

1 ble by a fine of not more than five thousand dollars or by a term of
2 imprisonment not to exceed thirty days.

3 (3) Any person, other than a distributor appointed by the commissioner
4 under article twenty of this chapter, who shall knowingly transport or
5 have in ~~[his]~~ their custody, possession or under ~~[his]~~ their control
6 twenty-five hundred or more cigars ~~[or]~~ fifty or more pounds of
7 tobacco, or seven hundred fifty units or more of alternative nicotine
8 products, upon which the taxes imposed by article twenty of this chapter
9 have not been assumed or paid by a distributor appointed by the commis-
10 sioner under article twenty of this chapter, or other person treated as
11 a distributor pursuant to section four hundred seventy-one-d of this
12 chapter shall be guilty of a misdemeanor. Provided further, that any
13 person who has twice been convicted under this subdivision shall be
14 guilty of a class E felony for any subsequent violation of this section,
15 regardless of the amount of tobacco products involved in such violation.

16 (4) For purposes of this subdivision, such person shall knowingly
17 transport or have in ~~[his]~~ their custody, possession or under ~~[his]~~
18 their control tobacco ~~[or]~~ cigars, or alternative nicotine products, on
19 which such taxes have not been assumed or paid by a distributor
20 appointed by the commissioner where such person has knowledge of the
21 requirement of the tax on tobacco products and, where to ~~[his]~~ their
22 knowledge, such taxes have not been assumed or paid on such tobacco
23 products by a distributor appointed by the commissioner of taxation and
24 finance.

25 § 9. Section 1814-a of the tax law, as added by chapter 61 of the laws
26 of 1989, is amended to read as follows:

27 § 1814-a. Person not appointed as a tobacco products distributor. (a)
28 Any person who, while not appointed as a distributor of tobacco products
29 pursuant to the provisions of article twenty of this chapter, imports or
30 causes to be imported into the state more than fifty cigars ~~[or]~~ more
31 than one pound of tobacco, or more than fifteen units of alternative
32 nicotine products, for sale within the state, or produces, manufactures
33 or compounds tobacco products within the state shall be guilty of a
34 misdemeanor punishable by a fine of not more than five thousand dollars
35 or by a term of imprisonment not to exceed thirty days. If, within any
36 ninety day period, one thousand or more cigars, or five hundred pounds
37 or more of tobacco, or seven thousand five hundred units or more of
38 alternative nicotine products, are imported or caused to be imported
39 into the state for sale within the state or are produced, manufactured
40 or compounded within the state by any person while not appointed as a
41 distributor of tobacco products, such person shall be guilty of a misde-
42 meanor. Provided further, that any person who has twice been convicted
43 under this section shall be guilty of a class E felony for any subse-
44 quent violation of this section, regardless of the amount of tobacco
45 products involved in such violation.

46 (b) For purposes of this section, the possession or transportation
47 within this state by any person, other than a tobacco products distribu-
48 tor appointed by the commissioner of taxation and finance, at any one
49 time of seven hundred fifty or more cigars ~~[or]~~ fifteen pounds or more
50 of tobacco, or two hundred twenty-five units or more of alternative
51 nicotine products, shall be presumptive evidence that such tobacco
52 products are possessed or transported for the purpose of sale and are
53 subject to the tax imposed by section four hundred seventy-one-b of this
54 chapter. With respect to such possession or transportation, any
55 provisions of article twenty of this chapter providing for a time period

1 during which the tax imposed by such article may be paid shall not
2 apply.

3 § 10. Subdivision (a) of section 1846-a of the tax law, as amended by
4 chapter 556 of the laws of 2011, is amended to read as follows:

5 (a) Whenever a police officer designated in section 1.20 of the crimi-
6 nal procedure law or a peace officer designated in subdivision four of
7 section 2.10 of such law, acting pursuant to ~~[his]~~ their special duties,
8 shall discover any tobacco products in excess of five hundred cigars
9 ~~[or],~~ ten pounds of tobacco, or one hundred fifty units of alternative
10 nicotine products, which are ~~[being imported for]~~ possessed for the
11 purpose of sale in the state ~~[where the person importing or causing]~~
12 when the excise taxes on such tobacco products ~~[to be imported has not~~
13 ~~been appointed as]~~ have not been assumed or paid by a distributor
14 appointed pursuant to section four hundred seventy-two of this chapter,
15 such police officer or peace officer is hereby authorized and empowered
16 forthwith to seize and take possession of such tobacco products. Such
17 tobacco products seized by a police officer or peace officer shall be
18 turned over to the commissioner. Such seized tobacco products shall be
19 forfeited to the state. All tobacco products forfeited to the state
20 shall be destroyed or used for law enforcement purposes, except that
21 tobacco products that violate, or are suspected of violating, federal
22 trademark laws or import laws shall not be used for law enforcement
23 purposes. If the commissioner determines the tobacco products may not be
24 used for law enforcement purposes, the commissioner must, within a
25 reasonable time thereafter, upon publication in the state registry of a
26 notice to such effect before the day of destruction, destroy such
27 forfeited tobacco products. The commissioner may, prior to any
28 destruction of tobacco products, permit the true holder of the trademark
29 rights in the tobacco products to inspect such forfeited products in
30 order to assist in any investigation regarding such tobacco products.

31 § 11. Subdivision (b) of section 1847 of the tax law, as added by
32 chapter 61 of the laws of 1989, is amended to read as follows:

33 (b) Any peace officer designated in subdivision four of section 2.10
34 of the criminal procedure law, acting pursuant to ~~[his]~~ their special
35 duties, or any police officer designated in section 1.20 of the criminal
36 procedure law may seize any vehicle or other means of transportation
37 used to import tobacco products in excess of five hundred cigars ~~[or],~~
38 ten pounds of tobacco, or one hundred fifty units of alternative nico-
39 tine products, for sale where the person importing or causing such
40 tobacco products to be imported has not been appointed a distributor
41 pursuant to section four hundred seventy-two of this chapter, other than
42 a vehicle or other means of transportation used by any person as a
43 common carrier in transaction of business as such common carrier, and
44 such vehicle or other means of transportation shall be subject to
45 forfeiture as hereinafter in this section provided.

46 § 12. Subdivisions (a) and (b) of section 92-dd of the state finance
47 law, subdivision (a) as amended by section 2 of part UU of chapter 59 of
48 the laws of 2019 and subdivision (b) as amended by section 3 of part T
49 of chapter 61 of the laws of 2011, are amended to read as follows:

50 (a) On and after April first, two thousand five, such fund shall
51 consist of the revenues heretofore and hereafter collected or required
52 to be deposited pursuant to paragraph (a) of subdivision eighteen of
53 section twenty-eight hundred seven-c, and sections twenty-eight hundred
54 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t
55 of the public health law, ~~[subdivision]~~ subdivisions (b) and (c) of
56 section four hundred eighty-two and section eleven hundred eighty-six of

1 the tax law and required to be credited to the tobacco control and
2 insurance initiatives pool, subparagraph (0) of paragraph four of
3 subsection (j) of section four thousand three hundred one of the insur-
4 ance law, section twenty-seven of part A of chapter one of the laws of
5 two thousand two and all other moneys credited or transferred thereto
6 from any other fund or source pursuant to law.

7 (b) The pool administrator under contract with the commissioner of
8 health pursuant to section twenty-eight hundred seven-y of the public
9 health law shall continue to collect moneys required to be collected or
10 deposited pursuant to paragraph (a) of subdivision eighteen of section
11 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,
12 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the
13 public health law, and shall deposit such moneys in the HCRA resources
14 fund. The comptroller shall deposit moneys collected or required to be
15 deposited pursuant to ~~subdivision~~ subdivisions (b) and (c) of section
16 four hundred eighty-two of the tax law and required to be credited to
17 the tobacco control and insurance initiatives pool, subparagraph (0) of
18 paragraph four of subsection (j) of section four thousand three hundred
19 one of the insurance law, section twenty-seven of part A of chapter one
20 of the laws of two thousand two and all other moneys credited or trans-
21 ferred thereto from any other fund or source pursuant to law in the HCRA
22 resources fund.

23 § 13. Notwithstanding any other provision of law to the contrary, the
24 units of alternative nicotine products possessed in New York state as of
25 11:59 pm eastern standard time on August 31, 2026, by any person for
26 sale shall be subject to tax pursuant to section 471-b of the tax law,
27 and shall be remitted by September 21, 2026, in the form and manner
28 prescribed by the commissioner of taxation and finance.

29 § 14. This act shall take effect immediately, and shall apply to all
30 sales of alternative nicotine products on or after September 1, 2026.

31 PART L

32 Intentionally Omitted

33 PART M

34 Intentionally Omitted

35 PART N

36 Section 1. Notwithstanding any provision of law to the contrary, the
37 commissioner of taxation and finance is hereby directed to institute a
38 reregistration program in accordance with this section, to be completed
39 by December 31, 2030. Such commissioner shall issue a notice of expira-
40 tion to holders of current certificates of authority in an order and at
41 such times that such commissioner determines necessary for the proper
42 administration of such reregistration program and to ensure the integri-
43 ty and qualifications of registrants pursuant to this section. Such
44 notice of expiration shall be issued to the holder of such certificate
45 of authority at least 180 days prior to the date of expiration indicated
46 therein and shall be mailed by certified mail in accordance with the
47 provisions in subdivision (a) of section 1147 of the tax law. A properly
48 completed certificate of registration for a new certificate of authority

1 must be filed with such commissioner at least 90 days prior to the date
2 of expiration of the current certificate of authority. The commissioner,
3 within 30 days of receipt of a certificate of registration for a new
4 certificate of authority pursuant to this section, shall either: issue,
5 without charge, to each registrant a certificate of authority empowering
6 such person to collect sales tax for a specified term of no less than
7 three years, and a duplicate thereof for each additional place of busi-
8 ness of such person; or, shall propose to refuse to issue a certificate
9 of authority for any of the circumstances described in subparagraph (B)
10 of paragraph 4 of subdivision (a) of section 1134 of the tax law. A
11 person who has received a notice of proposed refusal pursuant to this
12 section may seek review of such determination in accordance with para-
13 graph (h) of subdivision 3-a of section 170 and subdivision 2 of section
14 2008 of the tax law; provided, however, the division of tax appeals must
15 schedule an expedited hearing within 30 days of receipt of a petition by
16 a person who has received a notice of proposed refusal pursuant to this
17 section.

18 § 2. (a) Notwithstanding any provision of law to the contrary, the
19 commissioner of taxation and finance shall administer a sales and use
20 tax penalty and interest discount program for all eligible taxpayers
21 with eligible tax liabilities as described in this section.

22 (b) For purposes of this sales and use tax penalty and interest
23 discount program, an eligible taxpayer is any person who is a holder of
24 a current certificate of authority subject to the reregistration program
25 authorized by section one of this act who has an eligible tax liability,
26 and who meets the conditions of this section. A person convicted of a
27 crime under the tax law, or a person convicted under the penal law who
28 is subject to a court order to pay a tax liability as result of such
29 conviction, is not eligible to participate in this program.

30 (c) For purposes of this section, an eligible tax liability is a
31 liability for sales and use taxes imposed by article 28 of the tax law
32 or pursuant to the authority of article 29 of such law, including any
33 interest or penalty thereon, that is fixed and final on or before
34 September 1, 2026, such that the taxpayer no longer has any right to an
35 administrative or judicial review. An eligible tax liability shall not
36 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of
37 section 1145 of the tax law, or subdivisions (i) or (j) of such section
38 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of
39 the laws of 2009. An eligible tax liability shall not include any
40 assessment that was reduced by a written agreement with the commission-
41 er, a liability that was compromised pursuant to subdivision eigh-
42 teenth-a of section 171 of the tax law, or a liability reduced pursuant
43 to subdivision 3 of section 1700 of the tax law.

44 (d) The discounted amount due under the sales and use tax penalty and
45 interest discount program for an eligible taxpayer with an eligible tax
46 liability shall be the sales or use tax liability plus fifty percent of
47 the interest accrued thereon, through December 31, 2026.

48 (e) The commissioner of taxation and finance shall identify the eligi-
49 ble taxpayers with eligible tax liabilities for purposes of this
50 section, shall compute the discounted amount due on such eligible tax
51 liabilities, and shall notify eligible taxpayers of such discounted
52 amount due. The discount authorized by this section shall not be granted
53 to any eligible taxpayer for any eligible tax liability unless the
54 eligible taxpayer pays the discounted amount due in full on or before
55 December 31, 2026. Payment pursuant to this program shall be made by

1 eligible taxpayers with eligible tax liabilities in a form and manner as
2 prescribed by the commissioner of taxation and finance.

3 (f) No refund will be granted or subsequent credit allowed with
4 respect to any penalty or interest paid with respect to an eligible tax
5 liability prior to the time the eligible taxpayer participates in the
6 sales and use tax penalty and interest discount program.

7 (g) No refund will be granted or subsequent credit allowed with
8 respect to any amount paid under the sales and use tax penalty and
9 interest discount program.

10 (h) If an eligible taxpayer has entered into an installment payment
11 agreement that applies to an eligible tax liability, the taxpayer may
12 participate in the sales and use tax penalty and interest discount
13 program with respect to that liability if the taxpayer pays the
14 discounted amount due under such program in full by December 31, 2026.

15 § 3. This act shall take effect immediately.

16 PART O

17 Intentionally Omitted

18 PART P

19 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of
20 section 1115 of the tax law, as amended by section 1 of part AA of chap-
21 ter 59 of the laws of 2025, is amended to read as follows:

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

30 § 1-a. The tax law is amended by adding a new section 171-bb to read
31 as follows:

32 § 171-bb. Report on vending machine exemption. The department shall
33 conduct a study on the effectiveness of the exemption granted to certain
34 products sold from vending machines in subparagraph (B) of paragraph one
35 of subdivision (a) of section eleven hundred fifteen of this chapter.
36 The department is to examine topics including but not limited to: the
37 effect this exemption has had in increasing the deployment of vending
38 machines capable of accepting electronic payments since it was intro-
39 duced, and whether there have been changes in how many such machines are
40 being put in service during the duration of this exemption; what
41 percentage of vending machines are unable to accept electronic payments;
42 whether machines that can accept electronic payments are using the
43 latest wireless communication technology and the effect this exemption
44 has in upgrading vending machines to make use of the latest wireless
45 technology. The department shall submit this report to the governor, the
46 temporary president of the senate, and the speaker of the assembly no
47 later than December thirty-first, two thousand twenty-eight and shall
48 also post it publicly on the department's website.

49 § 2. This act shall take effect immediately.

50 PART Q

1 Section 1. Section 2 of part PP of chapter 58 of the laws of 2024
2 amending the tax law relating to establishing a sales tax exemption for
3 residential energy storage, is amended to read as follows:

4 § 2. This act shall take effect June 1, 2024 and shall expire and be
5 deemed repealed June 1, ~~2026~~ 2028.

6 § 2. This act shall take effect immediately.

7 PART R

8 Section 1. Subdivision (a) of section 308 of the tax law, as amended
9 by chapter 2 of the laws of 1995, is amended to read as follows:

10 (a) General.--Every petroleum business subject to tax under this arti-
11 cle shall monthly, on or before the twentieth day following the close of
12 its taxable month, file a return which shall state (i) the number of
13 gallons of motor fuel imported or caused to be imported into this state
14 for use, distribution, storage or sale in the state or produced,
15 refined, manufactured or compounded in the state during the preceding
16 calendar month, (ii) the number of gallons of diesel motor fuel sold or
17 used or, with respect to gallonage which prior thereto has not been
18 included in the measure of the tax imposed by this article, delivered by
19 the petroleum business to a filling station or into the fuel tank
20 connecting with the engine of a motor vehicle for use in the operation
21 thereof during the preceding calendar month, (iii) the number of gallons
22 of, and the resultant product produced, manufactured or blended, using
23 diesel motor fuel as a component of such resultant product and the sales
24 of such resultant product, and (iv) the number of gallons of residual
25 petroleum product sold or used in this state and the sales of such resi-
26 dual petroleum product, for the period covered by such return. A resi-
27 dual petroleum business shall include in its reports the number of
28 gallons of residual petroleum product imported into the state or
29 purchased in this state, the number of gallons of diesel motor fuel
30 purchased in this state and the number of gallons of, and the resultant
31 product produced, manufactured or blended by such petroleum business,
32 using diesel motor fuel as a component of such resultant product. The
33 commissioner of taxation and finance may permit the filing of a return
34 on a quarterly basis in the case of a petroleum business which only
35 makes sales of diesel motor fuel solely for residential heating purposes
36 and which is registered under article twelve-A of this chapter as a
37 diesel motor fuel distributor under a limited registration applicable
38 only to the importation, sale and distribution of diesel motor fuel for
39 the purposes described in subparagraph (i) of paragraph (b) of subdivi-
40 sion three of section two hundred eighty-two-a of this chapter or in the
41 case of a petroleum business registered as a "distributor of kero-jet
42 fuel only" pursuant to the provisions of subdivision two of section two
43 hundred eighty-two-a of this chapter. In the case of such returns
44 permitted to be filed on a quarterly basis, the adjustments to the rates
45 of tax then in effect, as provided for in sections three hundred one-a
46 and three hundred one-e of this article, which take effect on the first
47 day of January of each year shall, with respect to such quarterly
48 return, take effect on the first day of the next succeeding March.
49 Returns shall be filed with the commissioner ~~in~~ on a form prescribed
50 by the commissioner, setting forth such other information as the commis-
51 sioner may prescribe. Every petroleum business shall also transmit such
52 other returns and such facts and information as the commissioner may
53 require in the administration of this article. Every petroleum business
54 which is a corporation subject to tax under this article and which ceas-

es to exercise its franchise or to be subject to the tax imposed by this article shall transmit to the commissioner a return on the date of such cessation, or at such other time as the commissioner may require, covering each month or period for which no return was theretofore filed. The commissioner may, if the commissioner deems it necessary in order to insure the payment of the tax imposed by this article, require returns to be made at such times and covering such periods as the commissioner may deem necessary. Notwithstanding the foregoing provisions of this subdivision, the commissioner may require any corporation or unincorporated business [~~which~~ that] engages in transactions involving petroleum or similar products, including aviation fuels, to file a monthly return, which shall contain [~~any data specified by him~~] such information as the commissioner prescribes, regardless of whether such corporation or unincorporated business is subject to tax under this article. Notwithstanding the provisions of this subdivision, every petroleum business that operates a "commercial vessel", as defined in subdivision (b) of section eleven hundred one of this chapter, shall annually file the returns required under this section, on a form and containing such information as the commissioner prescribes. Such "commercial vessel" returns shall be filed annually on or before March twentieth and shall cover the four sales tax quarterly periods described in subdivision (b) of section eleven hundred thirty-six of this chapter immediately preceding such date.

§ 2. This act shall take effect on the first day of the month next commencing at least ninety days after this act shall have become a law; provided, however, that a petroleum business that is required to file an annual return pursuant to section one of this act shall be required to file monthly returns for periods ending on or before such effective date; and provided further, however, that such petroleum business shall file an annual return for the remainder of the annual period of March 1, 2026 through February 28, 2027, on or before March 20, 2027, and shall be required to file annual returns thereafter.

PART S

Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, as amended by section 1 of part EE of chapter 59 of the laws of 2021, is amended to read as follows:

§ 19. This act shall take effect immediately; provided, however, that sections one through thirteen of this act shall take effect September 1, 2006 and shall be deemed repealed on September 1, [~~2026~~ 2031] and such repeal shall apply in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law, and shall apply to sales made, fuel compounded or manufactured, and uses occurring on or after such date, and with respect to sections seven through eleven of this act, in accordance with applicable transitional provisions of sections 1106 and 1217 of the tax law; provided, however, that the commissioner of taxation and finance shall be authorized on and after the date this act shall have become a law to adopt and amend any rules or regulations and to take any steps necessary to implement the provisions of this act; provided further that sections fourteen through sixteen of this act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006.

§ 2. This act shall take effect immediately.

1

PART T

2 Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real
3 property tax law, as amended by section 1 of subpart A of part Z of
4 chapter 59 of the laws of 2022, is amended to read as follows:

5 (a-2) Notwithstanding any provision of law to the contrary, ~~[where an~~
6 ~~application for the "enhanced" STAR exemption authorized by subdivision~~
7 ~~four of this section has not been filed on or before the taxable status~~
8 ~~date, and the owner believes that good cause existed for the failure to~~
9 ~~file the application by that date,]~~ when a property owner of a property
10 with a basic STAR exemption believes they have become eligible for the
11 enhanced STAR exemption but their basic STAR exemption has not been
12 changed to an enhanced STAR exemption pursuant to the provisions of
13 paragraph (b) of subdivision four-b of this section, the owner may, no
14 later than the last day for paying school taxes without incurring inter-
15 est or penalty, submit a ~~[written]~~ request to the commissioner asking
16 ~~[him or her to extend the filing deadline and]~~ the commissioner to grant
17 the exemption. Such request shall be in a form prescribed by the commis-
18 sioner and shall contain an explanation of why the ~~[deadline was missed,~~
19 ~~and shall be accompanied by an application, reflecting the facts and~~
20 ~~circumstances as they existed on the taxable status date]~~ property owner
21 believes they have become eligible for the enhanced STAR exemption.

22 After consulting with the assessor, the commissioner may ~~[extend the~~
23 ~~filing deadline and]~~ grant the exemption if the commissioner is satis-
24 fied that ~~[(i) good cause existed for the failure to file the applica-~~
25 ~~tion by the taxable status date, and that (ii)]~~ the applicant is ~~[other-~~
26 ~~wise]~~ entitled to the exemption. The commissioner shall mail notice of
27 ~~[his or her]~~ such determination to such owner and the assessor. If the
28 determination states that the commissioner has granted the exemption,
29 the assessor shall thereupon be authorized and directed to correct the
30 assessment roll accordingly, or, if another person has custody or
31 control of the assessment roll, to direct that person to make the appro-
32 priate corrections. Provided, however, that if the assessment roll
33 cannot be corrected in time for the exemption to appear on the appli-
34 cant's school tax bill, the commissioner shall be authorized to remit
35 directly to the applicant the tax savings that the STAR exemption would
36 have yielded if it had appeared on the applicant's tax bill. The amounts
37 so payable shall be paid from the account established for the payment of
38 STAR benefits to late registrants pursuant to subparagraph (iii) of
39 paragraph (a) of subdivision fourteen of this section.

40 § 2. Paragraphs (c) and (d) of subdivision 14 of section 425 of the
41 real property tax law are REPEALED and a new paragraph (c) is added to
42 read as follows:

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

47 § 3. Subparagraphs (ii) and (iii) of paragraph (b) of subdivision 15
48 of section 425 of the real property tax law are REPEALED and a new
49 subparagraph (ii) is added to read as follows:

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

§ 4. Subparagraph (A) of paragraph 1 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, is amended to read as follows:

(A) "Qualified taxpayer" means a resident individual of the state, who maintained ~~[his or her]~~ their primary residence in this state on ~~[December thirty-first]~~ July first of the taxable year, and who was an owner of that property on that date, provided however:

(i) A taxpayer whose primary residence received a STAR exemption for the associated fiscal year shall not be considered a qualified taxpayer for purposes of this subsection.

(ii) An individual may be considered a qualified taxpayer with respect to no more than one primary residence during any given taxable year.

~~[(iii) If a resident individual was an owner of the property during the taxable year but did not own it on December thirty-first of the taxable year, he or she shall be considered a qualified taxpayer if the property was his or her primary residence during the taxable year and he or she paid qualifying taxes on that property while he or she was still an owner of that property.]~~

~~[(iv) If a resident individual has acquired ownership of property during a taxable year, such resident individual shall not be considered a qualified taxpayer for that taxable year to the extent that an advance payment of the credit for that taxable year has been issued to the prior owner with respect to the same property, unless such resident individual can demonstrate that he or she paid qualifying taxes on such property during the taxable year, and that the prior owner did not.]~~

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

(2) Allowance of credit. A qualified taxpayer shall be allowed a credit as provided in paragraph three or four of this subsection, whichever is applicable, against the taxes imposed by this article reduced by the credits permitted by this article, provided that the requirements set forth in the applicable subsection are satisfied. If the credit exceeds the tax as so reduced for such year under this article, the excess shall be treated as an overpayment, to be credited or refunded, without interest. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a qualified taxpayer may nevertheless receive the full amount of the credit to be credited or repaid as an overpayment, without interest thereon.

§ 6. The opening paragraph of subparagraph (A) of paragraph 4 of subsection (eee) of section 606 of the tax law, as amended by section 11 of part 0 of chapter 59 of the laws of 2025, is amended to read as follows:

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

§ 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section 606 of the tax law, as added by section 1 of part TT of chapter 59 of the laws of 2017, is amended to read as follows:

(C) If the commissioner determines that a taxpayer received a preliminary advance payment that is above or below the advance payment to which he or she was entitled under this subsection, the commissioner shall provide notice to such taxpayer that the next advance payment due to such taxpayer under this subsection shall be adjusted to reconcile such underpayment or overpayment~~[-; provided, however, the commissioner shall permit a taxpayer to request that such adjustment be made on an originally filed timely income tax return for the tax year in which such~~

~~overpayment or underpayment occurred, provided such return is filed on or before the due date for such return, determined without regard to extensions].~~

§ 8. This act shall take effect immediately; provided, however, that section six of this act shall be deemed to have been in full force and effect on and after January 1, 2026.

PART U

Section 1. Section 4 of chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, as amended by section 1 of part Y of chapter 59 of the laws of 2022, is amended to read as follows:

§ 4. This act shall take effect on the first of January of the second calendar year commencing after this act shall have become a law and shall apply to assessment rolls with taxable status dates on or after such date; provided, however, that this act shall expire and be deemed repealed [~~twelve~~] **sixteen** years after such effective date; and provided, further, that no assessment of local public utility mass real property appearing on the municipal assessment roll with a taxable status date occurring in the first calendar year after this act shall have become a law shall be less than ninety percent or more than one hundred ten percent of the assessment of the same property on the date this act shall have become a law.

§ 2. This act shall take effect immediately.

PART V

Section 1. This Part enacts into law components of legislation relating to rent exemptions and rent increase exemptions for certain persons. Each component is wholly contained within a Subpart identified as Subparts A through B. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes 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. Paragraphs a and b of subdivision 3 of section 467-b of the real property tax law, paragraph a as amended by section 1 of part U of chapter 55 of the laws of 2014 and paragraph b as amended by chapter 129 of the laws of 2014, are amended to read as follows:

a. for a dwelling unit where the head of the household is a person sixty-two years of age or older, no tax abatement shall be granted if the combined income of all members of the household for the income tax year immediately preceding the date of making application exceeds four thousand dollars, or such other sum not more than twenty-five thousand dollars beginning July first, two thousand five, twenty-six thousand dollars beginning July first, two thousand six, twenty-seven thousand dollars beginning July first, two thousand seven, twenty-eight thousand dollars beginning July first, two thousand eight, twenty-nine thousand dollars beginning July first, two thousand nine, [~~and~~] fifty thousand

dollars beginning July first, two thousand fourteen, and seventy-five thousand dollars beginning July first, two thousand twenty-six, as may be provided by the local law, ordinance or resolution adopted pursuant to this section, provided that when the head of the household retires before the commencement of such income tax year and the date of filing the application, the income for such year may be adjusted by excluding salary or earnings and projecting [~~his or her~~] such head of household's retirement income over the entire period of such year. The maximum income threshold provided for herein shall be increased by order of the commissioner of the state division of housing and community renewal to reflect any increase in the consumer price index for all urban consumers for all items as published by the United States bureau of labor statistics for the region in which the housing accommodation is located, as established for the most recent preceding calendar year as shall be published by the division of housing and community renewal no later than the first of July in any given year, provided that for New York city and any municipality that adopts a local law, ordinance or resolution providing for the abatement of taxes pursuant to this section in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester, such consumer price index shall be the New York-Newark-Jersey City, NY-NJ-PA consumer price index (CPI-U), and provided further that for any other municipality that adopts a local law, ordinance or resolution providing for the abatement of taxes pursuant to this section, such consumer price index shall be the Northeast Region consumer price index.

b. for a dwelling unit where the head of the household qualifies as a person with a disability pursuant to subdivision five of this section, no tax abatement shall be granted if the combined income for all members of the household for the current income tax year exceeds [~~fifty~~] seventy-five thousand dollars beginning July first, two thousand [~~fourteen~~] twenty-six, as may be provided by the local law, ordinance or resolution adopted pursuant to this section. The maximum income threshold provided for herein shall be increased by order of the commissioner of the state division of housing and community renewal to reflect any increase in the consumer price index for all urban consumers for all items as published by the United States bureau of labor statistics for the region in which the housing accommodation is located, as established for the most recent preceding calendar year as shall be published by the division of housing and community renewal no later than the first of July in any given year, provided that for New York city and any municipality that adopts a local law, ordinance or resolution providing for the abatement of taxes pursuant to this section in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester, such consumer price index shall be the New York-Newark-Jersey City, NY-NJ-PA consumer price index (CPI-U), and provided further that for any other municipality that adopts a local law, ordinance or resolution providing for the abatement of taxes pursuant to this section, such consumer price index shall be the Northeast Region consumer price index.

§ 2. Paragraphs d and m of subdivision 1 of section 467-c of the real property tax law, paragraph d as separately amended by chapters 188 and 205 of the laws of 2005, subparagraph 1 of paragraph d as amended by section 2 of part U of chapter 55 of the laws of 2014 and paragraph m as amended by chapter 129 of the laws of 2014, are amended to read as follows:

d. "Eligible head of the household" means (1) a person or [~~his or her~~] such person's spouse who is sixty-two years of age or older and is enti-

1 tled to the possession or to the use and occupancy of a dwelling unit,
2 provided, however, with respect to a dwelling which was subject to a
3 mortgage insured or initially insured by the federal government pursuant
4 to section two hundred thirteen of the National Housing Act, as amended
5 "eligible head of the household" shall be limited to that person or [~~his~~
6 ~~or her~~] such person's spouse who was entitled to possession or the use
7 and occupancy of such dwelling unit at the time of termination of such
8 mortgage, and whose income when combined with the income of all other
9 members of the household, does not exceed six thousand five hundred
10 dollars for the taxable period, or such other sum not less than sixty-
11 five hundred dollars nor more than twenty-five thousand dollars begin-
12 ning July first, two thousand five, twenty-six thousand dollars begin-
13 ning July first, two thousand six, twenty-seven thousand dollars
14 beginning July first, two thousand seven, twenty-eight thousand dollars
15 beginning July first, two thousand eight, twenty-nine thousand dollars
16 beginning July first, two thousand nine, [~~and~~] fifty thousand dollars
17 beginning July first, two thousand fourteen, and seventy-five thousand
18 dollars beginning July first, two thousand twenty-six, as may be
19 provided by local law; or (2) a person with a disability as defined in
20 this subdivision. The maximum income threshold provided for herein
21 shall be increased by order of the commissioner of the state division of
22 housing and community renewal to reflect any increase in the consumer
23 price index for all urban consumers for all items as published by the
24 United States bureau of labor statistics for the region in which the
25 housing accommodation is located, as established for the most recent
26 preceding calendar year as shall be published by the division of housing
27 and community renewal no later than the first of July in any given year,
28 provided that for New York city and any municipality that adopts a local
29 law, ordinance or resolution providing for the abatement of taxes pursu-
30 ant to this section in the counties of Dutchess, Nassau, Orange, Putnam,
31 Rockland, Suffolk, and Westchester, such consumer price index shall be
32 the New York-Newark-Jersey City, NY-NJ-PA consumer price index (CPI-U),
33 and provided further that for any other municipality that adopts a local
34 law, ordinance or resolution providing for the abatement of taxes pursu-
35 ant to this section, such consumer price index shall be the Northeast
36 Region consumer price index.

37 m. "Person with a disability" means an individual who is currently
38 receiving social security disability insurance (SSDI) or supplemental
39 security income (SSI) benefits under the federal social security act or
40 disability pension or disability compensation benefits provided by the
41 United States department of veterans affairs or those previously eligi-
42 ble by virtue of receiving disability benefits under the supplemental
43 security income program or the social security disability program and
44 currently receiving medical assistance benefits based on determination
45 of disability as provided in section three hundred sixty-six of the
46 social services law and whose income for the current income tax year,
47 together with the income of all members of such individual's household,
48 does not exceed [~~fifty~~] seventy-five thousand dollars beginning July
49 first, two thousand [~~fourteen~~] twenty-six, as may be provided by local
50 law. The maximum income threshold provided for herein shall be
51 increased by order of the commissioner of the state division of housing
52 and community renewal to reflect any increase in the consumer price
53 index for all urban consumers for all items as published by the United
54 States bureau of labor statistics for the region in which the housing
55 accommodation is located, as established for the most recent preceding
56 calendar year as shall be published by the division of housing and

1 community renewal no later than the first of July in any given year,
2 provided that for New York city and any municipality that adopts a local
3 law, ordinance or resolution providing for the abatement of taxes pursu-
4 ant to this section in the counties of Dutchess, Nassau, Orange, Putnam,
5 Rockland, Suffolk, and Westchester, such consumer price index shall be
6 the New York-Newark-Jersey City, NY-NJ-PA consumer price index (CPI-U),
7 and provided further that for any other municipality that adopts a local
8 law, ordinance or resolution providing for the abatement of taxes pursu-
9 ant to this section, such consumer price index shall be the Northeast
10 Region consumer price index.

11 § 3. Subparagraph (i) of paragraph (a) of subdivision 3 of section 467
12 of the real property tax law, as amended by section 2 of part K of chap-
13 ter 59 of the laws of 2023, is amended to read as follows:

14 (i) if the income of the owner or the combined income of the owners of
15 the property for the applicable income tax year exceeds the sum of three
16 thousand dollars, or such other sum not less than three thousand dollars
17 nor more than [~~fifty~~] seventy-five thousand dollars beginning July
18 first, two thousand twenty-six, as may be provided by the local law,
19 ordinance or resolution adopted pursuant to this section. The maximum
20 income threshold provided for herein shall be increased by order of the
21 commissioner to reflect any increase in the consumer price index for all
22 urban consumers for all items as published by the United States bureau
23 of labor statistics for the region in which the housing accommodation is
24 located, as established for the most recent preceding calendar year as
25 shall be published by the division of housing and community renewal no
26 later than the first of July in any given year, provided that for New
27 York city and any municipality that adopts a local law, ordinance or
28 resolution providing for the abatement of taxes pursuant to this section
29 in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk,
30 and Westchester, such consumer price index shall be the New York-Ne-
31 wark-Jersey City, NY-NJ-PA consumer price index (CPI-U), and provided
32 further that for any other municipality that adopts a local law, ordi-
33 nance or resolution providing for the abatement of taxes pursuant to
34 this section, such consumer price index shall be the Northeast Region
35 consumer price index.

36 § 4. Subparagraph (i) of paragraph (a) of subdivision 5 of section
37 459-c of the real property tax law, as amended by section 8 of part K of
38 chapter 59 of the laws of 2023, is amended to read as follows:

39 (i) if the income of the owner or the combined income of the owners of
40 the property for the applicable income tax year exceeds the sum of three
41 thousand dollars, or such other sum not less than three thousand dollars
42 nor more than [~~fifty~~] seventy-five thousand dollars beginning July
43 first, two thousand twenty-six, as may be provided by the local law or
44 resolution adopted pursuant to this section. The maximum income thresh-
45 old provided for herein shall be increased by order of the commissioner
46 to reflect any increase in the consumer price index for all urban
47 consumers for all items as published by the United States bureau of
48 labor statistics for the region in which the housing accommodation is
49 located, as established for the most recent preceding calendar year as
50 shall be published by the division of housing and community renewal no
51 later than the first of July in any given year, provided that for New
52 York city and any municipality that adopts a local law, ordinance or
53 resolution providing for the abatement of taxes pursuant to this section
54 in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk,
55 and Westchester, such consumer price index shall be the New York-Ne-
56 wark-Jersey City, NY-NJ-PA consumer price index (CPI-U), and provided

further that for any other municipality that adopts a local law, ordinance or resolution providing for the abatement of taxes pursuant to this section, such consumer price index shall be the Northeast Region consumer price index.

§ 5. Section 4 of part U of chapter 55 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by senior citizens, as amended by chapter 144 of the laws of 2024, is amended to read as follows:

§ 4. This act shall take effect July 1, 2014[, and sections one and two of this act shall expire and be deemed repealed June 30, 2026; provided that the amendment to section 467-b of the real property tax law made by section one of this act shall not affect the expiration of such section and shall be deemed to expire therewith].

§ 6. Section 4 of chapter 129 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by persons with disabilities, as amended by chapter 144 of the laws of 2024, is amended to read as follows:

§ 4. This act shall take effect July 1, 2014 [~~provided, however, that: (a) the amendments to paragraph b of subdivision 3 of section 467-b of the real property tax law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 17 of chapter 576 of the laws of 1974, as amended, when upon such date the provisions of section two of this act shall take effect; and~~

~~(b) nothing contained in this act shall be construed so as to extend the provisions of this act beyond June 30, 2026, when upon such date this act shall expire and the provisions contained in this act shall be deemed repealed~~].

§ 7. This act shall take effect immediately.

SUBPART B

Section 1. The administrative code of the city of New York is amended by adding a new section 26-605.2 to read as follows:

§ 26-605.2 Required notice. (a) A tenant residing in a dwelling unit subject to the provisions of this chapter shall be furnished a notice informing such tenant about the tenant's potential eligibility for a rent increase exemption pursuant to this chapter and sections four hundred sixty-seven-b and four hundred sixty-seven-c of the the real property tax law. The form and content of such notice shall be promulgated as required by paragraph i of subdivision three of section four hundred sixty-seven-b of the real property tax law, provided that such notice shall clearly and conspicuously display the eligibility requirements for the rent increase exemption and the website address and telephone number where tenants may obtain more information.

(b) The notice required by subdivision (a) of this section shall be furnished by the following agencies or individuals at the same time as the notice required by the occurrence of the following events:

(1) The state commissioner of housing and community renewal shall provide such notice to a tenant in the event of:

(i) Receipt of an application for a rent adjustment due to a major capital improvement;

(ii) A rent increase pursuant to section thirty-one of the private housing finance law;

1 (iii) Receipt of the annual certification required by section thirty-
2 one of the private housing finance law; and

3 (iv) For dwelling units subject to chapter three of this title, a
4 maximum base rent adjustment pursuant to paragraph one of subdivision g
5 of section 26-405 of this title.

6 (2) The landlord of a dwelling unit shall provide such notice to a
7 tenant:

8 (i) With an initial lease and any renewal lease; and

9 (ii) Upon the annual registration of a housing accommodation as
10 required by section 26-517 of this title.

11 (c) When notice is furnished pursuant to paragraph one of subdivision
12 (b) of this section, such notice shall include specific information as
13 to the agency providing such notice.

14 § 2. Subparagraph 2 of paragraph i of subdivision 3 of section 467-b
15 of the real property tax law, as added by chapter 424 of the laws of
16 2015, is amended to read as follows:

17 (2) (A) a landlord of any housing accommodation subject to provisions
18 of the local emergency housing rent control act, the emergency tenant
19 protection act of nineteen seventy-four or any local laws enacted pursu-
20 ant thereto, the emergency housing rent control law or the rent stabili-
21 zation law of nineteen hundred sixty-nine shall, at least once annually,
22 including with a new lease and all renewal leases and upon the annual
23 registration of a housing accommodation as required by section 26-517 of
24 the administrative code of the city of New York delivered to the occu-
25 pant of such accommodation, provide the informational material describ-
26 ing eligibility for and the benefits of the senior citizen rent increase
27 exemption program and the disability rent increase exemption program, as
28 provided by the entity administering the program pursuant to subpara-
29 graph one of this paragraph.

30 (B) The notice required by clause (A) of this subparagraph shall be
31 furnished by the state commissioner of housing and community renewal to
32 a tenant at the same time as:

33 (i) Receipt of an application for a rent adjustment due to a major
34 capital improvement;

35 (ii) A rent increase pursuant to section thirty-one of the private
36 housing finance law;

37 (iii) Receipt of the annual certification required by section thirty-
38 one of the private housing finance law; and

39 (iv) For dwelling units subject to chapter three of title twenty-six
40 of the administrative code of the city of New York, a maximum base rent
41 adjustment pursuant to paragraph one of subdivision g of section 26-405
42 of the administrative code of the city of New York.

43 (C) When notice is furnished pursuant to clause (B) of this subpara-
44 graph, such notice shall include specific information as to the agency
45 providing such notice.

46 § 3. Subdivision 3 of section 467-c of the real property tax law is
47 amended by adding a new paragraph e to read as follows:

48 e. (1) Notwithstanding any provision of law to the contrary, a tenant
49 residing in a dwelling unit subject to the provisions of this section
50 shall be furnished a notice informing such tenant about the tenant's
51 potential eligibility for a rent increase exemption pursuant to this
52 section. The form and content of such notice shall be promulgated as
53 required by paragraph i of subdivision three of section four hundred
54 sixty-seven-b of this title.

(2) The notice required by subparagraph one of this paragraph shall be furnished by the following agencies or individuals at the same time as the notice required by the occurrence of the following events:

(A) The state commissioner of housing and community renewal shall provide such notice to a tenant in the event of:

(i) Receipt of an application for a rent adjustment due to a major capital improvement;

(ii) A rent increase pursuant to section thirty-one of the private housing finance law;

(iii) Receipt of the annual certification required by section thirty-one of the private housing finance law; and

(iv) For dwelling units subject to chapter three of title twenty-six of the administrative code of the city of New York, a maximum base rent adjustment pursuant to paragraph one of subdivision g of section 26-405 of the administrative code of the city of New York.

(B) The landlord of a dwelling unit shall provide such notice to a tenant:

(i) With an initial lease and any renewal lease; and

(ii) Upon the annual registration of a housing accommodation as required by section 26-517 of the administrative code of the city of New York.

(3) When notice is furnished pursuant to clause (A) of subparagraph two of this paragraph, such notice shall include specific information as to the agency providing such notice.

§ 4. This act shall take effect on the thirtieth 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. If any clause, sentence, paragraph, section or subpart of this act shall be adjudged by any court of competent jurisdiction to be invalid and after exhaustion of all further judicial review, the judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or subpart of this act directly involved in the controversy in which the judgment shall have been rendered.

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

PART W

Section 1. Subdivisions 2, 4 and 5 of section 136 of the racing, pari-mutuel wagering and breeding law, as added by section 1 of subpart A of part FF of chapter 59 of the laws of 2025, are amended to read as follows:

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.

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

1 to the holders of winning tickets shall be calculated to the nearest
2 penny.

3 5. Notwithstanding subdivision four of this section, a racetrack may
4 round to the nearest nickel for bets made at the facility[~~, however the~~
5 only if such breaks ~~[must be]~~ are directed to the retired and rescued
6 thoroughbred horse aftercare fund pursuant to section two hundred nine-n
7 of the tax law if the bet was made on a thoroughbred race, and to the
8 retired and rescued standardbred horse aftercare fund pursuant to
9 section two hundred nine-o of the tax law if the bet was made on a
10 ~~[standardbred]~~ harness race.

11 § 2. Section 236 of the racing, pari-mutuel wagering and breeding law,
12 as amended by chapter 18 of the laws of 2008, subdivisions 1, 2, and 3
13 as amended by chapter 243 of the laws of 2020, is amended to read as
14 follows:

15 § 236. Disposition of pari-mutuel pools; percentage payable to state
16 as a tax; authority of counties or certain cities to impose a tax. 1.
17 Every corporation authorized under this chapter to conduct pari-mutuel
18 betting at a race meeting on races run thereat, except as provided in
19 section two hundred thirty-eight of this article with respect to the
20 franchised corporation, shall distribute all sums deposited in any pari-
21 mutuel pool to the holders of winning tickets therein, providing such
22 tickets be presented for payment before April first of the year follow-
23 ing the year of their purchase, less an amount that shall be established
24 and retained by such racing corporation of between fourteen to twenty
25 percent of the total deposits in pools resulting from regular on-track
26 bets and less sixteen to twenty-two percent of the total deposits in
27 pools resulting from multiple on-track bets and less twenty to thirty
28 percent of the total deposits in pools resulting from exotic on-track
29 bets and less twenty to thirty-six percent of the total pools resulting
30 from super exotic on-track bets[~~, plus the breaks~~]. The retention rate
31 to be established is subject to the prior approval of the commission.
32 Such rate may not be changed more than once per calendar quarter to be
33 effective on the first day of the calendar quarter. "Exotic bets" and
34 "multiple bets" shall have the meanings set forth in section five
35 hundred nineteen of this chapter [~~and breaks are hereby defined as the~~
36 ~~odd cents over any multiple of five for payoffs greater than one dollar~~
37 ~~five cents but less than five dollars, over any multiple of ten for~~
38 ~~payoffs greater than five dollars but less than twenty five dollars,~~
39 ~~over any multiple of twenty five for payoffs greater than twenty five~~
40 ~~dollars but less than two hundred fifty dollars, or over any multiple of~~
41 ~~fifty for payoffs over two hundred fifty dollars~~]. "Super exotic bets"
42 shall have the meaning set forth in section three hundred one of this
43 chapter. Of the amount so retained there shall be paid by such corpo-
44 ration to the department of taxation and finance as a reasonable tax by
45 the state for the privilege of conducting pari-mutuel betting on the
46 races run at the race meeting held by such corporation, which tax is
47 hereby levied, [~~the following percentages of the total pool, plus~~
48 ~~fifty five percent of the breaks; the applicable rates for regular and~~
49 ~~multiple bets shall be one and one-half percent; the applicable rates~~
50 ~~for exotic bets shall be six and three-quarter percent and the applica-~~
51 ~~ble rate for super exotic bets shall be seven and three-quarter percent.~~
52 ~~Effective on and after September first, nineteen hundred ninety four,~~
53 ~~the applicable tax rate shall be one percent of all wagers, provided~~
54 ~~that, an amount equal to one-half the difference between the taxation~~
55 ~~rate for on-track regular, multiple and exotic bets as of December thir-~~
56 ~~ty first, nineteen hundred ninety three and the rates on such on-track~~

~~wagers as herein provided shall be used exclusively for purses. Provided, however, that~~ in the applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter. Any such racing corporation shall, for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, ~~[each of the applicable rates set forth above shall be increased by one quarter of one percent on all on-track bets of any such racing corporation that did not]~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section two hundred thirty-seven of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations ~~[as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year,]~~ and five special events at each track in each calendar year, not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the prior approval of the commission for purposes of this subdivision. In the determination of the amounts expended for such enhancements, the commission may consider the immediately preceding twelve-month calendar period or the average of the two immediately preceding twelve-month calendar periods. Provided further, however, that of the portion of the increased amounts retained by such corporation above those amounts retained in nineteen hundred eighty-four, an amount of such increase shall be distributed to purses in the same proportion as commissions and purses were distributed during nineteen hundred eighty-four as certified by the commission. ~~[Such corporation in the second zone shall receive a credit against the daily tax imposed by this subdivision in an amount equal to four-tenths of one percent of total daily pools resulting from the simulcast of such corporation's races to licensed facilities operated by regional off track betting corporations in accordance with section one thousand eight of this chapter, provided however, that sixty percent of the amount of such credit shall be used exclusively to increase purses for overnight races conducted by such corporation; and, provided further, that in no event shall such total daily credit exceed four-tenths of one percent of the total daily pool of such corporation.]~~

Such corporation shall pay to the New York state thoroughbred breeding and development fund one-half of one percent of the total daily on-track pari-mutuel pools from regular, multiple and exotic bets, and three percent of super exotic bets. ~~[The corporation shall receive credit as a reduction of the tax by the state for the privilege of conducting pari-mutuel betting for the amounts, except amounts paid from super exotic betting pools, paid to the New York state thoroughbred breeding and development fund after January first, nineteen hundred seventy-eight.]~~

Such corporation shall distribute to purses an amount equal to fifty percent of any compensation it receives from simulcasting or from wagering conducted outside the United States. Such corporation shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of the total daily on-track pari-mutuel pools of such corporation.

2. The balance of the retained percentage of such pool ~~[and of the breaks]~~ shall be held by such corporation for its own use and purposes, except that in addition to any payments to purses provided for in subdivision one of this section, an amount equal to two and one-half percent of the total pools resulting from on-track regular bets and exotic bets

1 and an amount equal to three and one-half percent of the total pools
2 resulting from on-track multiple bets and an amount equal to twelve
3 percent of on-track super exotic bets shall be used exclusively for the
4 purpose of increasing purses (including stakes, premiums and prizes)
5 awarded to horses in races conducted by such corporation. Such two and
6 one-half percent and three and one-half percent shall be in addition to
7 (i) four and one-half percent of such total pools resulting from regular
8 and multiple wagers and five and one-half percent of such total pools
9 resulting from exotic wagers, or (ii) the percentage of such total pools
10 used for purses (including stakes, premiums and prizes) during the year
11 nineteen hundred eighty-two, whichever is larger. Such percentage of the
12 total pools mentioned in this subdivision shall be used for purses
13 (including stakes, premiums and prizes) in races hereafter conducted by
14 such corporation, and any portion not so used during any year shall be
15 so used during the following year[~~, failing which such portion shall be~~
16 ~~payable to the commissioner of taxation and finance as additional tax~~].
17 The commission shall report annually, on or before July first, to the
18 director of the budget, the chair of the senate finance committee and
19 the chair of the assembly ways and means committee the extent to which
20 such corporation used and retained percentages [~~and breakage~~] for oper-
21 ations, maintenance, capital improvements, advertising and promotion,
22 administration and general overhead and evaluate the effectiveness and
23 make recommendations with respect to the application of the [~~reduced~~]
24 rates of taxation [~~as provided for in subdivision one of this section in~~
25 ~~accomplishing the objectives stated therein~~]. Such report shall also
26 specify the amount of such retained percentages [~~and breakage~~] used for
27 investments not directly related to racing activities and such amounts
28 used to declare dividends or other profit distributions, additions to
29 capital stock, its sale and transfer and additions to retained earnings.
30 Such reports shall also include an analysis of any such agreements or
31 proposals to conduct or otherwise expand wagers authorized under article
32 ten of this chapter and present its conclusions with respect to the
33 conduct of such wagering, the nature of such proposals and agreements,
34 and recommendations to ensure the future maintenance of the intent of
35 this article.

36 3. [~~Tax rates in event of a failure to maintain~~] Maintenance of pari-
37 mutuel racing activity. [~~a. Notwithstanding any other provision of this~~
38 ~~section to the contrary, for~~] For any calendar year commencing on or
39 after January first, nineteen hundred eighty-nine, [~~in which~~] a racing
40 corporation in zone two [~~does~~] shall not conduct [~~a minimum number of~~]
41 fewer pari-mutuel programs and pari-mutuel races at its facilities
42 [~~equal to at least~~] than ninety percent of the programs and races so
43 conducted during nineteen hundred eighty-five or during nineteen hundred
44 eighty-six, whichever is less, [~~in lieu of the tax rates set forth in~~
45 ~~subdivision one of this section the applicable pari-mutuel tax rates for~~
46 ~~such corporation with respect to on-track pari-mutuel betting pools~~
47 ~~during such year shall be increased by one percent of regular, multiple~~
48 ~~and exotic betting pools. Notwithstanding the foregoing, no increase~~
49 ~~shall be proposed unless such corporation has been afforded notice and~~
50 ~~opportunity to be heard. The commission shall promulgate rules and regu-~~
51 ~~lations to implement the provisions relating to notice and hearing.~~

52 b. The provisions of this subdivision shall not apply to a corporation
53 for any calendar year for which the commission certifies to the commis-
54 sioner of taxation and finance:

55 (i) by December fifteenth of the year immediately preceding such year,
56 that such corporation has been assigned for such year, from the programs

1 ~~and races it requested, at least the minimum number of programs and~~
2 ~~races prescribed in paragraph a of this subdivision, or, if fewer than~~
3 ~~such number were assigned for such year, that the assignment of such~~
4 ~~lesser number was for] unless such corporation demonstrates to the~~
5 ~~satisfaction of the commission~~ good cause due to factors beyond the
6 control of such corporation or because the commission [~~found~~] ~~finds~~ that
7 it would be uneconomical or impractical for such corporation to be
8 assigned ~~or conduct~~ the prescribed number[; and

9 ~~(ii) by January thirty-first of the year immediately subsequent to~~
10 ~~such year, that such corporation did conduct such number of programs and~~
11 ~~races as were certified pursuant to subparagraph (i) of this paragraph,~~
12 ~~or if it failed to conduct such number that such failure was for good~~
13 ~~cause due to factors beyond its control or because the commission found~~
14 ~~it uneconomical or impractical for such corporation to conduct such a~~
15 ~~number.~~

16 ~~c. For any calendar year for which the commission does not certify~~
17 ~~pursuant to the provisions of subparagraph (i) of paragraph b of this~~
18 ~~subdivision with respect to a corporation, the tax imposed by this~~
19 ~~section shall be computed by substituting the provisions of paragraph a~~
20 ~~of this subdivision for the provisions of subdivision one of this~~
21 ~~section and shall pay the tax so computed to the commissioner of taxa-~~
22 ~~tion and finance. In such computation and payment, all other provisions~~
23 ~~of this section shall apply as if the provisions of this paragraph and~~
24 ~~of paragraph a of this subdivision had been incorporated in whole in~~
25 ~~subdivision one of this section.~~

26 ~~d. For any calendar year for which the commission does not certify~~
27 ~~pursuant to the provisions of subparagraph (ii) of paragraph b of this~~
28 ~~subdivision with respect to a corporation, the tax required to be paid~~
29 ~~hereunder for such year shall be equal to the difference between the tax~~
30 ~~imposed pursuant to paragraph a of this subdivision and the tax imposed~~
31 ~~pursuant to the provisions of subdivision one of this section less one-~~
32 ~~half of such difference in recognition of purses that were required to~~
33 ~~be paid, plus an additional amount equal to ten percent of such tax in~~
34 ~~the event of a willful failure to comply with the provisions of subpara-~~
35 ~~graph (ii) of paragraph b of this subdivision, and such corporation~~
36 ~~shall pay the tax so computed to the commissioner of taxation and~~
37 ~~finance on or before March fifteenth of the following year. Notwith-~~
38 ~~standing the provisions of this subdivision, in the event that upon~~
39 ~~appeal from the determination of the commission that the certification~~
40 ~~provided in paragraph b of this subdivision will not be made, it is~~
41 ~~finally determined that the commission erred in failing to so certify~~
42 ~~and that any moneys received by the commissioner of taxation and finance~~
43 ~~under paragraph c of this subdivision were paid in error, the same shall~~
44 ~~be refunded at the rate of interest of six percent per annum. Payment of~~
45 ~~such balance of tax due, or the anticipation of such payment, shall not~~
46 ~~affect the determination of purses in the year in which such tax arises~~
47 ~~or in the year in which such payment is made nor shall such payment in~~
48 ~~any other manner be considered in any statutory or contractual calcu-~~
49 ~~lation of purse obligations.~~

50 ~~e. Written notice of the certification of the commission pursuant to~~
51 ~~the provisions of paragraph b of this subdivision shall be given by the~~
52 ~~commission to the applicable corporation by the dates therein specified.~~
53 ~~In like manner, written notice that such certification will not be made~~
54 ~~shall be given by the commission to the commissioner of taxation and~~
55 ~~finance and the applicable corporation by such dates].~~

1 4. The payment of the state tax imposed by this section shall be made
2 to the commissioner of taxation and finance on the last business day of
3 each month and shall cover taxes due for the period from the sixteenth
4 day of the preceding month through the fifteenth day of the current
5 month provided, however, that such payments required to be made on March
6 thirty-first shall include all taxes due and accruing through the last
7 full week of racing in March of the current year or as otherwise deter-
8 mined by the commissioner of taxation and finance, and shall be accompa-
9 nied by a report under oath, showing the total of all such contrib-
10 utions, together with such other information as the commissioner of
11 taxation and finance may require. A penalty of five [~~per centum~~] **percent**
12 and interest at the rate of one [~~per centum~~] **percent** per month from the
13 date the report is required to be filed to the date of payment of the
14 tax shall be payable in case any tax imposed by this section is not paid
15 when due. If the commissioner of taxation and finance determines that
16 any moneys received under this subdivision were paid in error, the
17 commissioner of taxation and finance may cause the same to be refunded
18 without interest out of any moneys collected thereunder, provided an
19 application therefor is filed with the commissioner of taxation and
20 finance within one year from the time the erroneous payment was made.
21 Such taxes, interest and penalties when collected, after the deduction
22 of refunds of taxes erroneously paid, shall be paid by the commissioner
23 of taxation and finance into the general fund of the state treasury.

24 5. No county, city, town, village or other political subdivision of
25 the state may impose, levy or collect a tax on admission fees or tickets
26 of admission, on wagers made by patrons, in the form of purchases of
27 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on
28 breaks, on dividends or payments made to winning bettors, or on that
29 part of the pari-mutuel pools [~~or breaks~~] to be retained by racing
30 corporations under this section, except as otherwise provided in this
31 chapter.

32 § 3. Section 238 of the racing, pari-mutuel wagering and breeding law,
33 as amended by chapter 18 of the laws of 2008, subdivision 1 as amended
34 by chapter 243 of the laws of 2020, paragraph (a) of subdivision 1 as
35 amended by section 9 of subpart B of part FF of chapter 59 of the laws
36 of 2025, and paragraph c of subdivision 2 as amended by chapter 367 of
37 the laws of 2021, is amended to read as follows:

38 § 238. Disposition of pari-mutuel pools of the franchised corporation;
39 percentage payable to state as a tax; authority of counties or certain
40 cities to impose a tax. 1. (a) The franchised corporation authorized
41 under this chapter to conduct pari-mutuel betting at a race meeting or
42 races run thereat shall distribute all sums deposited in any pari-mutuel
43 pool to the holders of winning tickets therein, provided such tickets
44 are presented for payment before April first of the year following the
45 year of their purchase, less an amount that shall be established and
46 retained by such franchised corporation of between twelve to seventeen
47 percent of the total deposits in pools resulting from on-track regular
48 bets, and fourteen to twenty-one percent of the total deposits in pools
49 resulting from on-track multiple bets and fifteen to twenty-five percent
50 of the total deposits in pools resulting from on-track exotic bets and
51 fifteen to thirty-six percent of the total deposits in pools resulting
52 from on-track super exotic bets[, ~~plus the breaks~~]. The retention rate
53 to be established is subject to the prior approval of the commission.

54 Such rate may not be changed more than once per calendar quarter to be
55 effective on the first day of the calendar quarter. "Exotic bets" and
56 "multiple bets" shall have the meanings set forth in section five

1 hundred nineteen of this chapter. "Super exotic bets" shall have the
2 meaning set forth in section three hundred one of this chapter. For
3 purposes of this section, a "pick six bet" shall mean a single bet or
4 wager on the outcomes of six races. ~~[The breaks are hereby defined as~~
5 ~~the odd cents over any multiple of five for payoffs greater than one~~
6 ~~dollar five cents but less than five dollars, over any multiple of ten~~
7 ~~for payoffs greater than five dollars but less than twenty five dollars,~~
8 ~~over any multiple of twenty five for payoffs greater than twenty five~~
9 ~~dollars but less than two hundred fifty dollars, or over any multiple of~~
10 ~~fifty for payoffs over two hundred fifty dollars.]~~ Out of the amount so

11 retained there shall be paid by such franchised corporation to the
12 commissioner of taxation and finance, as a reasonable tax by the state
13 for the privilege of conducting pari-mutuel betting on the races run at
14 the race meetings held by such franchised corporation, which tax is
15 hereby levied, in the ~~[following percentages of the total pool for regu-~~
16 ~~lar and multiple bets five percent of regular bets and four percent of~~
17 ~~multiple bets plus twenty percent of the breaks; for exotic wagers seven~~
18 ~~and one half percent plus twenty percent of the breaks, and for super~~
19 ~~exotic bets seven and one half percent plus fifty percent of the breaks.~~

20 ~~For the period April first, two thousand one through December thirty-~~
21 ~~first, two thousand twenty six, such tax on all wagers shall be one and~~
22 ~~six tenths percent, plus, in each such period, twenty percent of the~~
23 ~~breaks]~~ applicable percentage set forth in subdivision one of section
24 one hundred thirty-six of this chapter. Payment to the New York state
25 thoroughbred breeding and development fund by such franchised corpo-
26 ration shall be one-half of one percent of total daily on-track pari-mu-
27 tuel pools resulting from regular, multiple and exotic bets and three
28 percent of super exotic bets and for the period April first, two thou-
29 sand one through December thirty-first, two thousand twenty-six, such
30 payment shall be seven-tenths of one percent of regular, multiple and
31 exotic pools.

32 (b) An amount equal to fifty percent of any compensation received by a
33 franchised corporation from simulcasting or from wagering conducted
34 outside the United States or outside New York state and within the
35 United States shall be distributed to purses, except with respect to
36 such compensation received from Connecticut which shall be computed as a
37 percentage of wagering handle in a manner approved by the commission.

38 (c) An amount equal to fifty percent of any compensation received by
39 the franchised corporation from simulcasting or from wagering conducted
40 outside the United States shall be distributed to purses.

41 (d) (i) ~~[The pari-mutuel tax rate authorized by paragraph (a) of this~~
42 ~~subdivision shall be effective so long as a franchised corporation noti-~~
43 ~~fies the commission by August fifteenth of each year that such pari-mu-~~
44 ~~tuel tax rate is effective of its intent to]~~ The franchised corporation
45 shall conduct a race meeting at Aqueduct racetrack during the months of
46 December, January, February, March and April. For purposes of this para-
47 graph such race meeting shall consist of not less than ninety-five days
48 of racing unless otherwise agreed to in writing by the New York
49 Thoroughbred Breeders Inc., the New York thoroughbred horsemen's associ-
50 ation (or such other entity as is certified and approved pursuant to
51 section two hundred twenty-eight of this article) and approved by the
52 commission. Not later than May first of each year ~~[that such pari-mutuel~~
53 ~~tax rate is effective]~~, the commission shall determine whether a race
54 meeting at Aqueduct racetrack consisted of the number of days as
55 required by this [paragraph] subparagraph. In determining the number of
56 race days, cancellation of a race day because of an act of God that the

1 commission approves or because of weather conditions that are unsafe or
2 hazardous that the commission approves shall not be construed as a fail-
3 ure to conduct a race day. Additionally, cancellation of a race day
4 because of circumstances beyond the control of such franchised corpo-
5 ration for which the commission gives approval shall not be construed as
6 a failure to conduct a race day. ~~[If the commission determines that the~~
7 ~~number of days of racing as required by this paragraph have not occurred~~
8 ~~then the pari-mutuel tax rate in paragraph (a) of this subdivision shall~~
9 ~~revert to the pari-mutuel tax rates in effect prior to January first,~~
10 ~~nineteen hundred ninety-five.]~~

11 (ii) Such franchised corporation shall pay to the commission as a
12 regulatory fee, which fee is hereby levied, six-tenths of one percent of
13 the total daily on-track pari-mutuel pools of such franchised corpo-
14 ration.

15 2. a. Subject to the provisions of this section the payment of such
16 state tax shall be made to the commissioner of taxation and finance on
17 the last business day of each month and shall cover taxes due for the
18 period from the sixteenth day of the preceding month through the
19 fifteenth day of the current month provided, however, that such payments
20 required to be made on March thirty-first shall include all taxes due
21 and accruing through the last full week of racing in March of the
22 current year or as otherwise determined by the commissioner, and shall
23 be accompanied by a report under oath, showing such information as the
24 commissioner may require. A penalty of five ~~[per centum]~~ percent and
25 interest at the rate of one ~~[per centum]~~ percent per month from the date
26 the report is required to be filed to the date of the payment of the tax
27 shall be payable in case any tax imposed by this section is not paid
28 when due. If the commissioner determines that any moneys received by the
29 commissioner under this section were paid in error, the commissioner may
30 cause the same to be refunded without interest out of any moneys
31 collected thereunder, provided an application therefor is filed with the
32 commissioner within one year from the time the erroneous payment was
33 made. Such taxes, interest and penalties when collected, after the
34 deduction of refunds of taxes erroneously paid, shall be paid by the
35 commissioner into the general fund of the state treasury.

36 b. The balance of the retained percentage of such pool ~~[and of the~~
37 ~~breaks]~~ shall be held by such franchised corporation for its corporate
38 purposes, except as provided in paragraph c of this subdivision.

39 c. An amount equal to five and ninety-four hundredths percent of the
40 total pools resulting from on-track regular bets and an amount equal to
41 five and ninety-four hundredths percent of the total pools resulting
42 from on-track multiple and exotic bets, and twelve percent of the total
43 pools resulting from super exotic bets shall be used exclusively for
44 purses (including stakes, premiums and prizes) awarded in races
45 conducted by such franchised corporation. Any portion of such percent
46 not so used during any year shall be so used during the following year~~[,~~
47 ~~failing which such portion shall be payable to the commissioner as addi-~~
48 ~~tional tax. Such additional tax shall be payable on or before April~~
49 ~~first in the year following the year in which such portion is not so~~
50 ~~used and the provisions of paragraph a of this subdivision shall be~~
51 ~~applicable thereto except as to the time of payment].~~

52 3. No county, city, town, village or other political subdivision of
53 the state may impose, levy or collect a tax on admission fees or tickets
54 of admission, on wagers made by patrons in the form of purchases of
55 pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on
56 breaks, on dividends or payments made to winning bettors, or on revenue

1 retained by the franchised corporation, except as provided in former
2 article two-B of the general city law, and as otherwise provided in this
3 chapter.

4 ~~[4. Notwithstanding any inconsistent provision of this chapter, when-~~
5 ~~ever the franchised corporation operates the Breeder's Cup Meet at one~~
6 ~~of its racing facilities, such franchised corporation shall not be~~
7 ~~required to pay to the department of taxation and finance pursuant to~~
8 ~~this section the pari-mutuel tax on the pari-mutuel pools of such fran-~~
9 ~~chised corporation's races during the Breeder's Cup Meet. For the~~
10 ~~purposes of this subdivision, the Breeder's Cup Meet shall consist of~~
11 ~~three days: the day on which the Breeder's Cup races are conducted, the~~
12 ~~day preceding such races and the day subsequent to such races.]~~

13 § 4. Subdivisions 1, 4 and 5 of section 318 of the racing, pari-mutuel
14 wagering and breeding law, subdivisions 1 and 5 as amended by chapter
15 243 of the laws of 2020, and subdivision 4 as amended by chapter 261 of
16 the laws of 1988, are amended to read as follows:

17 1. Except as otherwise provided by law, every association or corpo-
18 ration authorized under this article to conduct pari-mutuel betting at a
19 harness horse race meeting on races run thereat shall distribute all
20 sums deposited in any pari-mutuel pool to the holders of winning tickets
21 therein, provided such tickets be presented for payment prior to April
22 first of the year following the year of their purchase, less an amount
23 that shall be established and retained by such racing association or
24 corporation of between fourteen and twenty percent of the total deposits
25 in pools resulting from regular bets, less sixteen to twenty-two percent
26 of the total deposits in pools resulting from multiple bets, less twenty
27 to thirty percent of the total deposits in pools resulting from exotic
28 bets, and less twenty to thirty-six percent of the total betting depos-
29 its in pools resulting from super exotic bets~~[, plus the breaks]~~. The
30 retention rate to be established is subject to the prior approval of the
31 commission. Such rate may not be changed more than once per calendar
32 quarter to be effective on the first day of the calendar quarter.

33 "Exotic bets" and "multiple bets" shall have the meanings set forth in
34 section five hundred nineteen of this chapter~~[, "super". "Super~~ exotic
35 bets" shall have the meaning set forth in subdivision four of section
36 three hundred one of this article ~~[and "the breaks" are hereby defined~~
37 ~~as the odd cents over any multiple of ten for regular and multiple bets,~~
38 ~~or for exotic bets, over any multiple of fifty, or for super exotic~~
39 ~~bets, over any multiple of one hundred calculated on the basis of one~~
40 ~~dollar and otherwise payable to a patron, provided however, that effec-~~
41 ~~tive after October fifteenth, nineteen hundred ninety four breaks are~~
42 ~~hereby defined as the odd cents over any multiple of five for payoffs~~
43 ~~greater than one dollar five cents but less than five dollars, over any~~
44 ~~multiple of ten for payoffs greater than five dollars but less than~~
45 ~~twenty-five dollars, over any multiple of twenty-five for payoffs great-~~
46 ~~er than twenty-five dollars but less than two hundred fifty dollars, or~~
47 ~~over any multiple of fifty for payoffs over two hundred fifty dollars].~~

48 a. Of the sum so retained from on-track pari-mutuel betting pools,
49 such association or corporation authorized to operate in Westchester or
50 Nassau county: (i) shall pay to the commissioner of taxation and finance
51 as a reasonable tax for the privilege of conducting pari-mutuel betting
52 at races run at race meetings held by such corporation or association, a
53 tax, which is hereby levied, ~~[at the rate of one half of one percent of~~
54 ~~all wagers from total daily on-track pools. Such association or corpo-~~
55 ~~ration shall receive credit as a reduction of the daily tax by the state~~
56 ~~for the privilege of conducting pari-mutuel betting of amounts equal to~~

~~four tenths percent of total daily pools resulting from the simulcast of such association's or corporation's races to licensed facilities operated by regional off track betting corporations in accordance with section one thousand eight of this chapter; provided, however, that in no event shall total daily credit exceed four tenths percent of the total daily pool of such association or corporation. An amount equal to fifty percent of such credit shall be used to increase purses; provided, however, that]~~ in the applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter as limited by subdivision two of section one hundred thirty-six of this chapter. Any such association or corporation shall, for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, ~~[each of the applicable rates set forth above shall be increased by one half of one percent on all on-track bets of any such racing association or corporation that did not]~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section three hundred nineteen of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations, ~~[as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year,]~~ and five special events at each track in each calendar year, not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the approval of the commission for purposes of this subdivision. In the determination of the amounts expended for such enhancements, the commission shall consider the average of the two immediately preceding twelve-month calendar periods. ~~[Notwithstanding the foregoing no increase shall be imposed unless such corporation or association has been afforded notice and opportunity to be heard. The commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.]~~

(ii) except as otherwise provided in this paragraph an amount equal to six and eight-tenths percent of the total pool resulting from on-track regular bets, an amount equal to seven and ninety-five one hundredths percent of the total pool resulting from on-track multiple bets, an amount equal to ten and one-half percent of the total pool resulting from on-track exotic bets, an amount equal to fifteen and one-half percent of the total daily pool resulting from on-track super exotic bets shall be used exclusively for purses, of which an amount of not less than ninety percent shall be used exclusively for purses for overnight races conducted by such association or corporation. Such amounts may be reduced upon an application approved by the commission and an agreement between the licensed harness racing corporation or association and the representative horsemen's organization as a condition to reduce the amounts of retained percentages as provided for in this section. However, of the total amount available for purses, an amount as determined by contractual obligations between an organization representing at least fifty-one percent of the owners and trainers using the facilities of such association or corporation for racing, training or stabling purposes and the association or corporation, shall be used for the administrative purposes of said organization and for such welfare and medical plans for regularly employed backstretch employees principally employed at the facilities of such corporation or association as provided by said organization, provided, however, that eligibility for

1 benefits in such plans shall not be conditioned upon membership in such
2 organization by any employee or employer thereof, and any denial of
3 eligibility for benefits in such plans which, upon investigation and
4 review by the commission, is determined to have resulted from a person,
5 firm, association, corporation or organization knowingly aiding in or
6 permitting eligibility for benefits being conditioned upon membership in
7 such organization shall subject such organization to the penalties
8 imposed under sections three hundred ten and three hundred twenty-one of
9 this article but the ratio between the amounts actually expended for
10 such welfare and medical plans and the cost actually incurred in admin-
11 istering such welfare and medical plans for fiscal years of such corpo-
12 ration or association, on or after July twenty-fourth, nineteen hundred
13 eighty-one, shall not be less than the ratio between such amounts actu-
14 ally expended and such costs actually incurred for the fiscal year imme-
15 diately prior to such date. Such organization shall annually on or
16 before July first certify to the commission that it represents at least
17 fifty-one percent of such owners and trainers and provide copies of such
18 certification to such association or corporation. Any other organization
19 claiming to represent at least fifty-one percent of such owners and
20 trainers may file a challenge with the commission within fifteen days of
21 such original certification. The commission shall examine such claim and
22 may undertake studies and conduct hearings to determine the validity of
23 such claim. Within sixty days of receiving such challenge and based
24 upon the findings of such studies and hearings, the commission shall
25 render a decision on the validity of such claim and advise such organ-
26 izations and association or corporation of its determination. Upon
27 receipt of such original certification by such organization, the associ-
28 ation or corporation shall make such payments to said organization and,
29 in the event of a challenge brought to any other organization, such
30 payments shall continue to be made until such time as the commission
31 renders its decision on such challenge; and
32 (iii) the balance of the retained percentage of such pools [~~and the~~
33 ~~balance of the breaks~~] may be held by such association or corporation
34 for its own use and purposes except as provided in paragraph c of this
35 subdivision and in subdivision four of section three hundred one of this
36 article, provided, however, that the commission shall report annually,
37 on or before July first, to the director of the budget, the chair of the
38 senate finance committee and the chair of the assembly ways and means
39 committee the extent to which such corporations and associations used
40 such retained percentages [~~and breakage~~] for operations, maintenance,
41 capital improvements, advertising and promotion, administration and
42 general overhead and evaluate the effectiveness and make recommendations
43 with respect to the application of the [~~reduced~~] rates of taxation as
44 provided for in subparagraph (i) of this paragraph in accomplishing the
45 objectives stated therein. Such report shall also specify the amounts of
46 such retained percentages [~~and breakage~~] used for investments not
47 directly related to racing activities and such amounts used to declare
48 dividends or other profit distributions, additions to capital stock, its
49 sale and transfer and additions to retained earnings. Such reports shall
50 also include an analysis of any such agreements or proposals to conduct
51 or otherwise expand wagers authorized under article ten of this chapter
52 and present its conclusions with respect to the conduct of such wager-
53 ing, the nature of such proposals and agreements, and recommendations to
54 ensure the future maintenance of the intent of this article and article
55 ten of this chapter.

b. (i) Of the sums retained by any other licensed harness racing association or corporation other than those described in paragraph a of this subdivision, such association or corporation shall pay to the commissioner of taxation and finance as a reasonable tax for the privilege of conducting pari-mutuel betting at races run at race meetings held by such corporation or association, a tax, which is hereby levied, in the applicable ~~[tax rates for regular bets shall be six tenths of one percent; for multiple bets shall be one and one tenth percent; for exotic bets shall be five and six tenths percent and for super exotic bets shall be seven percent, plus fifty percent of the breaks. Effective September first, nineteen hundred ninety four, for all licensed harness racing associations and corporations that have entered into a contract with their representative horsemen's association on and after such date, such tax shall be one half of one percent of all wagers, plus fifty percent of the breaks.~~

~~Provided, however, that~~ percentage set forth in subdivision one of section one hundred thirty-six of this chapter, as limited by subdivision two of section one hundred thirty-six of this chapter. Any such racing association or corporation shall for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, ~~[each of the applicable rates set forth above shall be increased by one quarter of one percent on all on track bets of any such racing association or corporation that did not]~~ expend an amount equal to at least one-half of one percent of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section three hundred nineteen of this article, repairs to its physical plant, structures, and equipment used in its racing or wagering operations, ~~[as certified by the commission to the commissioner of taxation and finance no later than eighty days after the close of such calendar year, and five special events at each track in each calendar year,]~~ not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be subject to the approval of the commission for purposes of this subdivision. In this regard, expenditures by a county agricultural society pursuant to section three hundred nineteen of this article shall be credited to the applicable harness racing association or corporation for this purpose. In the determination of the amounts expended for such enhancements, the commission may consider the immediately preceding twelve-month calendar period or the average of the two immediately preceding twelve-month calendar periods. ~~[Notwithstanding the foregoing no increase shall be imposed unless such corporation or association has been afforded a notice and opportunity to be heard. The commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.~~

~~Such associations or corporations shall receive credit as a reduction of the daily tax by the state for the privilege of conducting pari-mutuel betting of amounts equal to four tenths percent of total daily pools resulting from the simulcast of such association's or corporation's races to licensed facilities operated by regional off-track betting corporations in accordance with section one thousand eight of this chapter, provided however, that in no event shall the total daily credit exceed four tenths percent of the total daily pool of such association or corporation which tax is hereby levied and shall be paid to the commissioner of taxation and finance as a reasonable tax imposed by the state for the privilege of conducting pari-mutuel betting at races run~~

~~at race meetings held by such association or corporation.~~] The commission shall report annually, before July first, to the director of the budget, the chair of the senate finance committee and the chair of the assembly ways and means committee the extent to which such corporations and associations used such retained percentages [~~and breakage~~] for operations, maintenance, capital improvements, advertising and promotion, administration and general overhead and evaluate the effectiveness and make recommendations with respect to the application of the [~~reduced~~] rates of taxation as provided for in this subparagraph in accomplishing the objectives stated therein. Such report shall also specify the amounts of such retained percentages [~~and breakage~~] used for investments not directly related to racing activities and such amounts used to declare dividends or other profit distributions, additions to capital stock, its sale and transfer and additions to retained earnings. Such reports shall also include an analysis of any such agreements or proposals to conduct or otherwise expand wagers authorized under article ten of this chapter and present its conclusions with respect to the conduct of such wagering, the nature of such proposals and agreements, and recommendations to ensure the future maintenance of the intent of this article.

(ii) Of the sums retained by such association or corporation, an amount equal to one and three-quarters percent of the total pool resulting from on-track regular, multiple and exotic bets shall be used exclusively for the purpose of increasing purses awarded in overnight races conducted by such association or corporation. Such amounts shall be in addition to purse moneys otherwise provided pursuant to existing contractual obligations. In this regard an amount equal to twelve percent of the total bets in super exotic pools shall be used for purses in lieu of any such contractual obligations that might otherwise apply to purses to be awarded on super exotic bets. Any portion of such amount not so used during any year shall be so used during the following year[~~failing which such portion shall be payable to the commissioner of taxation and finance as additional tax~~]. In addition to the amounts required in this paragraph, fifty percent of all additional sums retained, as a result of tax reductions provided in this section after September first, nineteen hundred ninety-four to qualified licensed harness racing associations, shall be used exclusively for purposes of increasing purses awarded in overnight races conducted by such association or corporation, provided that such association or corporation has entered into a written agreement with its representative horsemen's organization on and after September first, nineteen hundred ninety-four. Notwithstanding anything contained herein to the contrary, in a harness special betting district the amount to be used for purses or the methodology for calculating the amount to be used for purses may be specified in a written contract between a harness racing association or corporation and its representative horsemen's association. The balance of the retained percentage of such pool may be held by such corporation or association for its own use and purposes.

(iii) [~~Of the amount of the breaks from on-track regular, multiple, exotic and super exotic bets such association or corporation shall pay fifty percent to the commissioner of taxation and finance. The balance of such breaks may be held by such association or corporation for its own use and purposes.~~

(iv)] The commission shall as a condition of racing require an association authorized to operate in areas other than Westchester or Nassau county to withhold one percent of all purses and to pay such sum to the

1 horsemen's organization representing the owners and trainers using the
2 facilities of such association [~~which~~ **that**] had a contract with the
3 association governing the conditions of racing on January first, nine-
4 teen hundred ninety-two, as determined by the commission.

5 Any other horsemen's organization may apply to the commission to be
6 approved as the qualified organization to receive payment of the one
7 percent of all purses by submitting to the commission proof of both,
8 that (i) such organization represents more than fifty-one percent of all
9 the owners and trainers using the same facilities and (ii) the
10 horsemen's organization previously approved as qualified by the commis-
11 sion does not represent fifty-one percent of all the owners and trainers
12 using the same facilities. If the commission is satisfied that the
13 documentation submitted with the application of any other horsemen's
14 organization is conclusive with respect to subparagraphs (i) and (ii) of
15 this paragraph, the commission may approve the applicant as the quali-
16 fied recipient organization.

17 In the best interests of racing, upon receipt of such an application,
18 the commission may direct the payments to the previously qualified
19 horsemen's organization to continue uninterrupted, or it may direct the
20 payments to be withheld and placed in interest-bearing accounts for a
21 period not to exceed ninety days, during which time the commission shall
22 review and approve or disapprove the application. Funds held in such
23 manner shall be paid to the organization approved by the commission. In
24 no event shall the commission accept more than one such application in
25 any calendar year from the same horsemen's organization.

26 The funds authorized to be paid by the commission are to be used
27 exclusively for the benefit of those horsemen racing in New York state
28 through the administrative purposes of such qualified organization,
29 benevolent activities on behalf of backstretch employees, and for the
30 promotion of equine research.

31 c. Of the sums retained by any harness racing association or corpo-
32 ration, an amount equal to one percent of the total pools resulting from
33 on-track regular, multiple and exotic bets and an amount equal to three
34 percent of the total pools resulting from on-track super exotic bets
35 shall be paid to the agriculture and New York state horse breeding
36 development fund.

37 d. Every harness racing association or corporation shall pay to the
38 commission as a regulatory fee, which fee is hereby levied, six-tenths
39 of one percent of the total daily on-track pari-mutuel pools of such
40 association or corporation.

41 4. Notwithstanding any other provisions of this chapter, there shall
42 be no pari-mutuel tax imposed upon the compensation received by any
43 harness racing association or corporation in consideration for (a)
44 permission to have wagering conducted outside this state on races run by
45 such association or corporation, and (b) the simulcasting outside this
46 state of races run by such association or corporation, except for such
47 permission or such simulcasting as may be granted to an off-track
48 betting operator in the state of Connecticut by a harness racing associ-
49 ation or corporation located in Nassau or Westchester county. Any such
50 association or corporation so simulcasting to an off-track betting oper-
51 ator in the state of Connecticut shall pay to the New York commissioner
52 of taxation and finance a reasonable tax for such permission and privi-
53 lege for such simulcasting, which is hereby levied, at the following
54 rates: one and one-tenth [~~per centum~~ **percent**] of total daily regular and
55 multiple bets; three and one-tenth [~~per centum~~ **percent**] of total daily

1 exotic bets; and three and one-half [~~per centum~~] percent of total daily
2 super exotic bets.

3 5. [~~Tax rates in event of failure to maintain~~] Maintenance of pari-mu-
4 tuel racing activity. [~~a. Notwithstanding any other provision of this~~
5 ~~section to the contrary, for~~] For any calendar year commencing on or
6 after January first, nineteen hundred eighty-nine, [~~in which~~] a harness
7 racing association or corporation [~~does~~] shall not conduct [~~a minimum~~
8 ~~number of~~] fewer pari-mutuel programs and pari-mutuel races at its
9 facilities [~~equal to at least~~] than ninety percent of the programs and
10 races so conducted during nineteen hundred eighty-five or during nine-
11 teen hundred eighty-six, whichever is less, [~~in lieu of the tax rates~~
12 ~~set forth in subdivision one of this section the applicable pari-mutuel~~
13 ~~tax rates for such association or corporation with respect to on-track~~
14 ~~pari-mutuel betting pools during such year shall be as follows:~~

15 (i) ~~For such an association or corporation authorized to operate in~~
16 ~~Westchester or Nassau county: of total daily on-track pools resulting~~
17 ~~from regular bets, three and seventy five hundredths percent of the~~
18 ~~first five hundred thousand dollars comprising such pools and five and~~
19 ~~twenty five hundredths percent of the amount in excess of five hundred~~
20 ~~thousand dollars, plus fifty percent of the breaks; of total daily~~
21 ~~on-track pools resulting from multiple bets, four and seventy five~~
22 ~~hundredths percent of the first three hundred thousand dollars compris-~~
23 ~~ing such pools and six and twenty five hundredths percent of the amount~~
24 ~~in excess of three hundred thousand dollars, plus fifty percent of the~~
25 ~~breaks; of total daily on-track pools resulting from exotic bets, eight~~
26 ~~and seventy five hundredths percent of the first two hundred thousand~~
27 ~~dollars comprising such pools, and ten and twenty five hundredths~~
28 ~~percent of the amount in excess of two hundred thousand dollars, plus~~
29 ~~fifty percent of the breaks; and of total daily on-track pools resulting~~
30 ~~from super exotic bets, seven percent, plus fifty percent of the breaks;~~
31 ~~and~~

32 (ii) ~~For any harness racing association or corporation other than one~~
33 ~~described in subparagraph (i) of this paragraph: of total daily on-track~~
34 ~~pools resulting from regular bets, one and one-half percent, plus fifty~~
35 ~~percent of the breaks; of total daily on-track pools resulting from~~
36 ~~multiple bets, two percent, plus fifty percent of the breaks; of total~~
37 ~~daily on-track pools resulting from exotic bets, six and one-half~~
38 ~~percent, plus fifty percent of the breaks; and of total daily on-track~~
39 ~~pools resulting from super exotic bets, seven percent, plus fifty~~
40 ~~percent of the breaks.~~

41 b. ~~The provisions of this subdivision shall not apply to an associ-~~
42 ~~ation or corporation for any calendar year for which the commission~~
43 ~~certifies to the commissioner of taxation and finance:~~

44 (i) ~~by December fifteenth of the year immediately preceding such year,~~
45 ~~that such association or corporation has been assigned for such year,~~
46 ~~from the programs and races it requested, at least the minimum number of~~
47 ~~programs and races prescribed in paragraph a of this subdivision, or, if~~
48 ~~fewer than such number were assigned for such year, that the assignment~~
49 ~~of such lesser number was for~~] unless such association or corporation
50 demonstrates to the satisfaction of the commission good cause due to
51 factors beyond the control of such association or corporation or because
52 the commission [~~found~~] finds that it would be uneconomical or impracti-
53 cal for such association or corporation to be assigned or conduct the
54 prescribed number[; and

55 (ii) ~~by January thirty-first of the year immediately subsequent to~~
56 ~~such year, that such association or corporation did conduct such number~~

~~of programs and races as were certified pursuant to subparagraph (i) of this paragraph, or if it failed to conduct such number that such failure was for good cause due to factors beyond its control or because the commission found it uneconomical or impractical for such association or corporation to conduct such a number.~~

~~c. For any calendar year for which the commission does not certify pursuant to the provisions of subparagraph (i) of paragraph b of this subdivision with respect to an association or corporation, the tax imposed by this section shall be computed by substituting the provisions of paragraph a of this subdivision for the provisions of paragraph a or b, whichever is applicable, of subdivision one of this section and shall pay the tax so computed to the commissioner of taxation and finance. In such computation and payment, all other provisions of this section shall apply as if the provisions of this paragraph and of paragraph a of this subdivision had been incorporated in whole in paragraph a or b, whichever is applicable, of subdivision one of this section.~~

~~d. For any calendar year for which the commission does not certify pursuant to the provisions of subparagraph (ii) of paragraph b of this subdivision with respect to an association or corporation, the tax required to be paid hereunder for such year shall be equal to the difference between the tax imposed pursuant to the provisions of paragraph a of this subdivision and the tax imposed pursuant to the provisions of paragraph a or b, whichever is applicable, of subdivision one of this section, less one-half of such difference in recognition of purses that were required to be paid, plus an additional amount equal to ten percent of such tax in the event of a willful failure to comply with the provisions of subparagraph (ii) of paragraph b of this subdivision and such association or corporation shall pay the tax so computed to the commissioner of taxation and finance on or before March fifteenth of the following year. Notwithstanding the provisions of this subdivision, in the event that upon appeal from the determination of the commission that the certification provided in paragraph b of this subdivision will not be made, it is finally determined that the commission erred in failing to so certify and that any moneys received by the commissioner of taxation and finance under paragraph c of this subdivision were paid in error, the same shall be refunded at the rate of interest of six percent per annum. Payment of such tax due, or the anticipation of such payment, shall not affect the determination of purses in the year in which such tax arises or in the year in which such payment is made nor shall such payment in any other manner be considered in any statutory or contractual calculation of purse obligations.~~

~~e. Written notice of the certification of the commission pursuant to the provisions of paragraph b of this subdivision shall be given by the commission to the applicable association or corporation by the dates therein specified. In like manner, written notice that such certification will not be made shall be given by the commission to the commissioner of taxation and finance and the applicable association or corporation by such dates].~~

§ 5. Subdivision 1 of section 418 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

1. Every association or corporation authorized under [~~sections two hundred twenty two through seven~~ section four hundred five of this [~~chapter~~ article] to conduct pari-mutuel betting at a quarter horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein provided such

1 tickets be presented for payment before April first of the year follow-
2 ing the year of their purchase, less seventeen percent of the total
3 deposits in pools resulting from regular on-track bets and less nineteen
4 percent of the total deposits in pools resulting from multiple bets and
5 less twenty-five percent of the total deposits in pools resulting from
6 exotic on-track bets[, ~~plus the breaks~~]. "Multiple bet" or "multiple
7 wager" shall mean a single bet or wager on two horses, evidenced by a
8 single ticket and representing an interest in a single betting pool.
9 "Exotic bet" or "exotic wager" shall mean a single bet or wager on three
10 or more horses, evidenced by a single ticket and representing an inter-
11 est in a single betting pool. [~~The breaks for regular bets and multiple
12 bets are hereby defined as the odd cents over any multiple of ten or for
13 exotic bets, over any multiple of fifty calculated on the basis of one
14 dollar and otherwise payable to a patron.~~] Of the sum so retained [~~the
15 applicable tax rates for regular bets shall be three percent; the appli-
16 cable tax rates for multiple bets shall be three and one half percent;
17 the applicable tax rates for exotic bets~~] there shall be eight percent,
18 plus sixty-five percent of the amount of the breaks from on-track regu-
19 lar, multiple and exotic bets shall be paid by such corporation or asso-
20 ciation to the department of taxation and finance as a reasonable tax by
21 the state for the privilege of conducting pari-mutuel betting on the
22 races run at the quarter horse race meetings held by such corporation or
23 association, which tax is hereby levied, [~~and the balance of the
24 retained percentage of such pool and of the breaks may be held by such
25 corporation or association for its own use and purposes~~] in the applica-
26 ble percentage set forth in subdivision one of section one hundred thir-
27 ty-six of this chapter. The payment of such state tax shall be made to
28 the department of taxation and finance at such regular intervals as the
29 department of taxation and finance may require, and shall be accompanied
30 by a report under oath showing the total of all such contributions
31 together with such other information as the department of taxation and
32 finance may require. A penalty of five percent and interest at the rate
33 of one percent per month from the date the report is required to be
34 filed to the date of payment of the tax shall be payable in case any tax
35 imposed by this section is not paid when due. If the department of taxa-
36 tion and finance determines that any moneys received under this section
37 were paid in error, it may cause the same to be refunded without inter-
38 est out of any moneys collected thereunder, provided an application
39 therefor is filed with it within one year from the time the erroneous
40 payment was made. Such taxes, interest and penalties when collected,
41 after the deduction of refunds of taxes erroneously paid, shall be paid
42 by the department of taxation and finance into the general fund of the
43 state treasury. [~~Ten percent of the breaks shall be paid to the New York
44 state quarter horse breeding and development fund.~~]

45 § 6. Subdivisions 1, 5, 7 and 8 of section 527 of the racing, pari-mu-
46 tuel wagering and breeding law, as amended by chapter 18 of the laws of
47 2008, the opening paragraph of subdivision 1 and subdivision 5 as
48 amended by chapter 243 of the laws of 2020, are amended to read as
49 follows:

50 1. The disposition of the retained commission from pools resulting
51 from regular, multiple or exotic bets, as the case may be, whether
52 placed on races run within a region or outside a region, conducted by
53 racing corporations, harness racing associations or corporations, quar-
54 ter horse racing associations or corporations or races run outside the
55 state shall be governed by the tables in paragraphs a and b of this
56 subdivision. [~~The rate denominated "state tax"~~] There shall [~~represent~~

1 ~~the rate of~~] be paid by each regional corporation conducting off-track
2 betting, as a reasonable tax imposed upon the retained commission for
3 the privilege of conducting off-track pari-mutuel betting, which tax is
4 hereby levied [~~and~~], a percentage of all money wagered on live races
5 through such corporation, which shall be payable in the manner set forth
6 in this section and in subdivision one of section one hundred thirty-six
7 of this chapter. Each off-track betting corporation shall pay to the
8 commission as a regulatory fee, which fee is hereby levied, six-tenths
9 of one percent of the total daily pools of such corporation. Each corpo-
10 ration shall also pay twenty percent of the breaks derived from bets on
11 out-of-state harness races and fifty percent of the breaks derived from
12 bets on all other out-of-state races to the agriculture and New York
13 State horse breeding and development fund and to the thoroughbred breed-
14 ing and development fund, the total of such payments to be apportioned
15 fifty percent to each such fund. For the purposes of this section, the
16 New York city, Suffolk, Nassau, and the Catskill regions shall consti-
17 tute a single region and any thoroughbred track located within the Capi-
18 tal District region shall be deemed to be within such single region. A
19 "regional meeting" shall refer to either harness or thoroughbred meet-
20 ings, or both, except that a franchised corporation shall not be a
21 regional track for the purpose of receiving distributions from bets on
22 thoroughbred races conducted by a thoroughbred track in the Catskill
23 region conducting a mixed meeting. With the exception of a harness
24 racing association or corporation first licensed to conduct pari-mutuel
25 wagering at a track located in Tioga, Saratoga or Westchester county
26 after January first, two thousand five, racing corporations first
27 licensed to conduct pari-mutuel racing after January first, nineteen
28 hundred eighty-six or a harness racing association or corporation first
29 licensed to conduct pari-mutuel wagering at a track located in Genesee
30 County after January first, two thousand five, and quarter horse tracks
31 shall not be "regional tracks"; if there is more than one harness track
32 within a region, such tracks shall evenly divide payments made pursuant
33 to the tables in paragraphs a and b of this subdivision when neither
34 track is running. In the event a track elects to reduce its retained
35 percentage from any or all of its pari-mutuel pools, the payments to the
36 track holding the race and the regional track required by paragraphs a
37 and b of this subdivision shall be reduced in proportion to such
38 reduction. Nothing in this section shall be construed to authorize the
39 conduct of off-track betting contrary to the provisions of section five
40 hundred twenty-three of this article.

41 a. Regular and multiple bets:

42		Track		
43		holding	Regional	[State]
44		race	track	[tax]
45	Pools on races run by:			
46	Franchised corporations:			
47	in region;.....	3.50	N/A	[-30]
48	out-region, during a regional			
49	meeting;.....	1.00	2.50	[-30]
50	out-region, no regional			
51	meeting;.....	1.75	1.75	[-30]
52	Racing corporations			
53	in special			
54	betting district:			

1	in-special betting district;...	3.80	N/A	[1.00]
2	out-district, during a regional			
3	meeting;.....	1.00	2.80	[1.00]
4	out-district, no regional			
5	meeting;.....	1.90	1.90	[1.00]
6	Harness racing associations or			
7	corporations within Suffolk,			
8	Nassau, or Catskill regions:			
9	in region;.....	4.00	N/A	[.70]
10	out-region, during a regional			
11	meeting;.....	1.00	3.00	[.70]
12	out-region, no regional			
13	meeting;.....	2.00	2.00	[.70]
14	Harness racing associations or			
15	corporations:			
16	in-special betting			
17	district;.....	4.00	N/A	[.50]
18	out-district, during a			
19	regional meeting;.....	1.00	3.00	[.50]
20	out-district, no regional			
21	meeting;.....	2.00	2.00	[.50]
22	Other harness racing associations			
23	or corporations:			
24	in region;.....	4.00	N/A	[.50]
25	out-region, during a regional			
26	meeting;.....	1.00	3.00	[.50]
27	out-region, no regional			
28	meeting;.....	2.00	2.00	[.50]
29	Quarter horse racing associations			
30	or corporations;.....	3.50	N/A	[1.10]
31	Out-of-state tracks:.....	3.50 divided		[1.10]
32		pursuant to		
33		paragraph		
34		g of this		
35		subdivision		
36	b. Exotic bets:			
37		Track		
38		holding		
39		race	Regional	[State]
40	Pools on races run by:		track	[tax]
41	Franchised corporations:			
42	in region;.....	6.50	N/A	[1.30]
43	out-region, during a regional			
44	meeting;.....	2.00	4.50	[1.30]
45	out-region, no regional			
46	meeting;.....	3.25	3.25	[1.30]
47	Racing corporations			
48	in special			
49	betting district:			
50	in-special betting districts;..	6.80	N/A	[3.00]
51	out-district, during a regional			
52	meeting;.....	2.00	4.80	[3.00]
53	out-district, no regional			
54	meeting;.....	3.40	3.40	[3.00]

1	Harness racing associations or			
2	corporations within Suffolk,			
3	Nassau, or Catskill			
4	regions:			
5	in region;.....	7.00	N/A	[2.70]
6	out-region, during a regional			
7	meeting;.....	2.00	5.00	[2.70]
8	out-region, no regional			
9	meeting;.....	3.50	3.50	[2.70]
10	Harness racing associations			
11	or corporations:			
12	in-special betting			
13	district;.....	7.00	N/A	[2.50]
14	out-district, during a			
15	regional meeting;.....	2.00	5.00	[2.50]
16	out-district, no regional			
17	meeting;.....	3.50	3.50	[2.50]
18	Other harness racing associa-			
19	tions or corporations:			
20	in-region;.....	7.00	N/A	[2.50]
21	out-region, during a			
22	regional meeting;.....	2.00	5.00	[2.50]
23	out-region, no regional			
24	meeting;.....	3.50	3.50	[2.50]
25	Quarter horse racing associa-			
26	tions or corporations;.....	6.50	N/A	[3.10]
27	Out-of-state tracks:.....	6.50 divided		[3.10]
28		pursuant to		
29		paragraph		
30		g of this		
31		subdivision		
32	c. Super Exotic Bets:			
33		Track		
34		holding		
35		race	Regional	[State]
36	Pools on races run by:		track	[tax]
37	Franchised corporations:			
38	in region;.....	12.00	N/A	[3.50]
39	out-region, during a regional			
40	meeting;.....	3.00	10.00	[2.50]
41	out-region, no regional			
42	meeting;.....	6.00	6.00	[3.50]
43	Racing corporations			
44	in special			
45	betting district:			
46	in-special betting districts;..	12.00	N/A	[3.50]
47	out-district, during a regional			
48	meeting;.....	3.00	10.00	[2.50]
49	out-district, no regional			
50	meeting;.....	6.00	6.00	[3.50]
51	Harness racing associations or			
52	corporations within Suffolk,			
53	Nassau, or Catskill regions:			
54	in-region;.....	12.00	N/A	[3.50]

1	out-region, during a regional			
2	meeting;.....	3.00	10.00	[2.50]
3	out-region, no regional			
4	meeting;.....	6.00	6.00	[3.50]
5	Harness racing associations			
6	or corporations:			
7	in-special betting			
8	district;.....	12.00	N/A	[3.50]
9	out-district, during a			
10	regional meeting;.....	3.00	10.00	[2.50]
11	out-district, no regional			
12	meeting;.....	6.00	6.00	[3.50]
13	Other harness racing associations			
14	or corporations:			
15	in-region;.....	12.00	N/A	[3.50]
16	out-region, during a			
17	regional meeting;.....	3.00	10.00	[2.50]
18	out-region, no regional			
19	meeting;.....	6.00	6.00	[3.50]

20 d. For the portion of the Western region included within a thorough-
 21 bred special betting district and not within a harness special betting
 22 district, when no thoroughbred race meeting is conducted by a racing
 23 corporation located within such thoroughbred special district, the
 24 distribution of the retained commission to "regional tracks" by such
 25 regional corporation derived from wagers placed within such special
 26 betting district shall be divided as follows:

27 (i) when a harness corporation located in such district is conducting
 28 a meet the full amount to such harness corporation; and when a harness
 29 corporation in the region but not located in such district is conducting
 30 a meet, forty percent to the thoroughbred racing corporation and sixty
 31 percent to the harness corporation conducting a meet;

32 (ii) when no racing is being conducted, forty [~~per centum~~] percent to
 33 the thoroughbred racing corporation and the balance divided equally
 34 between the harness racing corporations located in such region; and

35 (iii) when no racing is being conducted and no more than one harness
 36 racing association is licensed during the calendar year to conduct a
 37 race meeting, fifty [~~per centum~~] percent to the thoroughbred racing
 38 corporation and fifty [~~per centum~~] percent to the harness racing associ-
 39 ation located in such region.

40 e. For the portions of the Capital District, Catskill, Central and
 41 Western regions included within a harness racing special betting
 42 district, except those portions described in paragraph e of this subdivi-
 43 sion, the harness track located in such special district shall be the
 44 "regional track" for the purposes of the distributions made pursuant to
 45 paragraphs a and b of this subdivision.

46 f. For the portions of the Catskill, Central and Western regions
 47 included in both a thoroughbred special betting district and a harness
 48 special betting district, the distribution of the retained commission to
 49 "regional tracks" by such regional corporations derived from wagers
 50 placed within such portions of such regions shall be divided as follows:

51 (i) when a harness corporation located in the harness special betting
 52 district is conducting a meet and no thoroughbred race meeting is being
 53 conducted by a racing corporation located in the thoroughbred special
 54 betting district, the full amount to such harness association;

(ii) when a thoroughbred corporation located in the thoroughbred special betting district is conducting a meet and no harness race meeting is being conducted by a harness association located in the harness special betting district, the full amount to such thoroughbred corporation;

(iii) when no racing is being conducted the amount to be divided evenly between the thoroughbred track located in such thoroughbred special betting district and the harness track located in such harness special betting district.

g. With respect to the amounts payable to track operators from the retained commission on pools resulting from thoroughbred or harness races outside this state, the regional corporation shall first pay any contractual obligation owed to the out-of-state track operator, or to another state or entity thereof, as the case may be. The balance of such amounts shall be divided as follows:

(i) for the betting region composed of the New York city, Suffolk and Nassau regions and the portion of the Catskill region outside a special betting district: when both harness and thoroughbred meets are in progress in such betting region, the balance to the association or corporation holding the same type of meet as the out-of-state race; when only a harness meet is in progress in such betting region, the balance to the harness track operator; when only a thoroughbred meet is in progress in such betting region, the balance to the thoroughbred track operator; when no meet is in progress, fifty ~~[per centum]~~ percent of the balance to the franchised corporation and the remainder divided among harness racing corporations or associations within such betting region;

(ii) for the Capital District region and the portion of the Western region outside a special betting district: when a harness meet is in progress in such region and a thoroughbred meet is in progress outside a special betting district, the balance to whichever operator is conducting the same type of meet as the out-of-state race; when no harness meet is in progress, the balance to the racing association outside a special betting district; and when no meet is in progress within such region and no thoroughbred meet is in progress outside a special betting district, fifty ~~[per centum]~~ percent of the balance to the racing association outside a special betting district and the remainder to the licensed harness racing corporations or associations within such region;

(iii) for the portion of the Western region within a thoroughbred special betting district but not within a harness special betting district: when a harness meet and a thoroughbred meet are in progress within such region and the district, the balance to the association or corporation conducting the same type of meet as the out-of-state or out-of-region race; when a harness meet is in progress in such region but no thoroughbred meet is in progress in the special betting district, the balance to the harness track operator within such region; when only a thoroughbred meet is in progress in such betting region, the balance to the thoroughbred track operator; and when no meet is in progress within such region the balance is divided, forty ~~[per centum]~~ percent to the thoroughbred racing corporation within the district and the remainder divided between the harness racing associations or corporations within the region provided, however, that if no more than one harness racing association or corporation is licensed to conduct a race meeting, fifty ~~[per centum]~~ percent to the thoroughbred racing corporation within the district and fifty ~~[per centum]~~ percent to the licensed harness racing association within the region;

(iv) for the portions of the Capital District, Catskill, Central and Western regions included in a harness special betting district: when a harness meeting is in progress in such harness special betting district and a thoroughbred meeting is in progress outside the thoroughbred special betting district, the balance to the association or corporation holding the same kind of race; when no harness meet is in progress, the balance to the racing corporation holding a thoroughbred race meeting outside the thoroughbred special betting district; when a harness meeting is in progress in the harness special betting district and no thoroughbred meeting is in progress outside the thoroughbred special betting district, the balance to the harness track operating in such harness special betting district; when no harness meet is being held within such harness special betting district and no thoroughbred meet is being held outside the thoroughbred special betting district, fifty ~~[per centum]~~ percent of such amount to the harness racing corporation in such harness special betting district and fifty ~~[per centum]~~ percent to the thoroughbred track operator outside the thoroughbred special betting district;

(v) for the portions of the Catskill and Western regions included in both a thoroughbred special betting district and a harness special betting district: when a harness meet and a thoroughbred meet are in progress within both such districts the balance to the association or corporation conducting the same type of meet as the out-of-state race; when a harness meet is in progress but no thoroughbred meet the balance to the harness track operator within such district; when a thoroughbred meet is in progress but no harness meet the balance to the thoroughbred track operator in the district; and when no meet is in progress the balance to be divided evenly between the harness track operator in the harness special betting district and the thoroughbred operator located within the thoroughbred special betting district;

(vi) notwithstanding any contrary provision contained in this section, the portion of retained commissions from off-track pools distributable to the track holding the race shall be for regular and multiple bets: five and three-quarters ~~[per centum]~~ percent and for exotic bets: seven and three-quarters ~~[per centum]~~ percent for the three races commonly referred to as the Triple Crown consisting of the Kentucky Derby, the Preakness and the Belmont Stakes, run respectively at Churchill Downs, Kentucky, at Pimlico, Maryland and at Belmont Park, New York; additionally the same commissions shall apply to the series of races known as the Breeders' Cup and the portion distributable from retained commissions shall be paid to the Breeders' Cup, ltd. irrespective of whether the races are held at a track within or without the state; provided, however, that as a condition precedent to the obligation of a regional corporation to make the foregoing distributions as required in this subparagraph with respect to wagers on the Belmont Stakes, such regional corporation shall have accepted wagers on at least one or both of the immediately preceding Kentucky Derby and Preakness races; and provided further that the distributable portion of such retained commissions with respect to the Belmont Stakes shall be deemed to include the additional amounts payable pursuant to the provisions of paragraph b of subdivision three of this section; and provided further, notwithstanding the foregoing provisions of this subparagraph, that of the retained commissions resulting from off-track wagers placed in a special betting district on the Belmont Stakes, the track holding the race shall receive one per centum from regular and multiple bets and two ~~[per centum]~~ percent from exotic bets, and the thoroughbred track conducting racing within such

1 district shall receive four and three-quarters [~~per centum~~] percent from
2 regular and multiple bets, and five and three-quarters [~~per centum~~]
3 percent from exotic bets.

4 5. a. One percent of daily pools derived from bets on harness races
5 shall be paid to the agriculture and New York state breeding and devel-
6 opment fund except that for super exotic betting pools such amount shall
7 be three percent of such bets.

8 b. An amount equal to one-half of one percent of total daily off-track
9 pari-mutuel pools resulting from regular, multiple and exotic bets and
10 three percent of super exotic bets on thoroughbred or steeplechase races
11 shall be paid to the New York state thoroughbred breeding and develop-
12 ment fund.

13 c. From the total breaks retained by a regional corporation, an amount
14 equal to ten percent of the breaks derived from bets on out-of-state
15 quarter horse races shall be paid to the New York state quarter horse
16 breeding and development fund.

17 7. In addition to any other amount required by this section, of the
18 portion of commissions retained by a regional corporation, an amount
19 equal to one [~~per centum~~] percent of multiple pools derived from wagers
20 on races conducted by a thoroughbred racing corporation, licensed by the
21 board, other than a franchised corporation, shall be paid to such
22 thoroughbred racing corporation and held by such corporation for its own
23 use and purposes, except that an amount equal to one-half [~~per centum~~]
24 percent shall be used exclusively for the purpose of increasing purses,
25 including stakes, premiums and prizes, awarded to horses in races
26 conducted by such corporation. Any portion of said amount not so used
27 during any year shall be used during the following year, failing which
28 it shall be returned to the regional corporation on or before April
29 first in the year following the year in which it is not so used to be
30 distributed to the participating local governments.

31 8. From the nineteen [~~per centum~~] percent of the total deposits in
32 pools resulting from multiple bets on thoroughbred races outside this
33 state, two [~~per centum~~] percent shall be paid to a franchised corpo-
34 ration to be used exclusively for the purpose of increasing purses,
35 including stakes, premiums and prizes. Any portion of said amount not so
36 used during any year shall be used during the following year, failing
37 which it shall be returned to the regional corporation on or before
38 April first in the year following the year in which it is not so used to
39 be distributed to the participating local governments. Notwithstanding
40 the provisions of section fifteen of chapter three hundred sixty-three
41 of the laws of nineteen hundred eighty-four, the provisions of this
42 subdivision shall not expire.

43 § 7. Subdivisions 1, 3, 3-a and 6 of section 532 of the racing, pari-
44 mutuel wagering and breeding law, subdivisions 1 and 3 as amended by
45 chapter 243 of the laws of 2020, subparagraph (vi) of paragraph b of
46 subdivision 3 as amended by chapter 526 of the laws of 2022, and subdi-
47 visions 3-a and 6 as added by chapter 346 of the laws of 1990, are
48 amended to read as follows:

49 1. Notwithstanding any other provision of law, each regional off-track
50 betting corporation, or off-track betting operator, including the New
51 York city off-track betting corporation, conducting off-track betting
52 shall impose a surcharge of five percent on the portion of pari-mutuel
53 wagering pools distributable to persons having placed bets at off-track
54 betting facilities located within such region. The revenues derived from
55 such surcharge[, ~~plus the breaks,~~] shall be held separate and apart from
56 any amounts otherwise authorized to be retained from pari-mutuel pools.

1 Such surcharge is hereby levied subject to the conditions set forth in
2 this subdivision and article ten of this chapter.

3 3. The revenues received from any surcharge imposed by subdivision one
4 of this section[~~, plus the breaks,~~] shall be distributed monthly, as
5 follows:

6 a. fifty percent to such city, or to the counties and cities entitled
7 to receive revenues from the regional corporation pursuant to section
8 five hundred sixteen of this chapter and in the same proportion as
9 provided therein, or to an off-track betting operator; and

10 b. the balance as follows:

11 (i) where the track conducting the race on which the bet was placed is
12 located within a city with a population in excess of one hundred thou-
13 sand, to such city;

14 (ii) where the track conducting the race on which the bet was placed
15 is not located within a city with a population in excess of one hundred
16 thousand, to the county in which such track is located;

17 (iii) where the track conducting the race on which the bet was placed
18 is located partially within a city with a population in excess of one
19 million and partially within a county, twenty-five percent of such
20 balance to the city and the remainder to the county;

21 (iv) where the track conducting the race on which the bet was placed
22 is located outside the state, in the same manner as described in para-
23 graph a of this subdivision;

24 (v) where the track conducting the race is located in a thoroughbred
25 special betting district and is simulcasting pursuant to section one
26 thousand eight of this chapter outside such special betting district,
27 ninety percent to the off-track betting operator and ten percent to the
28 county in which such track is located; and

29 (vi) for the period of September first, two thousand twenty-two until
30 August thirty-first, two thousand twenty-seven and where the track
31 conducting the race on which the bet was placed is a harness track
32 located in the county of Erie, to such track.

33 3-a. Such five [~~per centum~~] percent surcharge herein provided is here-
34 by increased by a supplemental one [~~per centum~~] percent surcharge on the
35 portion of pari-mutuel wagering pools of multiple, exotic and super
36 exotic bets distributable to persons having placed bets at off-track
37 betting facilities to be distributed in accordance with the provisions
38 of section five hundred nine-a or six hundred nine-a of this chapter,
39 whichever may be applicable to the corporation with which such bets
40 originated.

41 6. Notwithstanding any provision herein or in section one thousand
42 nine of this chapter to the contrary where the track conducting the race
43 is a thoroughbred track located in the Catskill region conducting a
44 mixed meeting such surcharge shall be collected on all wagers placed in
45 branch offices or simulcast theaters of a regional off-track betting
46 corporation. The revenues received from any such surcharge imposed in
47 accordance with this section [~~plus the breaks~~] shall be distributed
48 monthly as follows:

49 a. one-fifth to the county in which such track is located;

50 b. three-fifths to a regional track located in the region in which the
51 bet is placed in accordance with provisions of section five hundred
52 twenty-seven of this article, one-half thereof to be used for purses at
53 such regional track, except that in any region containing two or more
54 regional tracks such tracks shall be entitled to an equal share;

55 c. one-fifth to be retained by the off-track betting operator with
56 whom such bet originated as operating revenues.

§ 8. Paragraph c of subdivision 1 of section 904 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:

c. Every association and corporation shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, providing such tickets be presented for payment before April first of the year following the year of their purchase, less an amount that it shall retain at the same rate established by the sending track [~~plus the breaks~~].

§ 9. Paragraph c of subdivision 2 and subdivision 4 of section 905 of the racing, pari-mutuel wagering and breeding law, paragraph c of subdivision 2 as amended by chapter 243 of the laws of 2020, subdivision 4 as amended by section 15 of part F3 of chapter 62 of the laws of 2003 and such section as renumbered by chapter 18 of the laws of 2008, are amended to read as follows:

c. If different retention or breakage rates than those prevailing at the site of the New York interface are prescribed by the laws governing such out-of-state or foreign betting operator, and the commission is satisfied that it would not be contrary to the public interest to accept such wagers for combination with New York wagers, calculations of the current odds and final pay-off prices shall be made as follows:

(i) All New York state and out-of-state and foreign wagers of the same type shall be combined into single pools for calculation.

(ii) As many tentative payout prices as there are different retention and breakage rates applicable (including the prevailing New York retention rate) shall be calculated on the basis of returning the appropriate rate of return, less breaks after imposition of each such rate of retention and breaks.

(iii) To each such out-of-state or foreign operator shall be allocated an amount sufficient for it to pay the appropriate pay-off to holders of winning wagers placed with it together with the applicable retention amount on its total wagers.

(iv) To each New York operator shall be allocated an amount sufficient for it to pay the appropriate pay-off to holders of winning wagers placed with it together with the applicable New York retention amount on its total wagers.

(v) The total amount of the combined pool less the combined total of all allocations as determined in subparagraphs (iii) and (iv) of this paragraph shall be credited to a special breakage account. The amount in such account giving appropriate weight to rates established for breakage shall be allocated as breaks among all operators in the combined pool in accordance with the rules and regulations of the commission. Should a minus pool eventuate in which the total combined pool is insufficient to reimburse each operator for the allocation due to it then the allocation due to each such operator shall be reduced as may be appropriate and such operator shall be responsible for satisfying its liability from its own operating capital.

4. In those instances in which the retention rates of the out-of-state track are different from the retention rates authorized in this section, distribution to each of the entities entitled to receive payment under section five hundred twenty-seven or article ten of this chapter after payment of state taxes and regulatory fees shall be adjusted proportionately in an appropriate manner to account for higher or lower retention rates. For purposes of determining payment on out-of-state wagers the retention rate shall be the amount sufficient to pay holders of winning

1 wagers plus any payments required to be made to the out-of-state track
2 which exceeds two [~~per centum~~ percent] of handle.

3 § 10. Paragraph a of subdivision 3 of section 1007 of the racing,
4 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
5 laws of 2020, is amended to read as follows:

6 a. Of the sums retained by the receiving track from simulcast pools
7 the pari-mutuel tax shall be levied at the [~~lower of the pari-mutuel~~
8 ~~tax~~] rate [~~in effect on December thirty-first, nineteen hundred ninety-~~
9 ~~three at the receiving track, plus ten percent of the breaks or the~~
10 ~~following rates: two percent of simulcast pools generated by regular~~
11 ~~wagers, two and one-half percent of simulcast pools generated by multi-~~
12 ~~ple wagers, and seven percent of simulcast pools generated by exotic and~~
13 ~~super exotic wagers, plus ten percent of the breaks~~] set forth in subdivi-
14 vision one of section one hundred thirty-six of this chapter.

15 § 11. Paragraph a of subdivision 4 of section 1009 of the racing,
16 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
17 laws of 2020, is amended to read as follows:

18 a. Of the sums retained by the operator as provided in this subdivi-
19 sion, the pari-mutuel tax shall be levied at the [~~following rates plus~~
20 ~~twenty percent of the breaks: from wagers on thoroughbred races, eight-~~
21 ~~tenths of one percent of pools generated from regular wagers; one and~~
22 ~~three tenths percent of pools generated from multiple wagers; two and~~
23 ~~eight tenths percent of pools generated from exotic wagers; and three~~
24 ~~and one-half percent of pools generated from super exotic wagers; and~~
25 ~~from wagers on harness races, one-half of one percent of pools generated~~
26 ~~from regular wagers; one percent of pools generated from multiple~~
27 ~~wagers; two and one-half percent of pools generated from exotic wagers~~
28 ~~and three percent of pools generated from super exotic wagers~~] rate set
29 forth in subdivision one of section one hundred thirty-six of this chap-
30 ter.

31 § 12. Paragraph i of subdivision 1 of section 1014 of the racing,
32 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
33 laws of 2020, is amended to read as follows:

34 i. Any facility authorized to accept wagers on out-of-state tracks
35 shall distribute all sums deposited in any pari-mutuel pool to the hold-
36 ers of winning tickets therein, provided such tickets are presented for
37 payment prior to April first of the year following the year of their
38 purchase less eighteen percent of the total deposits in pools resulting
39 from regular bets, less twenty-one percent of the total deposits in
40 pools resulting from multiple bets, less twenty-six percent of the total
41 deposits in pools resulting from exotic bets, less thirty-six percent of
42 the total deposits in pools resulting from super exotic bets [~~plus the~~
43 ~~breaks as defined in section two hundred thirty six of this chapter~~]
44 except that the retention rates and breaks shall be as prescribed by
45 another state or country if such wagers are combined with those in the
46 other state or country pursuant to section nine hundred five of this
47 chapter.

48 (1) Of the sum so retained, the applicable tax rate shall be [~~one and~~
49 ~~one-half percent of all such wagers plus fifty percent of the breaks;~~
50 ~~provided, however, fifty percent of the breaks accruing from off-track~~
51 ~~betting corporations licensed in accordance with section one thousand~~
52 ~~eight of this article and from simulcast theaters licensed in accordance~~
53 ~~with section one thousand nine of this article, shall be paid to the~~
54 ~~agriculture and New York state horse breeding and development fund and~~
55 ~~to the thoroughbred breeding and development fund, the total of such~~
56 ~~payments to be apportioned fifty percent to each such fund~~] rate set

forth in subdivision one of section one hundred thirty-six of this chapter.

(2) Of the sums so retained, one-half of one percent of all wagers shall be paid to the New York state thoroughbred breeding and development fund, except that of the sums so retained on such wagers at licensed harness tracks, one-half of one percent shall be paid to the agricultural and New York State horse breeding and development fund.

(3) Of the sum so retained, two percent of all wagers shall be paid to a franchised corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, provided further that such amount shall not exceed the amount paid to such non-profit racing association in nineteen hundred ninety-three from wagers placed on out-of-state tracks on a day when no racing was being conducted by the non-profit racing association and a racing program was being conducted by a thoroughbred racing corporation located in the state. The excess, if any, shall be paid to a thoroughbred racing corporation located in the state until August thirty-first, nineteen hundred ninety-five and on and after July nineteen, nineteen hundred ninety-six to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes.

(4) Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation authorized pursuant to this section shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of all wagering pools.

§ 13. The opening paragraph of subdivision 3 of section 1015 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:

Any facility authorized to accept wagers on out-of-state tracks shall distribute all sums deposited in any pari-mutuel pool to the holders of any tickets therein provided such tickets are presented for payment prior to April first of the year following the year of their purchase less nineteen percent of total deposits in pools resulting from regular bets, less twenty-one percent of total deposits of pools resulting from multiple bets, less twenty-seven percent of total deposits of pools resulting from exotic bets, less thirty-six percent of total deposits of pools resulting from super exotic bets ~~[plus the breaks as defined in section three hundred eighteen of this chapter]~~ except that the retention rates and breaks shall be as prescribed by another state or country if such wagers are combined with those in the other state or country pursuant to section nine hundred five of this chapter.

§ 14. Paragraph a, the opening paragraph of paragraph b, subparagraph 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as amended by chapter 18 of the laws of 2008, the opening paragraph and subparagraph 1 of paragraph b as amended by chapter 243 of the laws of 2020, are amended to read as follows:

a. Each off-track betting branch office accepting wagers on an out-of-state track shall accept wagers on races run at all in-state thoroughbred tracks ~~[which]~~ that are conducting racing programs and every simulcasting facility licensed in accordance with sections one thousand eight

1 and one thousand nine of this article [~~which~~ that is accepting wagers
 2 and displaying the simulcast signal from an out-of-state track shall
 3 similarly accept wagers and display the signal from all in-state
 4 thoroughbred tracks conducting racing programs.

5 Any facility authorized to accept wagers on out-of-state tracks shall
 6 distribute all sums deposited in any pari-mutuel pool to the holders of
 7 winning tickets therein, provided such tickets are presented for payment
 8 prior to April first of the year following the year of their purchase
 9 less eighteen percent of the total deposits in pools resulting from
 10 regular bets, less twenty-one percent of the total deposits in pools
 11 resulting from multiple bets, less twenty-six percent of the total
 12 deposits in pools resulting from exotic bets, and less twenty-seven
 13 percent of the total deposits in pools resulting from super exotic bets,
 14 [~~plus the breaks as defined in section two hundred thirty-six of this~~
 15 ~~chapter~~] may be required by another jurisdiction except that the
 16 retention rates and breaks shall be as prescribed by another state or
 17 country if such wagers are combined with those in the other state or
 18 country pursuant to section nine hundred five of this chapter.

19 (1) Of the sums so retained, the applicable tax rates shall be as
 20 [~~governed by clauses (A) and (B) of subparagraphs three, four, five and~~
 21 ~~six of this paragraph plus fifty percent of the breaks; provided, howev-~~
 22 ~~er, fifty percent of the breaks accruing from off track betting corpo-~~
 23 ~~rations licensed in accordance with section one thousand eight of this~~
 24 ~~article and from simulcast theaters licensed in accordance with section~~
 25 ~~one thousand nine of this article, shall be paid to the agriculture and~~
 26 ~~New York State horse breeding and development fund and to the thorough-~~
 27 ~~bred breeding and development fund, the total of such payments to be~~
 28 ~~apportioned fifty percent to each such fund~~] as set forth in subdivision
 29 one of section one hundred thirty-six of this chapter.

30 (A) Of the sums so retained on days when a franchised corporation is
 31 not conducting a race meeting within the state and a thoroughbred racing
 32 corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
36 [State Tax 1.50 1.50 1.50 1.50]				
37 Non-franchised				
38 Thoroughbred Racing				
39 corporation	0.50	0.50	0.50	0.50
40 Non-franchised				
41 Thoroughbred Racing				
42 corporation payments to purses	1.50	2.00	1.50	2.00
43 Franchised corporation	0.50	0.50	0.50	0.50
44 Franchised corporation				
45 payments to purses	2.00	2.00	2.50	4.00

46 (B) Of the sums so retained on days when a franchised corporation is
 47 conducting a race meeting within the state

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
48				
49				
50				

1	[State Tax	1.00	1.00	1.00	1.00]
2	Non-franchised				
3	Thoroughbred Racing				
4	corporation	0.50	0.50	0.50	0.00
5	Non-franchised				
6	Thoroughbred Racing				
7	corporation payments to purses	0.50	0.50	0.50	0.50
8	Franchised corporation	2.00	1.50	1.50	2.00
9	Franchised corporation				
10	payments to purses	2.00	3.00	3.00	5.00
11	(A) Of the sums so retained on days when a franchised corporation is				
12	not conducting a race meeting within the state and a thoroughbred racing				
13	corporation is conducting a race meeting				
14					
15		Regular	Multiple	Exotic	Super-
16		bets	bets	bets	exotic
17	[State Tax	1.00	1.00	1.00	1.00]
18	Non-franchised				
19	Thoroughbred Racing	2.00	2.00	2.00	2.50
20	corporation payments to purses				
21	Franchised corporation	1.00	1.00	1.00	1.00
22	Franchised corporation				
23	payments to purses	2.00	2.00	2.50	4.00
24	(B) Of the sums so retained on days when a franchised corporation is				
25	conducting a race meeting within the state				
26					
27		Regular	Multiple	Exotic	Super-
28		bets	bets	bets	exotic
29	[State Tax	0.50	0.50	0.50	0.50]
30	Non-franchised				
31	Thoroughbred racing	0.50	0.25	0.50	0.50
32	corporation				
33	Non-franchised				
34	Thoroughbred racing	0.50	0.25	0.50	0.50
35	corporation payments to purses				
36	Franchised corporation	2.25	2.25	2.00	2.50
37	Franchised corporation				
38	payments to purses	2.25	3.25	3.00	4.50

(A) Of the sums so retained on days when a franchised corporation is not conducting a race meeting within the state and a thoroughbred racing corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
[State Tax	1.50	1.50	1.50	1.50]
Non-franchised Thoroughbred racing corporation	0.25	0.25	0.25	0.50
Non-franchised Thoroughbred racing corporation payments to purses	0.75	1.00	0.75	1.00
Franchised corporation	0.25	0.25	0.25	0.25
Franchised corporation payments to purses	1.00	1.00	2.25	2.00

(B) Of the sums so retained on days when a franchised corporation is conducting a race meeting within the state

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
[State Tax	1.00	1.00	1.00	1.00]
Non-franchised Thoroughbred racing corporation	0.25	0.25	0.25	0.25
Non-franchised Thoroughbred racing corporation payments to purses	0.25	0.25	0.25	0.25
Franchised corporation	1.00	0.75	0.75	1.00
Franchised corporation payments to purses	1.00	1.50	1.50	2.50

(D) For wagers placed at a thoroughbred racing corporation the state tax shall be the amounts specified in [~~clauses (A) and (B) of this subparagraph~~] subdivision one of section one hundred thirty-six of this chapter and retention thereafter shall be identical to sums retained for each type of on-track wager.

(A) Of the sums so retained on days when a franchised corporation is not conducting a race meeting within the state and a thoroughbred racing corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
[State Tax	1.00	1.00	1.00	1.00]

1	Non-franchised				
2	Thoroughbred Racing				
3	corporation payments to purses	1.00	1.00	1.00	1.25
4	Franchised corporation	0.50	0.50	0.50	0.50
5	Franchised corporation				
6	payments to purses	1.00	1.00	1.25	2.00
7	(B) Of the sums so retained on days when a franchised corporation is				
8	conducting a race meeting within the state				
9					Super-
10		Regular	Multiple	Exotic	exotic
11		bets	bets	bets	bets
12	[State Tax	0.50	0.50	0.50	0.50]
13	Non-franchised				
14	Thoroughbred Racing				
15	corporation	0.25	0.25	0.25	0.25
16	Non-franchised				
17	Thoroughbred Racing				
18	corporation payments to purses	0.25	0.25	0.25	0.25
19	Franchised corporation	1.25	1.25	1.00	1.25
20	Franchised corporation				
21	payments to purses	1.25	2.00	1.50	2.25
22	§ 15. Subdivision 1 of section 1018 of the racing, pari-mutuel wager-				
23	ing and breeding law, as amended by chapter 18 of the laws of 2008, is				
24	amended to read as follows:				
25	1. Of the sums so retained, the applicable tax rates shall be as set				
26	forth in [this paragraph plus fifty percent of the breaks; provided,				
27	however, fifty percent of the breaks accruing from an off track betting				
28	corporation licensed in accordance with section one thousand eight of				
29	this article and from simulcast theatres licensed in accordance with				
30	section one thousand nine of this article, shall be paid to the agricul-				
31	ture and New York state horse breeding and development fund]				
32	<u>subdivision</u>				
33	<u>one of section one hundred thirty-six of this chapter.</u>				
34	§ 16. This act shall take effect immediately.				

PART X

35 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
 36 wagering and breeding law, as amended by section 1 of part HH of chapter
 37 59 of the laws of 2025, is amended to read as follows:

38 2. a. Notwithstanding any other provision of law or regulation to the
 39 contrary, from April nineteenth, two thousand twenty-one to March thir-
 40 ty-first, two thousand twenty-two, twenty-three percent of the funds,
 41 not to exceed two and one-half million dollars, in the Catskill off-
 42 track betting corporation's capital acquisition fund and twenty-three
 43 percent of the funds, not to exceed four hundred forty thousand dollars,
 44 in the Capital off-track betting corporation's capital acquisition fund
 45 established pursuant to this section shall also be available to such

1 off-track betting corporation for the purposes of statutory obligations,
2 payroll, and expenditures necessary to accept authorized wagers.

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

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

31 d. Notwithstanding any other provision of law or regulation to the
32 contrary, from April first, two thousand twenty-four to March thirty-
33 first, two thousand twenty-five, twenty-three percent of the funds, not
34 to exceed two and one-half million dollars, in the Catskill off-track
35 betting corporation's capital acquisition fund established pursuant to
36 this section, and one million dollars in the Capital off-track betting
37 corporation's capital acquisition fund established pursuant to this
38 section, shall be available to such off-track betting corporation for
39 the purposes of expenditures necessary to accept authorized wagers; past
40 due statutory obligations to New York licensed or franchised racing
41 corporations or associations; past due contractual obligations due to
42 other racing associations or organizations for the costs of acquiring a
43 simulcast signal; past due statutory payment obligations due to the New
44 York state thoroughbred breeding and development fund corporation, agri-
45 culture and New York state horse breeding development fund, and the
46 Harry M. Zweig memorial fund for equine research; and past due obli-
47 gations due the state.

48 e. Notwithstanding any other provision of law or regulation to the
49 contrary, from April first, two thousand twenty-five to March thirty-
50 first, two thousand twenty-six, one million dollars in the Capital off-
51 track betting corporation's capital acquisition fund established pursu-
52 ant to this section shall be available to such off-track betting
53 corporation for the purposes of expenditures necessary to accept author-
54 ized wagers; past due statutory obligations to New York licensed or
55 franchised racing corporations or associations; past due contractual
56 obligations due to other racing associations or organizations for the

1 cost of acquiring a simulcast signal; past due statutory payment obli-
2 gations due to the New York state thoroughbred breeding and development
3 fund corporation, agriculture and New York state horse breeding develop-
4 ment fund, and the Harry M. Zweig memorial fund for equine research; and
5 past due obligations due the state.

6 f. Notwithstanding any other provision of law or regulation to the
7 contrary, from April first, two thousand twenty-six to March thirty-
8 first, two thousand twenty-seven, one million dollars in the Capital
9 off-track betting corporation's capital acquisition fund established
10 pursuant to this section, shall be available to such off-track betting
11 corporation for the purposes of expenditures necessary to accept author-
12 ized wagers; past due statutory obligations to New York licensed or
13 franchised racing corporations or associations; past due contractual
14 obligations due to other racing associations or organizations for the
15 cost of acquiring a simulcast signal; past due statutory payment obli-
16 gations due to the New York state thoroughbred breeding and development
17 fund corporation, agriculture and New York state horse breeding develop-
18 ment fund, and the Harry M. Zweig memorial fund for equine research; and
19 past due obligations due the state.

20 f-1. Notwithstanding any other provision of law or regulation to the
21 contrary, from April first, two thousand twenty-six to March thirty-
22 first, two thousand twenty-seven, forty-five percent of the funds, not
23 to exceed two million seven hundred thousand dollars, in the Catskill
24 off-track betting corporation's capital acquisition fund established
25 pursuant to this section, shall be available to such off-track betting
26 corporation for the purposes of expenditures necessary to pay off any
27 outstanding debts and obligations; past due statutory obligations to New
28 York licensed or franchised racing corporations or associations; past
29 due contractual obligations due to other racing associations or organ-
30 izations for the costs of acquiring a simulcast signal; past due statu-
31 tory payment obligations due to the New York state thoroughbred breeding
32 and development fund corporation, agriculture and New York state horse
33 breeding development fund, and the Harry M. Zweig memorial fund for
34 equine research; and past due obligations due the state.

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

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

7 g-1. Prior to a corporation being able to utilize the funds authorized
8 by paragraph f-1 of this subdivision, the corporation must submit an
9 expenditure plan to the gaming commission for review. Such plan shall
10 include the corporation's outstanding liabilities, projected revenue for
11 the upcoming year, a detailed explanation of how the funds will be used,
12 and any other information determined necessary by the commission. Upon
13 review, the commission will make a determination as to whether access to
14 the funds is needed and warranted.

15 § 2. This act shall take effect immediately.

16 PART Y

17 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
18 racing, pari-mutuel wagering and breeding law, as amended by section 1
19 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
20 read as follows:

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

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

21 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
22 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
23 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is
24 amended to read as follows:

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

37 § 3. The opening paragraph of subdivision 1 of section 1014 of the
38 racing, pari-mutuel wagering and breeding law, as amended by section 3
39 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
40 read as follows:

41 The provisions of this section shall govern the simulcasting of races
42 conducted at thoroughbred tracks located in another state or country on
43 any day during which a franchised corporation is conducting a race meet-
44 ing in Saratoga county at Saratoga thoroughbred racetrack [~~until June~~
45 ~~thirtieth, two thousand twenty-six and on any day regardless of whether~~
46 ~~or not a franchised corporation is conducting a race meeting in Saratoga~~
47 ~~county at Saratoga thoroughbred racetrack after June thirtieth, two~~
48 ~~thousand twenty-six~~]. On any day on which a franchised corporation has
49 not scheduled a racing program but a thoroughbred racing corporation
50 located within the state is conducting racing, each off-track betting
51 corporation branch office and each simulcasting facility licensed in
52 accordance with section one thousand seven (that has entered into a
53 written agreement with such facility's representative horsemen's organ-
54 ization, as approved by the commission), one thousand eight, or one
55 thousand nine of this article shall be authorized to accept wagers and

1 display the live simulcast signal from thoroughbred tracks located in
2 another state or foreign country subject to the following provisions:

3 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
4 and breeding law, as amended by section 4 of subpart B of part FF of
5 chapter 59 of the laws of 2025, is amended to read as follows:

6 1. The provisions of this section shall govern the simulcasting of
7 races conducted at harness tracks located in another state or country
8 ~~[during]~~ beginning with the period commencing July first, nineteen
9 hundred ninety-four ~~[through June thirtieth, two thousand twenty-six]~~.
10 This section shall supersede all inconsistent provisions of this chap-
11 ter.

12 § 5. The opening paragraph of subdivision 1 of section 1016 of the
13 racing, pari-mutuel wagering and breeding law, as amended by section 5
14 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
15 read as follows:

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

33 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
34 wagering and breeding law, as amended by section 6 of subpart B of part
35 FF of chapter 59 of the laws of 2025, is amended to read as follows:

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

52 § 7. Section 54 of chapter 346 of the laws of 1990, amending the
53 racing, pari-mutuel wagering and breeding law and other laws relating to
54 simulcasting and the imposition of certain taxes, as amended by section
55 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended
56 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, 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.

§ 8. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of subpart B of part FF of chapter 59 of the laws of 2025, 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-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 commencing April first, two thousand one ~~[through Decem-~~

1 ~~ber thirty first, two thousand twenty six~~, such payment shall be
2 seven-tenths of one percent of regular, multiple and exotic pools.
3 § 9. This act shall take effect immediately.

4 PART Z

5 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel
6 wagering and breeding law, as amended by section 2 of part NN of chapter
7 59 of the laws of 2025, is amended to read as follows:

8 1. For the purpose of maintaining a proper control over race meetings
9 conducted pursuant to sections two hundred five and two hundred six of
10 this article, the commission shall license owners, which term shall be
11 deemed to include part-owners and lessees, trainers, assistant trainers
12 and jockeys, jockey agents, stable employees, non-publicly appointed
13 members of the board of a franchised corporation, and such other persons
14 as the commission may by rule prescribe at running races and at steeple-
15 chases, provided, however, that no such license shall be required for
16 seasonal employees hired solely to work for no longer than six weeks
17 during the summer meet at Saratoga racetrack, and any such other times
18 as race dates historically assigned to Belmont Park are conducted at the
19 Saratoga racetrack in two thousand twenty-four ~~[and]~~, two thousand twen-
20 ty-five and two thousand twenty-six as approved in writing by the
21 commission. In the event that a proposed licensee is other than a
22 natural person, the commission shall require by regulation disclosure of
23 the names and addresses of all owners of an interest in such entity. The
24 commission may retain, employ or appoint such officers, employees and
25 agents, as it may deem necessary to receive, examine and make recommen-
26 dations, for the consideration of the commission, in respect of applica-
27 tions for such licenses; prescribe their duties in connection therewith,
28 and fix their compensation therefor within the limitations prescribed by
29 law. Each applicant for a license shall pay to the commission an annual
30 license fee as follows: owner's license, if a renewal, fifty dollars,
31 and if an original application, one hundred dollars; trainer's license,
32 thirty dollars; assistant trainer's license, thirty dollars; jockey's
33 license, fifty dollars; jockey agent's license, twenty dollars; and
34 stable employee's license, five dollars. Each applicant may apply for a
35 two-year or three-year license by payment to the commission of the
36 appropriate multiple of the annual fee. The commission may by rule fix
37 the license fees to be paid by other persons required to be licensed by
38 the rules of the commission, not to exceed thirty dollars per category.
39 The application for the license shall be in writing in such form as the
40 commission may prescribe, and contain such information as the commission
41 may require. The commission shall henceforth cause all applicants for
42 licenses to be photographed and fingerprinted and may issue identifica-
43 tion cards to licensees. Such fingerprints shall be submitted to the
44 division of criminal justice services for a state criminal history
45 record check, as defined in subdivision one of section three thousand
46 thirty-five of the education law, and may be submitted to the federal
47 bureau of investigation for a national criminal history record check. A
48 fee equal to the actual cost of issuance shall be charged for the
49 initial issuance of such identification cards. Each such license unless
50 revoked for cause shall be for the period of no more than one, two or
51 three years, determined by rule of the commission, expiring on the
52 applicant's birth date. Licenses of non-publicly appointed members of
53 the board of a franchised corporation shall be issued without fee and
54 remain in effect for the duration of their board service. Licenses

1 current on the effective date of this provision shall not be reduced in
2 duration by this provision. An applicant who applies for a license that,
3 if issued, would take effect less than six months prior to the appli-
4 cant's birth date may, by payment of a fifty percent higher fee, receive
5 a license which shall not expire until the applicant's second succeeding
6 birth date. All receipts of the commission derived from the operation of
7 this section shall be paid by it into the state treasury on or before
8 the tenth day of each month. All officials connected with the actual
9 conduct of racing shall be subject to approval by the commission.

10 § 2. This act shall take effect immediately; provided, however, that
11 the amendments to subdivision one of section 220 of the racing, pari-mu-
12 tuel wagering and breeding law made by section one of this act shall not
13 affect the expiration of such subdivision and shall expire and be deemed
14 repealed therewith.

15 PART AA

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

21 (g-1) Solar energy system equipment credit. (1) General. An individual
22 taxpayer shall be allowed a credit against the tax imposed by this arti-
23 cle equal to twenty-six percent of qualified solar energy system equip-
24 ment expenditures, except as provided in subparagraph (D) of paragraph
25 two of this subsection. This credit shall not exceed three thousand
26 seven hundred fifty dollars for qualified solar energy equipment placed
27 in service before September first, two thousand six, ~~and~~ five thousand
28 dollars for qualified solar energy equipment placed in service on or
29 after September first, two thousand six and before January first, two
30 thousand twenty-six, and ten thousand dollars for qualified solar energy
31 equipment placed in service on or after January first, two thousand
32 twenty-six.

33 (2) Qualified solar energy system equipment expenditures. (A) The term
34 "qualified solar energy system equipment expenditures" means expendi-
35 tures for:

36 (i) the purchase of solar energy system equipment which is installed
37 in connection with residential property which is (I) located in this
38 state and (II) which is used by the taxpayer as ~~[his or her]~~ their prin-
39 cipal residence at the time the solar energy system equipment is placed
40 in service;

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

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

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

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

8 (D) Such qualified expenditures for the lease of solar energy system
9 equipment or the purchase of power under an agreement described in
10 clauses (ii) or (iii) of subparagraph (A) of this paragraph shall
11 include an amount equal to all payments made during the taxable year
12 under such agreement. Provided, however, such credits shall only be
13 allowed for fourteen years after the first taxable year in which such
14 credit is allowed. Provided further, however, the twenty-five percent
15 limitation in paragraph one of this subsection shall only apply to the
16 total aggregate amount of all payments to be made pursuant to an agree-
17 ment referenced in clauses (ii) or (iii) of subparagraph (A) of this
18 paragraph, and shall not apply to individual payments made during a
19 taxable year under such agreement except to the extent such limitation
20 on an aggregate basis has been reached.

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

39 (4) Multiple taxpayers. Where solar energy system equipment is
40 purchased and installed in a principal residence shared by two or more
41 taxpayers, the amount of the credit allowable under this subsection for
42 each such taxpayer shall be prorated according to the percentage of the
43 total expenditure for such solar energy system equipment contributed by
44 each taxpayer.

45 (5) Proportionate share. Where solar energy system equipment is
46 purchased and installed by a condominium management association or a
47 cooperative housing corporation, a taxpayer who is a member of the
48 condominium management association or who is a tenant-stockholder in the
49 cooperative housing corporation may for the purpose of this subsection
50 claim a proportionate share of the total expense as the expenditure for
51 the purposes of the credit attributable to [~~his~~] their principal resi-
52 dence.

53 (6) Grants. For purposes of determining the amount of the expenditure
54 incurred in purchasing and installing solar energy system equipment, the
55 amount of any federal, state or local grant received by the taxpayer,
56 which was used for the purchase and/or installation of such equipment

1 and which was not included in the federal gross income of the taxpayer,
2 shall not be included in the amount of such expenditures.

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

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

23 § 2. This act shall take effect immediately.

24 PART BB

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

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

30 (m) Special rate adjustment for certain vessels. Notwithstanding any
31 provision of this section to the contrary, the use of non-highway diesel
32 motor fuel in the engine of a vessel to propel such vessel shall be
33 subject to tax at the motor fuel and highway diesel motor fuel rate
34 provided for in this section, and shall be subject to the provisions of
35 section three hundred one-j of this article, including the adjustment
36 set forth in paragraph [four] three of subdivision (a) of such section
37 three hundred one-j. A credit or refund shall be available to the extent
38 tax paid on gallonage used to propel any such vessel exceeds the amount
39 of tax due based on the tax rate set forth herein. Provided, however,
40 that the commissioner shall require such documentary proof to qualify
41 for any credit or reimbursement provided hereunder as the commissioner
42 deems appropriate.

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

45 § 4. Subdivisions (a) and (d) of section 301-b of the tax law, subdivi-
46 sion (a) as added by chapter 190 of the laws of 1990, paragraph 5 of
47 subdivision (a) as amended by section 3 of part E of chapter 59 of the
48 laws of 2012, paragraphs 6, 7 and 8 of subdivision (a) as added by
49 section 4 of part W-1 of chapter 109 of the laws of 2006, and subdivi-
50 sion (d) as amended by section 21 of part K of chapter 61 of the laws of
51 2011, are amended to read as follows:

52 (a) Products. (1) ~~[Kerosene sold or used by a petroleum business which~~
53 ~~is registered under article twelve-A of this chapter as a distributor of~~
54 ~~diesel motor fuel so long as (i) such product has not been blended or~~

~~mixed with any other product constituting diesel motor fuel or motor fuel or a residual petroleum product and (ii) such product is not used by the petroleum business as fuel to operate a motor vehicle or sold by such petroleum business to a consumer for use as fuel to operate a motor vehicle.~~

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

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

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

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

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

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

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

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

~~(d) Sales to consumers for heating purposes. [(1)] Total residential heating exemption. Non-highway diesel motor fuel sold by a petroleum business registered under article twelve-A of this chapter as a distributor of diesel motor fuel or residual petroleum product sold by a petroleum business registered under this article as a residual petroleum~~

product business to the consumer exclusively for residential heating purposes only if such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such fuel.

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

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

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

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

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

(a) ~~[Non-highway Diesel motor fuel used for heating purposes. (1)]~~
Total residential heating reimbursement. Non-highway Diesel motor fuel purchased in this state and sold by such purchaser to a consumer for use exclusively for residential heating purposes but only where (i) such non-highway diesel motor fuel is delivered into a storage tank which is not equipped with a hose or other apparatus by which such non-highway Diesel motor fuel can be dispensed into the fuel tank of a motor vehicle and such storage tank is attached to the heating unit burning such non-highway Diesel motor fuel, (ii) the tax imposed pursuant to this article

1 has been paid with respect to such non-highway diesel motor fuel and the
2 entire amount of such tax has been absorbed by such purchaser, and (iii)
3 such purchaser possesses documentary proof satisfactory to the commis-
4 sioner evidencing the absorption by it of the entire amount of the tax
5 imposed pursuant to this article. Provided, however, that the commis-
6 sioner is authorized, in the event that the commissioner determines that
7 it would not threaten the integrity of the administration and enforce-
8 ment of the tax imposed by this article, to provide a reimbursement with
9 respect to a retail sale to a consumer for residential heating purposes
10 of less than ten gallons of non-highway diesel motor fuel provided such
11 fuel is not dispensed into the tank of a motor vehicle.

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

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

35 (b) Sales to ~~[New York state and]~~ the federal government. Motor fuel
36 and diesel motor fuel purchased in this state and sold by such purchaser
37 in this state to an organization described in paragraph ~~[one or]~~ two of
38 subdivision (a) of section eleven hundred sixteen of this chapter where
39 (i) such motor fuel or diesel motor fuel is for such organization's own
40 use or consumption, (ii) the tax imposed pursuant to this article has
41 been paid with respect to such motor fuel or diesel motor fuel and the
42 entire amount of such tax has been absorbed by such purchaser and, (iii)
43 such purchaser possesses documentary proof satisfactory to the commis-
44 sioner of taxation and finance evidencing the absorption by it of the
45 entire amount of the tax imposed pursuant to this article. Provided,
46 however, that the commissioner ~~[of taxation and finance]~~ shall require
47 such documentary proof to qualify for any reimbursement of tax provided
48 by this section as the commissioner deems appropriate, including the
49 expansion of any certification required pursuant to section two hundred
50 eighty-five-a or two hundred eighty-five-b of this chapter to cover the
51 taxes imposed pursuant to this article.

52 § 6-a. The opening paragraph of section 301-c of the tax law, as
53 amended by section 3 of part T of chapter 59 of the laws of 2022, is
54 amended to read as follows:

55 A subsequent purchaser shall be eligible for reimbursement of tax with
56 respect to the following gallonage, subsequently sold by such purchaser

1 in accordance with subdivision (a), (b), (e), (h), [~~(j)~~] or [~~(k)~~] ~~(i)~~ of
2 this section or used by such purchaser in accordance with subdivision
3 (c), (d), (f), (g), [~~(i)~~], [~~(l)~~], [~~(m)~~] ~~(j)~~ or [~~(q)~~] ~~(n)~~ of this section,
4 which gallonage has been included in the measure of the tax imposed by
5 this article on a petroleum business:

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

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

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

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

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

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

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

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

33 [~~(4)~~] ~~(3)~~ Provided, further, a separate per gallon rate shall apply
34 with respect to highway diesel motor fuel. Such rate shall be determined
35 by taking the adjusted rate per gallon of tax imposed under paragraph
36 one of this subdivision as adjusted in accordance with paragraph [~~five~~]
37 ~~four~~ of this subdivision and subtracting therefrom one and three-quar-
38 ters cents. Commencing January first, two thousand twelve, and each
39 January thereafter, the per gallon rate applicable to highway diesel
40 motor fuel shall be the adjusted rate under paragraph one of this subdivi-
41 sion as adjusted in accordance with paragraph [~~five~~] ~~four~~ of this
42 subdivision which commences on such date minus one and three-quarters
43 cents. The resulting rate under this paragraph shall be expressed in
44 hundredths of a cent.

45 [~~(5)~~] ~~(4)~~ Except as herein provided, the tax imposed under this
46 section shall be calculated in the same respective manner as the taxes
47 imposed by section three hundred one-a and section three hundred one-e
48 of this article. Except [~~for section three hundred one-d and except~~] as
49 otherwise provided in this section, all the provisions of this article
50 applicable to the taxes imposed by sections three hundred one-a and
51 three hundred one-e of this article, shall apply with respect to the
52 supplemental tax imposed by this section to the same extent as if it
53 were respectively imposed by such sections.

54 § 12. Subparagraphs (ix) and (x) of paragraph 3 and paragraph 5 of
55 subdivision (c) of section 1105 of the tax law, subparagraph (ix) of
56 paragraph 3 as added by chapter 395 of the laws of 1998, subparagraph

(x) of paragraph 3 as added by section 1 of part FF of chapter 407 of the laws of 1999, and paragraph 5 as amended by chapter 321 of the laws of 2005, are amended to read as follows:

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

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

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

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

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

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

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

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

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

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

(d) Provided, however, before such funds are distributed pursuant to subdivision (a) of this section, any revenue collected by the state,

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

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

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

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

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

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

(j) The exemptions provided in this section shall not apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article nor to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to receipts from sales and uses of motor fuel or diesel motor fuel, except that the exemptions provided in [~~paragraphs nine and~~] **paragraph** forty-two of subdivision (a) of this section shall apply to the tax required to be prepaid pursuant to the provisions of section eleven hundred two of this article and to the taxes imposed by sections eleven hundred five and eleven hundred ten of this article with respect to sales and uses of [~~kero-jet-fuel,~~] CNG, hydrogen and E85, provided, however, the exemption allowed for E85 shall be subject to the additional requirements provided in section eleven hundred two of this article with respect to E85. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel but only if all of such fuel is consumed other than on the public highways of this state. The exemption provided in subdivision (c) of this section shall apply to sales and uses of non-highway diesel motor fuel for use or consumption either in the production for sale of tangible personal property by farming or in a commercial horse boarding operation, or in both but only if

1 all of such fuel is consumed other than on the public highways of this
2 state (except for the use of the public highways to reach adjacent farm-
3 lands or adjacent lands used in a commercial horse boarding operation,
4 or both).

5 § 19-a. Subdivision (j) of section 1115 of the tax law, as amended by
6 section 41-a of part K of chapter 61 of the laws of 2011, is amended to
7 read as follows:

8 (j) The exemptions provided in this section shall not apply to the tax
9 required to be prepaid pursuant to the provisions of section eleven
10 hundred two of this article nor to the taxes imposed by sections eleven
11 hundred five and eleven hundred ten of this article with respect to
12 receipts from sales and uses of motor fuel or diesel motor fuel~~[, except~~
13 ~~that the exemption provided in paragraph nine of subdivision (a) of this~~
14 ~~section shall apply to the tax required to be prepaid pursuant to the~~
15 ~~provisions of section eleven hundred two of this article and to the~~
16 ~~taxes imposed by sections eleven hundred five and eleven hundred ten of~~
17 ~~this article with respect to sales and uses of kero-jet fuel]~~. The
18 exemption provided in subdivision (c) of this section shall apply to
19 sales and uses of non-highway diesel motor fuel but only if all of such
20 fuel is consumed other than on the public highways of this state. The
21 exemption provided in subdivision (c) of this section shall apply to
22 sales and uses of non-highway diesel motor fuel for use or consumption
23 either in the production for sale of tangible personal property by farm-
24 ing or in a commercial horse boarding operation, or in both but only if
25 all of such fuel is consumed other than on the public highways of this
26 state (except for the use of the public highways to reach adjacent farm-
27 lands or adjacent lands used in a commercial horse boarding operation,
28 or both).

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

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

34 (w) Receipts from the sale of ~~[gas or]~~ electricity or ~~[gas or]~~ elec-
35 tric service of whatever nature and consideration given or contracted to
36 be given for, or for the use of, ~~[gas or]~~ electricity or ~~[gas or]~~ elec-
37 tric service of whatever nature purchased for use or consumption direct-
38 ly and exclusively to provide ~~[gas or]~~ electric service of whatever
39 nature consisting of operating ~~[a gas pipeline or gas distribution line~~
40 ~~or]~~ an electric transmission or distribution line ~~[and ensuring the~~
41 ~~necessary working pressure in an underground gas storage facility]~~ shall
42 be exempt from sales and compensating use taxes imposed by this article.
43 Such exempt ~~[gas or]~~ electricity or ~~[gas or]~~ electric service of whatev-
44 er nature shall include, but shall not be limited to, such ~~[gas or]~~
45 electricity or ~~[gas or]~~ electric service of whatever nature used or
46 consumed directly and exclusively to (1) ~~[ensure necessary working pres-~~
47 ~~sure in a gas pipeline used to transport, transmit or distribute gas,~~
48 ~~(2) operate compressors used to transport, transmit or distribute gas~~
49 ~~through such a gas pipeline or distribution line or used to ensure~~
50 ~~necessary working pressure in such a storage facility, (3) operate heat-~~
51 ~~ers to prevent gas in such a pipeline or distribution line from freez-~~
52 ~~ing, (4) operate equipment which removes impurities and moisture from~~
53 ~~gas in such a pipeline or distribution line, (5)]~~ operate substations
54 and equipment related to electric transmission and distribution lines
55 such as transformers, capacitors, meters, switches, communication
56 devices and heating and cooling equipment, and ~~[(6)]~~ (2) ensure the

1 reliability of electricity or electric service transmitted or distrib-
2 uted through such lines, for example, by operating reserve capacity
3 machinery and equipment.

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

7 (k) "Commercial gallonage" means gallonage (1) which is non-highway
8 diesel motor fuel or residual petroleum product, (2) ~~[which is included~~
9 ~~in the full measure of the non-highway diesel motor fuel component or~~
10 ~~the residual petroleum product component of the tax imposed under~~
11 ~~section three hundred one a of this article, (3)]~~ which does not (and
12 will not) qualify (A) ~~[for the utility credit or reimbursement provided~~
13 ~~for in section three hundred one d of this article, (B)]~~ as "manufactur-
14 ing gallonage", as such term is defined in subdivision (m) of this
15 section, ~~[(C)]~~ or (B) for the not-for-profit organization exemption
16 provided for in subdivision (h) of section three hundred one-b of this
17 article, ~~[or (D) for the heating exemption provided for in paragraph two~~
18 ~~of subdivision (d) of section three hundred one b of this article or the~~
19 ~~heating reimbursement provided for in paragraph two of subdivision (a)~~
20 ~~of section three hundred one c of this article,]~~ and ~~[(4)]~~ (3) which
21 will not be used nor has been used in the fuel tank connecting with the
22 engine of a vessel. No gallonage shall qualify as "commercial gallonage"
23 where such gallonage is eligible for the ~~[(i) utility credit or~~
24 ~~reimbursement under such section three hundred one d of this article,~~
25 ~~(ii) "manufacturing exemption" under paragraph three of subdivision (f)~~
26 ~~of section three hundred one a of this article, (iii)]~~ not-for-profit
27 organization exemption under subdivision (h) of section three hundred
28 one-b of this article~~[, or (iv) heating exemption provided for in para-~~
29 ~~graph two of subdivision (d) of section three hundred one b of this~~
30 ~~article or the heating reimbursement provided for in paragraph two of~~
31 ~~subdivision (a) of section three hundred one c of this article]~~. The
32 commissioner shall require such documentary proof to substantiate the
33 classification of product as "commercial gallonage" as the commissioner
34 deems appropriate.

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

38 (1) Residual petroleum product and non-highway diesel motor fuel sold
39 to an electric corporation, ~~[as described in subdivision (a) of section~~
40 ~~three hundred one d of this article,]~~ as defined in subdivision thirteen
41 of section two of the public service law, subject to the supervision of
42 the department of public service, which is registered with the depart-
43 ment as a petroleum business tax direct pay permittee, and used by such
44 electric corporation to fuel generators for the purpose of manufacturing
45 or producing electricity where such electric corporation provides a copy
46 of a direct pay permit authorized and issued by the commissioner, to the
47 petroleum business making such sale. If so registered, such corporation
48 shall be a taxpayer under this article and (i) such electric corporation
49 shall file a return monthly and pay the applicable tax under this arti-
50 cle, after the application of allowable credits, on all such purchases
51 directly to the commissioner, (ii) such electric corporation shall be
52 subject to all of the provisions of this article relating to the respon-
53 sibilities and liabilities of taxpayers under this article with respect
54 to such residual petroleum product and non-highway diesel motor fuel.

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

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

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

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

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

PART CC

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 1. Subsection (e-1) of section 606 of the tax law, as added by section 1 of part U of chapter 62 of the laws of 2006, paragraph 2 as amended by chapter 532 of the laws of 2007, paragraph 3 as added and paragraph 4 as renumbered by section 4 of part N of chapter 61 of the laws of 2006, is amended to read as follows:

(e-1) Volunteer firefighters' and ambulance workers' credit. (1) For taxable years beginning on and after January first, two thousand seven and before January first, two thousand twenty-six, a resident taxpayer who serves as an active volunteer firefighter as defined in subdivision one of section two hundred fifteen of the general municipal law or as a volunteer ambulance worker as defined in subdivision fourteen of section two hundred nineteen-k of the general municipal law shall be allowed a credit against the tax imposed by this article equal to two hundred dollars. For taxable years beginning on and after January first, two thousand twenty-six, a resident taxpayer who serves as an active volunteer firefighter as defined in subdivision one of section two hundred fifteen of the general municipal law or as a volunteer ambulance worker as defined in subdivision fourteen of section two hundred nineteen-k of the general municipal law shall be allowed a credit against the tax imposed by this article equal to six hundred dollars. In order to receive this credit a volunteer firefighter or volunteer ambulance worker must have been active for the entire taxable year for which the credit is sought.

(2) ~~[If]~~ For taxable years beginning before January first, two thousand twenty-six, if a taxpayer receives a real property tax exemption relating to such service under title two of article four of the real property tax law, such taxpayer shall not be eligible for this credit; provided, however (A) if the taxpayer receives such real property tax exemption in the two thousand seven taxable year as a result of making application therefor in a prior year or (B) if the taxpayer notifies ~~[his or her]~~ such taxpayer's assessor in writing by December thirty-first, two thousand seven of the taxpayer's intent to discontinue such real property tax exemption by not re-applying for such real property tax exemption by the next taxable status date, such taxpayer shall be eligible for this credit for the two thousand seven taxable year. For taxable years beginning on or after January first, two thousand twenty-six, a taxpayer is eligible for this credit even if they receive a real property tax exemption relating to such service under title two of article four of the real property tax law.

(3) In the case of ~~[a husband and wife]~~ spouses who file a joint return and who both individually qualify for the credit under this subsection for taxable years beginning on and after January first, two thousand seven and before January first, two thousand twenty-six, the amount of the credit allowed shall be four hundred dollars. For taxable years beginning on and after January first, two thousand twenty-six, the amount of the credit shall be twelve hundred dollars.

(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.

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

Section 1. Subdivision (e) of section 42 of the tax law, as amended by section 1 of part JJ of chapter 59 of the laws of 2025, 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-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 part JJ of chapter 59 of the laws of 2025, 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, 2029~~].

§ 3. This act shall take effect immediately.

PART FF

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 part B of chapter 59 of the laws of 2025, are amended to read as follows:

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

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

1	\$2,155,350	\$323,200
2	Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
3	\$5,000,000	\$2,155,350
4	Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
5	\$25,000,000	\$5,000,000
6	Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
7		\$25,000,000

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

11	If the New York taxable income is:	The tax is:
12	Not over \$17,150	3.90% of the New York taxable income
13		
14	Over \$17,150 but not over \$23,600	\$669 plus 4.40% of excess over \$17,150
15		
16	Over \$23,600 but not over \$27,900	\$953 plus 5.15% of excess over \$23,600
17		
18	Over \$27,900 but not over \$161,550	\$1,174 plus 5.40% of excess over \$27,900
19		
20	Over \$161,550 but not over \$323,200	\$8,391 plus 5.90% of excess over \$161,550
21		
22	Over \$323,200 but not over	\$17,928 plus 6.85% of excess over \$323,200
23	\$2,155,350	
24	Over \$2,155,350 but not over	\$143,430 plus 9.65% of excess over \$2,155,350
25	\$5,000,000	
26	Over \$5,000,000 but not over	\$417,939 plus [10.30%] <u>10.80%</u> of excess over \$5,000,000
27		
28	\$25,000,000	
29	Over \$25,000,000	\$2,477,939 plus [10.90%] <u>11.40%</u> of excess over \$25,000,000
30		

31 § 2. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of
32 subsection (b) of section 601 of the tax law, as amended by section 3 of
33 part B of chapter 59 of the laws of 2025, are amended to read as
34 follows:

35	(vi) For taxable years beginning in two thousand twenty-three [and 36 before two thousand twenty-six] the following rates shall apply:	
37	If the New York taxable income is:	The tax is:
38	Not over \$12,800	4% of the New York taxable income
39	Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over \$12,800
40		
41	Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over \$17,650
42		
43	Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over \$20,900
44		
45	Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over \$107,650
46		
47	Over \$269,300 but not over	\$15,371 plus 6.85% of excess over \$269,300
48	\$1,616,450	
49	Over \$1,616,450 but not over	\$107,651 plus 9.65% of excess over \$1,616,450
50	\$5,000,000	
51	Over \$5,000,000 but not over	\$434,163 plus 10.30% of excess over \$5,000,000
52	\$25,000,000	
53	Over \$25,000,000	\$2,494,163 plus 10.90% of excess over \$25,000,000
54		

1 (vii) For taxable years beginning after two thousand [~~twenty-five and~~
2 ~~before two thousand twenty-seven~~] twenty-six the following rates shall
3 apply:
4 If the New York taxable income is: The tax is:
5 Not over \$12,800 3.90% of the New York taxable
6 income
7 Over \$12,800 but not over \$499 plus 4.40% of excess over
8 \$17,650 \$12,800
9 Over \$17,650 but not over \$712 plus 5.15% of excess over
10 \$20,900 \$17,650
11 Over \$20,900 but not over \$879 plus 5.40% of excess over
12 \$107,650 \$20,900
13 Over \$107,650 but not over \$5,564 plus 5.90% of excess
14 \$269,300 over \$107,650
15 Over \$269,300 but not over \$15,101 plus 6.85% of excess
16 \$1,616,450 over \$269,300
17 Over \$1,616,450 but not over \$107,381 plus 9.65% of excess
18 \$5,000,000 over \$1,616,450
19 Over \$5,000,000 but not over \$433,894 plus [~~10.30%~~] 10.80%
20 of excess over \$5,000,000
21 \$25,000,000
22 Over \$25,000,000 \$2,493,894 plus [~~10.90%~~] 11.40%
23 of excess over \$25,000,000

24 § 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of
25 subsection (c) of section 601 of the tax law, as amended by section 5 of
26 part B of chapter 59 of the laws of 2025, are amended to read as
27 follows:

28 (vi) For taxable years beginning in two thousand twenty-three [~~and~~
29 ~~before two thousand twenty-six~~] the following rates shall apply:
30 If the New York taxable income is: The tax is:
31 Not over \$8,500 4% of the New York taxable income
32 Over \$8,500 but not over \$11,700 \$340 plus 4.5% of excess over
33 \$8,500
34 Over \$11,700 but not over \$13,900 \$484 plus 5.25% of excess over
35 \$11,700
36 Over \$13,900 but not over \$80,650 \$600 plus 5.50% of excess over
37 \$13,900
38 Over \$80,650 but not over \$215,400 \$4,271 plus 6.00% of excess over
39 \$80,650
40 Over \$215,400 but not over \$12,356 plus 6.85% of excess over
41 \$1,077,550 \$215,400
42 Over \$1,077,550 but not over \$71,413 plus 9.65% of excess over
43 \$5,000,000 \$1,077,550
44 Over \$5,000,000 but not over \$449,929 plus 10.30% of excess over
45 \$25,000,000 \$5,000,000
46 Over \$25,000,000 \$2,509,929 plus 10.90% of excess over
47 \$25,000,000

48 (vii) For taxable years beginning after two thousand [~~twenty-five and~~
49 ~~before two thousand twenty-seven~~] twenty-six the following rates shall
50 apply:
51 If the New York taxable income is: The tax is:
52 Not over \$8,500 3.90% of the New York taxable income
53 Over \$8,500 but not over \$11,700 \$332 plus 4.40% of excess over
54 \$8,500
55 Over \$11,700 but not over \$13,900 \$473 plus 5.15% of excess over

1		\$11,700
2	Over \$13,900 but not over \$80,650	\$586 plus 5.40% of excess over
3		\$13,900
4	Over \$80,650 but not over \$215,400	\$4,191 plus 5.90% of excess
5		over \$80,650
6	Over \$215,400 but not over	\$12,141 plus 6.85% of excess
7	\$1,077,550	over \$215,400
8	Over \$1,077,550 but not over	\$71,198 plus 9.65% of excess
9	\$5,000,000	over \$1,077,550
10	Over \$5,000,000 but not over	\$449,714 plus [10.30% <u>10.80%</u>
11		of excess over \$5,000.000
12	\$25,000,000	
13	Over \$25,000,000	\$2,509,714 plus [10.90% <u>11.40%</u>
14		of excess over \$25,000,000

15 § 4. Subparagraph (B) of paragraph 1 of subsection (d-4) of section
 16 601 of the tax law, as added by section 3 of subpart B of part A of
 17 chapter 59 of the laws of 2022, is amended to read as follows:

18 (B) If New York adjusted gross income is greater than twenty-five
 19 million dollars, the supplemental tax due shall equal the difference
 20 between the product of [~~10.90~~ 11.40 percent and New York taxable income
 21 and the tax table computation on the New York taxable income set forth
 22 in paragraph one of subsection (a) of this section.

23 § 5. Subparagraph (B) of paragraph 2 of subsection (d-4) of section
 24 601 of the tax law, as added by section 3 of subpart B of part A of
 25 chapter 59 of the laws of 2022, is amended to read as follows:

26 (B) If New York adjusted gross income is greater than twenty-five
 27 million dollars, the supplemental tax due shall equal the difference
 28 between the product of [~~10.90~~ 11.40 percent and New York taxable income
 29 and the tax table computation on the New York taxable income set forth
 30 in paragraph one of subsection (b) of this section.

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

34 (B) If New York adjusted gross income is greater than twenty-five
 35 million dollars, the supplemental tax due shall equal the difference
 36 between the product of [~~10.90~~ 11.40 percent and New York taxable income
 37 and the tax table computation on the New York taxable income set forth
 38 in paragraph one of subsection (c) of this section.

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

41 PART GG

42 Section 1. Subsection (b) of section 863 of the tax law, as added by
 43 section 1 of part C of chapter 59 of the laws of 2021, is amended to
 44 read as follows:

45 (b) Limitation on credit. The aggregate amount of credits claimed by
 46 all partners, members or shareholders of an electing partnership or
 47 electing S corporation pursuant to subsection (a) of this section shall
 48 not exceed ninety percent of the tax due under [~~subsection (a) of~~]
 49 section eight hundred sixty-two of this article from such electing part-
 50 nership or electing S corporation for the taxable year.

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

1 PART HH

2 Section 1. Section 1203 of the tax law is amended by adding a new
3 subdivision c to read as follows:

4 c. Notwithstanding any provision of law to the contrary, the local
5 governing body of the city of Buffalo, by the adoption of local laws,
6 ordinances or resolutions may impose in such city the tax otherwise
7 authorized under subdivision (b) of section twelve hundred one of this
8 subpart: (i) at a rate not to exceed one percent of such consideration
9 or value where such consideration or value is less than one million
10 dollars on each conveyance of real property or interest therein; and
11 (ii) at a rate not to exceed two percent of such consideration or value
12 where such consideration or value is more than one million dollars on
13 each conveyance of real property or interest therein, such taxes to be
14 administered and collected in the manner provided for in subpart A of
15 part three of this article.

16 § 2. This act shall take effect immediately.

17 PART II

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

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

22 § 3. This act shall take effect on the first day of a sales tax quar-
23 terly period, as described in subdivision (b) of section 1136 of the tax
24 law, beginning at least 90 days after the date this act shall have
25 become a law and shall apply to sales made on or after such date.

26 PART JJ

27 Section 1. Section 498 of the tax law is amended by adding a new
28 subdivision (h) to read as follows:

29 (h) All taxes, interest and penalties collected or received by the
30 commissioner under this section shall be deposited and disposed of
31 pursuant to the provisions of section one hundred seventy-one-a of this
32 chapter, provided that an amount equal to one hundred percent collected
33 under this section less any amount determined by the commissioner to be
34 reserved by the comptroller for refunds or reimbursements shall be paid
35 by the comptroller to the credit of the New York state drug treatment
36 and public education fund created in section ninety-nine-jj of the state
37 finance law.

38 § 2. This act shall take effect immediately.

39 PART KK

40 Section 1. Section 210-B of the tax law is amended by adding a new
41 subdivision 63 to read as follows:

42 63. Credit for food service establishment donations to food pantries.
43 (a) Allowance of credit. In the case of a taxpayer that is a food
44 service establishment, there shall be allowed a credit, to be computed
45 as hereinafter provided against the tax imposed by this article for
46 taxable years beginning on and after January first, two thousand twen-
47 ty-seven. The amount of the credit shall be fifty percent of the
48 marketed value of the taxpayer's qualified donations up to seven dollars
49 per qualified donation made to any eligible community-based organization

1 during the taxable year, not to exceed ten thousand dollars total per
2 taxable year.

3 (b) Definitions. For the purposes of this subdivision, the following
4 terms shall have the following meanings:

5 (i) "Food service establishment" means a taxpayer whose federal gross
6 income from prepared food sales for the taxable year is at least half of
7 such taxpayer's federal gross income. Such taxpayer may be a corpo-
8 ration, partnership, or individual.

9 (ii) "Qualified donation" means a donation of a prepared meal adhering
10 to the standards of the most recent edition of the Dietary Guidelines
11 for Americans required by 7 U.S.C. § 5341. A qualified donation shall
12 not be transferred by the eligible food service establishment to the
13 eligible community-based organization in exchange for money, other prop-
14 erty, or services.

15 (iii) "Eligible community-based organization" means any program oper-
16 ating within this state that accepts or distributes prepared meals and
17 has qualified for tax exemption under section 501(c)(3) of the internal
18 revenue code.

19 (iv) "Marketed value" means the cost of a prepared meal offered for
20 sale to the public.

21 (c) Record of donation. (i) To claim a credit under this subdivision,
22 a taxpayer must get and keep a receipt from the eligible community-based
23 organization showing: (1) the name of the eligible community-based
24 organization; (2) the date and location of the qualified donation; and
25 (3) a reasonably detailed description of the qualified donation.

26 (ii) A letter or other written communication from the eligible commu-
27 nity-based organization acknowledging receipt of the contribution and
28 containing the information in clauses one, two, and three of subpara-
29 graph (i) of this paragraph shall serve as a receipt.

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

42 (e) Authority to issue tax credit. Any city in this state having a
43 population of one million or more inhabitants, acting through its local
44 legislative body, is hereby authorized and empowered to adopt and amend
45 local laws and rules offering a tax credit according to the provisions
46 in this section for the city personal income tax under article thirty of
47 this chapter.

48 § 2. This act shall take effect immediately.

49 PART LL

50 Section 1. Paragraph (a) of subdivision 52 of section 210-B of the tax
51 law, as added by section 4 of part DDD of chapter 59 of the laws of
52 2017, is amended to read as follows:

53 (a) General. In the case of a taxpayer that is an eligible farmer,
54 there shall be allowed a credit, to be computed as hereinafter provided

1 against the tax imposed by this article for taxable years beginning on
2 and after January first, two thousand eighteen. The amount of the credit
3 shall be twenty-five percent of the fair market value of the taxpayer's
4 qualified donations made to any eligible food pantry during the taxable
5 year, not to exceed five thousand dollars per taxable year for taxable
6 years ending before January first, two thousand twenty-seven, and for
7 taxable years beginning on and after January first, two thousand twen-
8 ty-seven, the amount of the credit shall be fifty percent of the fair
9 market value of the taxpayer's qualified donations made to any eligible
10 food pantry during the taxable year, not to exceed ten thousand dollars
11 per taxable year. If the taxpayer is a partner in a partnership, then
12 the cap imposed by the preceding sentence shall be applied at the entity
13 level, so that the aggregate credit allowed to all partners of such
14 entity in the taxable year does not exceed five thousand dollars for
15 taxable years ending before January first, two thousand twenty-seven,
16 and ten thousand dollars for taxable years beginning on or after January
17 first, two thousand twenty-seven.

18 § 2. Paragraph 1 of subsection (n-2) of section 606 of the tax law, as
19 added by section 1 of part DDD of chapter 59 of the laws of 2017, is
20 amended to read as follows:

21 (1) General. In the case of a taxpayer who is an eligible farmer,
22 there shall be allowed a credit, to be computed as hereinafter provided,
23 against the tax imposed by this article for taxable years beginning on
24 and after January first, two thousand eighteen. The amount of the credit
25 shall be twenty-five percent of the fair market value of the taxpayer's
26 qualified donations made to any eligible food pantry during the taxable
27 year, not to exceed five thousand dollars per taxable year for taxable
28 years ending before January first, two thousand twenty-seven, and for
29 taxable years beginning on and after January first, two thousand twen-
30 ty-seven, the amount of the credit shall be fifty percent of the fair
31 market value of the taxpayer's qualified donations made to any eligible
32 food pantry during the taxable year, not to exceed ten thousand dollars
33 per taxable year. If the taxpayer is a partner in a partnership or a
34 shareholder of a New York S corporation, then the cap imposed by the
35 preceding sentence shall be applied at the entity level, so that the
36 aggregate credit allowed to all partners or shareholders of such entity
37 in the taxable year does not exceed five thousand dollars for taxable
38 years ending before January first, two thousand twenty-seven, and ten
39 thousand dollars for taxable years beginning on or after January first,
40 two thousand twenty-seven.

41 § 3. This act shall take effect immediately.

42 PART MM

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

45 ARTICLE 12-B

46 NOISE TAX ON NON-ESSENTIAL 47 HELICOPTER AND SEAPLANE FLIGHTS

48 Section 289-g. Definitions.

49 289-h. Imposition of the noise tax on non-essential helicopter 50 and seaplane flights.

51 289-i. Liability for the tax.

52 289-j. Exemptions from the tax.

53 289-k. Payment and returns.

54 289-l. Records to be kept.

1 289-m. Secrecy of returns and reports.

2 289-n. Practice and procedure.

3 289-o. Deposit and disposition of revenue.

4 § 289-g. Definitions. For the purposes of this article, the following
5 terms shall have the following meanings:

6 1. "Helicopter" means an aircraft, the support of which in the air is
7 normally derived from airfoils mechanically rotated about an approxi-
8 mately vertical axis.

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

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

14 4. "Non-essential flight" means a flight made by a helicopter or seap-
15 lane that originates and terminates within New York state, with the
16 origination or termination being within a city with a population of one
17 million or more within New York state, other than those conducted:

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

20 (b) for purposes of public health and safety, including law enforce-
21 ment, emergency response, disaster response, the provision of medical
22 services, and providing other services; or

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

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

28 § 289-h. Imposition of the noise tax on non-essential helicopter and
29 seaplane flights. In addition to any other tax or assessment imposed by
30 this chapter or any other law, there is hereby imposed beginning January
31 first, two thousand twenty-seven a noise tax on non-essential seaplane
32 and helicopter flights at the rate of fifty dollars per seat ticket or
33 two hundred dollars per flight, whichever is greater.

34 § 289-i. Liability for the tax. Any non-essential helicopter or seap-
35 lane flight is subject to the tax imposed by this article. The tax
36 imposed by this section shall not be imposed on any helicopter or seap-
37 lane flights if such imposition is superseded by federal law or regu-
38 lation.

39 § 289-j. Exemptions from the tax. 1. Any non-essential helicopter or
40 seaplane flight conducted using a quiet aircraft is exempted from the
41 tax imposed by section two hundred eighty-nine-h of this article.

42 2. The department, in consultation with the department of transporta-
43 tion shall create a registry of models of helicopters and seaplanes that
44 will be defined as quiet aircraft for the purposes of this article. Such
45 registry shall be established by January first, two thousand twenty-
46 nine, and shall be updated no less than every two years.

47 3. For a helicopter or seaplane model to be considered to be a quiet
48 aircraft, the aircraft must be electric powered and, (a) for helicop-
49 ters, create at least ten decibels less of noise, as measured under the
50 procedures of Appendix H of 14 CFR Part 36, as a helicopter that would
51 meet the GCNP Quiet Aircraft Technology Designation established by 14
52 CFR Appendix A to Subpart U of Part 93, or any federal limits on noise
53 from helicopters enacted that are more strict than the GCNP Quiet
54 Aircraft Technology Designation and (b) for seaplanes, create at least
55 ten decibels less of noise, as measured under the procedures of Appendix
56 G of 14 CFR Part 36, than a seaplane would make to comply with the stage

1 5 noise levels adopted under 14 CFR Parts 36 and 91, which are equal to
2 the levels established under International Civil Aviation Organization
3 (ICAO) Chapter 14 of Annex 16, Volume I, or any federal limits on noise
4 from seaplanes enacted that are more strict than the stage 5 noise
5 levels.

6 § 289-k. Payment and returns. 1. Every helicopter and seaplane opera-
7 tor shall file a return quarterly with the commissioner. Provided,
8 however, that if the commissioner in the exercise of their discretion
9 deems it necessary to protect the revenues to be obtained under this
10 article, such commissioner may give notice requiring such operator, in
11 addition to filing a quarterly return, to file either short-form or
12 long-form part-quarterly returns, as specified in such notice. For
13 purposes of this article the term "long-form, part-quarterly return"
14 shall mean a return in a form determined by the commissioner providing
15 for the calculation of the actual taxes for the preceding month. For
16 purposes of this article the term "short-form, part-quarterly return"
17 shall mean a return which shall be available for use in filing as a
18 return for the first two months of any quarter and only by a person
19 required to file a return monthly who has had at least four successive
20 quarterly tax periods immediately preceding the month for which the
21 return is to be filed and who elects such use, and is in a form deter-
22 mined by the commissioner and providing for the calculation of one-third
23 of the total taxes paid by the person to the commissioner in the compa-
24 rable quarter of the immediately preceding year under this article.

25 2. The returns and information returns required by this section to be
26 filed quarterly shall be filed for quarterly periods ending on the last
27 day of February, May, August and November of each year, and each return
28 and each information return shall be filed within twenty days after the
29 end of the quarterly period covered thereby. The returns required by
30 this section to be filed monthly shall be filed for monthly periods
31 ending on the last day of each month and each return shall be filed
32 within twenty days after the end of each prior month. The information
33 returns required to be filed annually shall be filed for twelve-month
34 periods ending on the last day of May of each year, and each such infor-
35 mation return shall be filed within twenty days after the end of the
36 twelve-month period covered thereby.

37 3. The tax commission may permit or require returns to be made cover-
38 ing other periods and upon such dates as it may specify. If the tax
39 commission deems it necessary in order to ensure the payment of the
40 taxes imposed by this article, it may require returns to be made for
41 shorter periods than those prescribed pursuant to the foregoing subdivi-
42 sions of this section, and upon such dates as it may specify.

43 4. The form of returns shall be prescribed by the tax commission and
44 shall contain such information as it may deem necessary for the proper
45 administration of this article. The commission may require amended
46 returns to be filed within twenty days after notice and to contain the
47 information specified in the notice.

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

54 § 289-l. Records to be kept. Every operator liable for the surcharge
55 imposed by this article shall keep, and shall make available for review
56 upon demand by the commissioner:

1 1. records of helicopter and seaplane flights undertaken by such oper-
2 ator;
3 2. total amount of taxes collected under this article;
4 3. any information required by the department by rule or regulation;
5 4. true and complete copies of any records required to be kept by any
6 applicable regulatory department or agency; and
7 5. such other records and information as the commissioner may require
8 to perform their duties under this article.

9 § 289-m. Secrecy of returns and reports. 1. Except in accordance with
10 proper judicial order or as otherwise provided by law, it shall be
11 unlawful for the commissioner, any officer or employee of the depart-
12 ment, any person engaged or retained by the department on an independent
13 contract basis, or any person who in any manner may acquire knowledge of
14 the contents of a return or report filed with the commissioner pursuant
15 to this article, to divulge or make known in any manner any particulars
16 set forth or disclosed in any such return or report. The officers
17 charged with the custody of such returns and reports shall not be
18 required to produce any of them or evidence of anything contained in
19 them in any action or proceeding in any court, except on behalf of the
20 commissioner in an action or proceeding under the provisions of this
21 chapter, or in any other action or proceeding involving the collection
22 of a surcharge due under this chapter to which the state, the commis-
23 sioner or an agency that is authorized to permit or regulate the
24 provision of any relevant transportation is a party or a claimant, or on
25 behalf of any party to any action, proceeding or hearing under the
26 provisions of this article, when the returns or the reports or the facts
27 shown thereby are directly involved in such action, proceeding or hear-
28 ing, in any of which events the court, or in the case of a hearing, the
29 division of tax appeals, may require the production of, and may admit in
30 evidence so much of said returns or reports or of the facts shown there-
31 by as are pertinent to the action or proceeding and no more. Nothing
32 herein shall be construed, however, to prohibit the commissioner, in
33 their discretion, from allowing the inspection or delivery of a certi-
34 fied copy of any return or report filed under this article, or from
35 providing any information contained in any such return or report, by or
36 to a duly authorized officer or employee of the comptroller; nor to
37 prohibit the inspection or delivery of a certified copy of any return or
38 report filed under this article, or the provision of any information
39 contained therein, by or to the attorney general or other legal repre-
40 sentatives of the state when an action shall have been recommended or
41 commenced pursuant to this chapter in which such returns or reports or
42 the facts shown thereby are directly involved; nor to prohibit the
43 commissioner from providing or certifying to the division of budget or
44 the comptroller the total number of returns or reports filed under this
45 article in any reporting period and the total collections received ther-
46 efrom; nor to prohibit the delivery to a person liable for the tax
47 imposed by this article, or a duly authorized representative of such, a
48 certified copy of any return or report filed by such person pursuant to
49 this article, nor to prohibit the publication of statistics so classi-
50 fied as to prevent the identification of particular returns or reports
51 and the items thereof; nor to prohibit the disclosure, in such manner as
52 the commissioner deems appropriate, of the names and other appropriate
53 identifying information of those persons required to pay the tax imposed
54 by this article.

55 2. Notwithstanding the provisions of subdivision one of this section,
56 the commissioner may permit the secretary of the treasury of the United

1 States or such secretary's delegate, or the authorized representative of
2 either such officer, to inspect any return filed under this article, or
3 may furnish to such officer or such officer's authorized representative
4 an abstract of any such return or supply such person with information
5 concerning an item contained in any such return, or disclosed by any
6 investigation of liability under this article, but such permission shall
7 be granted or such information furnished only if the laws of the United
8 States grant substantially similar privileges to the commissioner or
9 officer of this state charged with the administration of the tax imposed
10 by this article, and only if such information is to be used for purposes
11 of tax administration only; and provided further the commissioner may
12 furnish to the commissioner of internal revenue or such commissioner's
13 authorized representative such returns filed under this article and
14 other tax information, as such commissioner may consider proper, for use
15 in court actions or proceedings under the internal revenue code, whether
16 civil or criminal, where a written request therefor has been made to the
17 commissioner by the secretary of the treasury of the United States or
18 such secretary's delegate, provided the laws of the United States grant
19 substantially similar powers to the secretary of the treasury of the
20 United States or their delegate. Where the commissioner has so author-
21 ized use of returns and other information in such actions or
22 proceedings, officers and employees of the department may testify in
23 such actions or proceedings in respect to such returns or other informa-
24 tion.

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

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

31 4. (a) Notwithstanding the provisions of subdivision one of this
32 section, upon written request from the chairperson of the committee on
33 ways and means of the United States House of Representatives, the chair-
34 person of the committee on finance of the United States Senate, or the
35 chairperson of the joint committee on taxation of the United States
36 Congress, the commissioner shall furnish such committee with any current
37 or prior year returns specified in such request that were filed under
38 this article by the president of the United States, vice-president of
39 the United States, member of the United States Congress representing New
40 York state, or any person who served in or was employed by the executive
41 branch of the government of the United States on the executive staff of
42 the president, in the executive office of the president, or in an acting
43 or confirmed capacity in a position subject to confirmation by the
44 United States Senate; or, in New York state: a statewide elected offi-
45 cial, as defined in paragraph (a) of subdivision one of section seven-
46 ty-three-a of the public officers law; a state officer or employee, as
47 defined in subparagraph (i) of paragraph (c) of subdivision one of such
48 section seventy-three-a; a political party chairperson, as defined in
49 paragraph (h) of subdivision one of such section seventy-three-a; a
50 local elected official, as defined in subdivisions one and two of
51 section eight hundred ten of the general municipal law; a person
52 appointed, pursuant to law, to serve due to vacancy or otherwise in the
53 position of a local elected official, as defined in subdivisions one and
54 two of section eight hundred ten of the general municipal law; a member
55 of the state legislature; or a judge or justice of the unified court
56 system; or filed by a partnership, firm, association, corporation,

1 joint-stock company, trust or similar entity directly or indirectly
2 controlled by any individual listed in this paragraph, whether by
3 contract, through ownership or control of a majority interest in such
4 entity, or otherwise, or filed by a partnership, firm, association,
5 corporation, joint-stock company, trust or similar entity of which any
6 individual listed in this paragraph holds ten percent or more of the
7 voting securities of such entity; provided however that, prior to
8 furnishing any return, the commissioner shall redact any copy of a
9 federal return (or portion thereof) attached to, or any information on a
10 federal return that is reflected on, such return, and any social securi-
11 ty numbers, account numbers and residential address information.

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

24 § 289-n. Practice and procedure. The provisions of article twenty-sev-
25 en of this chapter shall apply with respect to the administration of and
26 procedure with respect to the tax imposed by this article in the same
27 manner and with the same force and effect as if the language of such
28 article twenty-seven had been incorporated in full into this article and
29 had expressly referred to the surcharge imposed by this article, except
30 to the extent that any such provision is either inconsistent with a
31 provision of this article or is not relevant to this article.

32 § 289-o. Deposit and disposition of revenue. All funds collected under
33 this article shall be deposited into the environmental protection fund
34 established by section ninety-two-s of the state finance law.

35 § 2. This act shall take effect immediately.

36 PART NN

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

39 a. It shall be the duty of the director to require that all prizes
40 over five thousand dollars in any game be awarded to holders of winning
41 tickets for that game as provided in this section and section sixteen
42 hundred fourteen of this article. Within one week after any drawing or
43 selection of prize winning lottery tickets, the division shall deliver
44 to the comptroller a certified list of the tickets to which prizes are
45 awarded and the amount of each such prize. Upon receipt of such certi-
46 fied list and voucher of the division, moneys sufficient for the payment
47 of such prizes shall be paid to the division from the lottery prize
48 account, upon audit and warrant of the comptroller. Moneys for the
49 payment of lottery prizes shall be deposited by the director as provided
50 in section sixteen hundred eleven of this article and the withdrawal of
51 such moneys for the payment of prize winners shall be subject to a check
52 signed by the director or such officers or employees of the division as
53 the director may designate. The division shall each month provide the
54 comptroller with a record of all such withdrawals from the director's

accounts. Payment of prizes shall be made by the division to holders of the tickets to which prizes are awarded, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, may be paid pursuant to a court order granted as a result of a proceeding as provided in subdivision d of this section, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The division shall not publicly disclose the name, address or other identifying information of any holder of a winning ticket or require any winning ticket holder to perform any public actions in connection with the awarding, payment or collection of prize moneys unless a holder of a winning ticket gives consent to the division to do so. The division shall be discharged of all further liability upon payment of a prize pursuant to this subdivision.

§ 2. This act shall take effect immediately.

PART 00

Section 1. Paragraph 27 of subdivision (a) of section 1115 of the tax law, as amended by chapter 147 of the laws of 1995, is amended to read as follows:

(27) Precious metal bullion sold for investment, provided that (i) the retailer, if so required, is registered pursuant to section three hundred fifty-nine-e of the general business law, and (ii) the precious metal bullion is being sold or bought by a central bank, a foreign government, the United Nations, the United States of America or any of the several states or territories thereof, or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to an interstate compact, international treaty, or international agreement), and (iii) the receipt or consideration given or contracted to be given for such bullion depends only on the value of the metal content of such bullion. "Precious metal bullion" means bars, ingots or coins of gold, silver, platinum, palladium, rhodium, ruthenium or iridium, but shall not include bars, ingots or coins which have been manufactured, processed, assembled, fabricated or used for an industrial, professional, esthetic or artistic purpose. Precious metal bullion shall be deemed to be sold for investment when it is sold for more than one thousand dollars and the purchaser or user or agent of either of them holds it in the same form as when it was purchased and does not manufacture, process, assemble or fabricate such bullion for its own use. For purposes of this paragraph, the receipt or consideration given or contracted to be given shall be deemed to depend only on the value of the metal content if, at the time of sale or purchase at retail, such receipt or consideration does not exceed (i) one hundred forty percent, with respect to silver coins, or (ii) one hundred twenty percent, with respect to gold coins weighing one-quarter of an ounce or less, or (iii) one hundred fifteen percent, with respect to other coins, of the greater of (A) the daily closing bullion cash price of such metal in the open market or (B) the coins' face value at prevailing rates of exchange, or (iv), with respect to bars and ingots, one hundred fifteen percent of such bullion cash price of such metal. Where there is no such closing price for such metal, the average of the bid and asked cash prices shall be substituted for such closing price.

§ 2. This act shall take effect on the first day of the quarterly sales tax period as set forth in subdivision (b) of section 1136 of the tax law next succeeding the thirtieth day after it shall have become a

1 law; provided, however, that the commissioner of taxation and finance
2 may take any action with respect to the adoption, amendment, suspension
3 or repeal of any rule or regulation relating to this act, and may estab-
4 lish any procedure necessary for the timely implementation of this act
5 on or before the date on which it shall have become a law.

PART PP

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

9 (28) For taxable years beginning on or after January first, two thou-
10 sand twenty-five, the amount of any gain excluded pursuant to section
11 1202 of the Internal Revenue Code, with respect to such exclusion the
12 amount of the deduction allowable under section 1202 of the Internal
13 Revenue Code as amended by Pub. L. 119-21, title VII.

14 § 2. Paragraph (a) of subdivision 9 of section 208 of the tax law is
15 amended by adding a new subparagraph 24 to read as follows:

16 (24) For taxable years beginning on or after January first, two thou-
17 sand twenty-five, the amount of any gain excluded pursuant to section
18 1202 of the Internal Revenue Code, determined as if such section was in
19 effect on December thirty-first, two thousand twenty-four.

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

22 (44) For taxable years beginning on or after January first, two thou-
23 sand twenty-five, the amount of any gain excluded pursuant to section
24 1202 of the Internal Revenue Code, with respect to such exclusion the
25 amount of the deduction allowable under section 1202 of the Internal
26 Revenue Code as amended by Pub. L. 119-21, title VII.

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

29 (48) For taxable years beginning on or after January first, two thou-
30 sand twenty-five, the amount of any gain excluded pursuant to section
31 1202 of the Internal Revenue Code, determined as if such section was in
32 effect on December thirty-first, two thousand twenty-four.

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

35 (AA) For taxable years beginning on or after January first, two thou-
36 sand twenty-five, the amount of any gain excluded pursuant to section
37 1202 of the Internal Revenue Code, with respect to such exclusion the
38 amount of the deduction allowable under section 1202 of the Internal
39 Revenue Code as amended by Pub. L. 119-21, title VII.

40 § 6. Paragraph 1 of subdivision (b) of section 1503 of the tax law is
41 amended by adding a new subparagraph (X) to read as follows:

42 (X) For taxable years beginning on or after January first, two thou-
43 sand twenty-five, the amount of any gain excluded pursuant to section
44 1202 of the Internal Revenue Code, determined as if such section was in
45 effect on December thirty-first, two thousand twenty-four.

46 § 7. This act shall take effect immediately, and shall apply to taxa-
47 ble years beginning on or after January 1, 2025.

PART QQ

49 Section 1. Section 1203 of the tax law is amended by adding a new
50 subdivision d to read as follows:

51 d. Notwithstanding any provision of law to the contrary, the local
52 governing body of the city of Albany, by the adoption of local laws,

ordinances or resolutions may impose in such city the tax otherwise authorized under subdivision (b) of section twelve hundred one of this subpart: (i) at a rate not to exceed one percent of such consideration or value where such consideration or value is less than one million dollars on each conveyance of real property or interest therein; and (ii) at a rate not to exceed two percent of such consideration or value where such consideration or value is more than one million dollars on each conveyance of real property or interest therein, such taxes to be administered and collected in the manner provided for in subpart A of part three of this article.

§ 2. This act shall take effect immediately.

PART RR

Section 1. Subsection (b) of section 870 of the tax law, as added by section 1 of subpart B of part MM of chapter 59 of the laws of 2022, is amended to read as follows:

(b) Limitation on credit. The aggregate amount of credits claimed by all partners, members or shareholders of an electing city partnership or an electing city resident S corporation pursuant to subsection (a) of this section shall not exceed seventy-five percent of the tax due under section eight hundred sixty-nine of this article from such electing city partnership or electing city resident S corporation for the taxable year.

§ 2. Paragraphs 2 and 5 of subsection (g) of section 1310 of the tax law, as added by section 3 of subpart B of part MM of chapter 59 of the laws of 2022, are amended to read as follows:

(2) The amount of the credit shall be equal to seventy-five percent of the partner's, member's or shareholder's direct share of the city pass-through entity tax.

(5) Limitation on credit. No credit shall be allowed to a taxpayer under this subsection unless the electing city partnership or electing city resident S corporation provided sufficient information to identify such taxpayer on its city pass-through entity tax return as required under paragraph two of subsection (c) of section eight hundred seventy-two of this chapter for an electing city partnership or paragraph two of subsection (d) of section eight hundred seventy-two of this chapter for an electing city resident S corporation. The credit allowed to a taxpayer under this subsection shall not exceed seventy-five percent of the direct share of city pass-through entity tax reported by such electing city partnership or electing city resident S corporation attributable to such taxpayer on such electing city partnership or electing city resident S corporation's return filed pursuant to section eight hundred seventy-two of this chapter.

§ 3. Paragraphs 2 and 5 of subdivision (g) of section 11-1706 of the administrative code of the city of New York, as added by section 11 of subpart B of part MM of chapter 59 of the laws of 2022, are amended to read as follows:

(2) The amount of the credit shall be equal to seventy-five percent of the partner's, member's or shareholder's direct share of the city pass-through entity tax.

(5) Limitation on credit. No credit shall be allowed to a taxpayer under this subdivision unless the electing city partnership or electing city resident S corporation provided sufficient information to identify such taxpayer on its city pass-through entity tax return as required under paragraph two of subsection (c) of section eight hundred seventy-

two of the tax law for an electing city partnership or paragraph two of subsection (d) of section eight hundred seventy-two of the tax law for an electing city resident S corporation. The credit allowed to a taxpayer under this subdivision shall not exceed seventy-five percent of the direct share of city pass-through entity tax reported by such electing city partnership or electing city resident S corporation attributable to such taxpayer on such electing city partnership's or such electing city resident S corporation's return filed pursuant to section eight hundred seventy-two of the tax law.

§ 4. This act shall take effect June 1, 2026.

PART SS

Section 1. Subdivision (a) of section 101 of section 2 of chapter 772 of the laws of 1966, relating to enabling any city having a population of one million or more to raise tax revenue, is amended to read as follows:

(a) General.--A tax at the rate of four percent is hereby imposed for each taxable year, beginning with taxable years ending after January first, nineteen hundred sixty-six, on the unincorporated business taxable income of every unincorporated business wholly or partly carried on within the city, provided that, for taxable years beginning on or after January first, two thousand twenty-six, for any portion of such unincorporated business taxable income greater than five million dollars, such tax for such portion shall be at a rate of four and four-tenths percent. This tax shall be in addition to any other taxes imposed.

§ 2. Subdivision (a) of section 11-503 of the administrative code of the city of New York is amended to read as follows:

(a) General. A tax at the rate of four percent is hereby imposed for each taxable year, beginning with taxable years ending after January first, nineteen hundred sixty-six, on the unincorporated business taxable income of every unincorporated business wholly or partly carried on within the city, provided that, for taxable years beginning on or after January first, two thousand twenty-six, for any portion of such unincorporated business taxable income greater than five million dollars, such tax for such portion shall be at a rate of four and four-tenths percent. This tax shall be in addition to any other taxes imposed.

§ 3. Clauses 1 and 3 of subparagraph (a) of paragraph E of subdivision 1 of section 11-604 of the administrative code of the city of New York, as amended by chapter 345 of the laws of 2023, are amended to read as follows:

(1) an amount computed, for taxable years beginning before nineteen hundred eighty-seven, at the rate of nine per centum, ~~and~~ for taxable years beginning after nineteen hundred eighty-six and before January first, two thousand twenty-six, at the rate of eight and eighty-five one-hundredths per centum, and for taxable years beginning on or after January first, two thousand twenty-six, at the rate of ten and sixty-two one-hundredths per centum, of its entire net income or the portion of such entire net income allocated within the city as hereinafter provided, subject to any modification required by paragraphs (d) and (e) of subdivision three of this section,

(3) an amount computed, for taxable years beginning before nineteen hundred eighty-seven, at the rate of nine per centum, ~~and~~ for taxable years beginning after nineteen hundred eighty-six and before January first, two thousand twenty-six, at the rate of eight and eighty-five one-hundredths per centum, and for taxable years beginning on or after

1 January first, two thousand twenty-six, at the rate of ten and sixty-two
2 one-hundredths per centum, on thirty per centum of the taxpayer's entire
3 net income plus salaries and other compensation paid to the taxpayer's
4 elected or appointed officers and to every stockholder owning in excess
5 of five per centum of its issued capital stock minus fifteen thousand
6 dollars (subject to proration as hereinafter provided) and any net loss
7 for the reported year, or on the portion of any such sum allocated with-
8 in the city as hereinafter provided for the allocation of entire net
9 income, subject to any modification required by paragraphs (d) and (e)
10 of subdivision three of this section, provided, however, that for taxa-
11 ble years beginning on or after July first, nineteen hundred ninety-six,
12 the provisions of paragraph H of this subdivision shall apply for
13 purposes of the computation under this clause, or

14 § 4. The opening paragraph of subparagraph 2 of paragraph (a) of
15 subdivision 18 of section 11-604 of the administrative code of the city
16 of New York, as amended by chapter 128 of the laws of 1996, is amended
17 to read as follows:

18 The amount determined in this subparagraph is the product of (A) the
19 excess of (i) the tax computed under clause one of subparagraph (a) of
20 paragraph E of subdivision one of this section, without allowance of any
21 credits allowed by this section, over (ii) the tax so computed, deter-
22 mined as if the corporation had no such distributive share or guaranteed
23 payments with respect to the unincorporated business, and (B) a frac-
24 tion, the numerator of which is four and the denominator of which is
25 eight and eighty-five one hundredths, provided, however, that for a
26 taxable year beginning on or after January first, two thousand twenty-
27 six, such denominator shall be equal to ten and sixty-two one-hun-
28 dredths, and provided further that the amounts computed in clauses (i)
29 and (ii) of this subparagraph shall be computed with the following
30 modifications:

31 § 5. Subparagraph 1 of paragraph (b) of subdivision 18 of section
32 11-604 of the administrative code of the city of New York, as amended by
33 chapter 128 of the laws of 1996, is amended to read as follows:

34 (1) Notwithstanding anything to the contrary in paragraph (a) of this
35 subdivision, in the case of a corporation that, before the application
36 of this subdivision or any other credit allowed by this section, is
37 liable for the tax on entire net income under clause one of subparagraph
38 (a) of paragraph E of subdivision one of this section, the credit or the
39 sum of the credits that may be taken by such corporation for a taxable
40 year under this subdivision with respect to an unincorporated business
41 or unincorporated businesses in which it is a partner shall not exceed
42 the tax so computed, without allowance of any credits allowed by this
43 section, multiplied by a fraction the numerator of which is four and the
44 denominator of which is eight and eighty-five one hundredths, provided,
45 however, that for a taxable year beginning on or after January first,
46 two thousand twenty-six, such denominator shall be equal to ten and
47 sixty-two one-hundredths. If the credit allowed under this subdivision
48 or the sum of such credits exceeds the product of such tax and such
49 fraction, the amount of the excess may be carried forward, in order, to
50 each of the seven immediately succeeding taxable years and, to the
51 extent not previously taken, shall be allowed as a credit in each of
52 such years. In applying the provisions of the preceding sentence, the
53 credit determined for the taxable year under paragraph (a) of this
54 subdivision shall be taken before taking any credit carryforward pursu-
55 ant to this paragraph and the credit carryforward attributable to the

earliest taxable year shall be taken before taking a credit carryforward attributable to a subsequent taxable year.

§ 6. Subdivision (a) of section 11-643.5 of the administrative code of the city of New York, as added by local law number 37 of the city of New York for the year 1986, is amended to read as follows:

(a) Basic tax. Nine percent of the taxpayer's entire net income, or the portion thereof allocated to the city, for the taxable year or part thereof, provided that, for a taxable year beginning on or after January first, two thousand twenty-six, or part thereof, such basic tax shall be equal to ten and eight-tenths percent of the taxpayer's entire net income, or the portion thereof allocated to the city.

§ 7. The opening paragraph of paragraph 2 of subdivision (a) of section 11-643.8 of the administrative code of the city of New York, as amended by chapter 128 of the laws of 1996, is amended to read as follows:

The amount determined in this paragraph is the product of (A) the excess of (i) the basic tax computed pursuant to subdivision (a) of section 11-643.5 of this part, without allowance of any credits allowed by this part, over (ii) the basic tax so computed, determined as if the banking corporation had no such distributive share or guaranteed payments with respect to the unincorporated business, and (B) a fraction, the numerator of which is four and the denominator of which is nine, provided, however, that for a taxable year beginning on or after January first, two thousand twenty-six, such denominator shall be equal to ten and eight-tenths, and provided further that the amounts computed in clauses (i) and (ii) of this paragraph shall be computed with the following modifications:

§ 8. Paragraph 1 of subdivision (b) of section 11-643.8 of the administrative code of the city of New York, as amended by chapter 128 of the laws of 1996, is amended to read as follows:

(1) Notwithstanding anything to the contrary in subdivision (a) of this section, in the case of a banking corporation that, before the application of this section or any other credit allowed by this part, is liable for the basic tax computed under subdivision (a) of section 11-643.5 of this part, the credit or the sum of the credits that may be taken by such banking corporation for a taxable year under this section with respect to an unincorporated business or unincorporated businesses in which it is a partner shall not exceed the tax so computed, without allowance of any credits allowed by this part, multiplied by a fraction the numerator of which is four and the denominator of which is nine, provided, however, that for a taxable year beginning on or after January first, two thousand twenty-six, such denominator shall be equal to ten and eight-tenths. If the credit allowed under this subdivision or the sum of such credits exceeds the product of such tax and such fraction, the amount of the excess may be carried forward, in order, to each of the seven immediately succeeding taxable years and, to the extent not previously taken, shall be allowed as a credit in each of such years. In applying the provisions of the preceding sentence, the credit determined for the taxable year under subdivision (a) of this section shall be taken before taking any credit carryforward pursuant to this paragraph and the credit carryforward attributable to the earliest taxable year shall be taken before taking a credit carryforward attributable to a subsequent taxable year.

§ 9. Clause (i) of subparagraph 1 of paragraph (e) of subdivision 1 of section 11-654 of the administrative code of the city of New York, as

1 added by section 1 of part D of chapter 60 of the laws of 2015, is
2 amended to read as follows:

3 (i) an amount computed on its business income or the portion of such
4 business income allocated within the city as hereinafter provided,
5 subject to the application of paragraphs (j) and (k) of this subdivision
6 and any modification required by paragraphs (d) and (e) of subdivision
7 three of this section, at the rate of (1) for a taxable year beginning
8 before January first, two thousand twenty-six, nine per centum for
9 financial corporations, as defined in this clause, and for a taxable
10 year beginning on or after January first, two thousand twenty-six, ten
11 and eight-tenths per centum for financial corporations, or (2) for a
12 taxable year beginning before January first, two thousand twenty-six,
13 eight and eighty-five one hundredths per centum for all other corpo-
14 rations, and for a taxable year beginning on or after January first, two
15 thousand twenty-six, ten and sixty-two one-hundredths per centum for all
16 other corporations. For purposes of this clause, "financial corporation"
17 means a corporation or, if the corporation is included in a combined
18 group, a combined group, that (A) has total assets reflected on its
19 balance sheet at the end of its taxable year in excess of one hundred
20 billion dollars, computed under generally accepted accounting principles
21 and (B)(I) allocates more than fifty percent of the receipts included in
22 the denominator of its receipts fraction, determined under section
23 11-654.2 of this subchapter, pursuant to subdivision five of section
24 11-654.2 of this subchapter for its taxable year, or (II) is itself or
25 is included in a combined group in which more than fifty percent of the
26 total assets reflected on its balance sheet at the end of its taxable
27 year are held by one or more corporations that are classified as (a)
28 registered under state law as a bank holding company or registered under
29 the Federal Bank Holding Company Act of 1956 (12 U.S.C. § 1841, et seq.,
30 as amended), or registered as a savings and loan holding company under
31 the Federal National Housing Act (12 U.S.C. 1701, as amended), (b) a
32 national bank organized and existing as a national bank association
33 pursuant to the provisions of the National Bank Act, 12 U.S.C. 21 et.
34 seq., (c) a savings association or federal savings bank as defined in
35 the Federal Deposit Insurance Act, 12 U.S.C. § 1813(b)(1), (d) a bank,
36 savings association, or thrift institution incorporated or organized
37 under the laws of any state, (e) a corporation organized under the
38 provisions of 12 U.S.C. §§ 611 to 631, (f) an agency or branch or a
39 foreign depository as defined in 12 U.S.C. § 3101, (g) a registered
40 securities or commodities broker or dealer registered as such by the
41 securities and exchange commission or the commodities futures trading
42 commission, which shall include an OTC derivatives dealer as defined
43 under regulations of the securities and exchange commission at title 17,
44 part 240, section 3b-12 of the code of federal regulations (17 CFR
45 240.3b-12), or (h) any corporation whose voting stock is more than fifty
46 percent owned, directly or indirectly, by any person or business entity
47 described in subitems (a) through (g) of this item, other than an insur-
48 ance company taxable under article thirty-three of the tax law; or

49 § 10. Subparagraphs 2 and 3 of paragraph (j) of subdivision 1 of
50 section 11-654 of the administrative code of the city of New York, as
51 added by section 1 of part D of chapter 60 of the laws of 2015, are
52 amended to read as follows:

53 (2) Subject to subparagraph three of this paragraph, if the amount of
54 business income allocated within the city as hereinafter provided is one
55 million dollars or greater but less than one million five hundred thou-
56 sand dollars, the amount computed in clause (i) of subparagraph one of

1 paragraph (e) of this subdivision shall be at the rate of (i) six and
2 five-tenths per centum, plus (ii) [~~two and thirty-five one-hundredths~~
3 ~~per centum~~] a general scaling factor multiplied by a fraction the numer-
4 ator of which is allocated business income less one million dollars and
5 the denominator of which is five hundred thousand dollars, of the amount
6 of business income allocated within the city as hereinafter provided,
7 subject to any modification required by paragraphs (d) and (e) of subdivi-
8 sion three of this section;

9 (3) Provided, however, notwithstanding anything to the contrary, if
10 the amount of business income before allocation is two million dollars
11 or greater but less than three million dollars, the rate of tax provided
12 for in this paragraph shall not be less than (i) six and five-tenths per
13 centum, plus (ii) [~~two and thirty-five one-hundredths per centum~~] a
14 general scaling factor multiplied by a fraction the numerator of which
15 is business income before allocation less two million dollars and the
16 denominator of which is one million dollars, and provided, however,
17 notwithstanding anything to the contrary, if the amount of business
18 income before allocation is three million dollars or greater, the rate
19 of tax shall be eight and eighty-five one-hundredths per centum for a
20 taxable year beginning before January first, two thousand twenty-six,
21 and ten and sixty-two one-hundredths per centum for a taxable year
22 beginning on or after January first, two thousand twenty-six, or, in the
23 case of a financial corporation, as defined in clause (i) of subpara-
24 graph one of paragraph (e) of this subdivision [~~one of section 11-654~~],
25 if the amount of business income before allocation is three million
26 dollars or greater the rate of tax shall be nine per centum for a taxa-
27 ble year beginning before January first, two thousand twenty-six, and
28 ten and eight-tenths per centum for a taxable year beginning on or after
29 January first, two thousand twenty-six. For the purposes of this subpara-
30 graph and subparagraph two of this paragraph, the term "general scaling
31 factor" means a value equal to two and thirty-five one-hundredths per
32 centum for a taxable year beginning before January first, two thousand
33 twenty-six, or a value equal to four and twelve one-hundredths per
34 centum for a taxable year beginning on or after January first, two thou-
35 sand twenty-six.

36 § 11. Subparagraphs 2 and 3 of paragraph (k) of subdivision 1 of
37 section 11-654 of the administrative code of the city of New York, as
38 added by section 1 of part D of chapter 60 of the laws of 2015, are
39 amended to read as follows:

40 (2) Subject to subparagraph three of this paragraph for qualified New
41 York manufacturing corporations as defined in subparagraph four of this
42 paragraph, if the amount of business income allocated within the city as
43 hereinafter provided is ten million dollars or greater but less than
44 twenty million dollars, the amount computed in clause (i) of subpara-
45 graph one of paragraph (e) of this subdivision shall be at the rate of
46 (i) four and four hundred twenty-five one-thousandths per centum, plus
47 (ii) [~~four and four hundred twenty-five one-thousandths per centum~~] a
48 manufacturing scaling factor multiplied by a fraction the numerator of
49 which is allocated business income less ten million dollars and the
50 denominator of which is ten million dollars, of its business income or
51 the portion of such business income allocated within the city as herein-
52 after provided, subject to any modification required by paragraphs (d)
53 and (e) of subdivision three of this section;

54 (3) Notwithstanding anything to the contrary, if the amount of busi-
55 ness income before allocation is twenty million dollars or greater but
56 less than forty million dollars, the rate of tax provided for in this

1 paragraph shall not be less than (i) four and four hundred twenty-five
2 one thousandths percentum, plus (ii) ~~[four and four hundred twenty-five~~
3 ~~one thousandths percentum]~~ a manufacturing scaling factor multiplied by
4 a fraction the numerator of which is business income before allocation
5 less twenty million dollars and the denominator of which is twenty
6 million dollars, and provided, however, notwithstanding anything to the
7 contrary, if the amount of business income before allocation is forty
8 million dollars or greater, the rate of tax shall be eight and eighty-
9 five one-hundredths per centum for a taxable year beginning before Janu-
10 ary first, two thousand twenty-six, and ten and sixty-two one-hundredths
11 per centum for a taxable year beginning on or after January first, two
12 thousand twenty-six. For the purposes of this subparagraph and subpara-
13 graph two of this paragraph, the term "manufacturing scaling factor"
14 means a value equal to four and four hundred twenty-five one-thousandths
15 per centum for a taxable year beginning before January first, two thou-
16 sand twenty-six, or a value equal to six and one hundred ninety-five
17 one-thousandths per centum for a taxable year beginning on or after
18 January first, two thousand twenty-six.

19 § 12. The opening paragraph of subparagraph 2 of paragraph (a) of
20 subdivision 18 of section 11-654 of the administrative code of the city
21 of New York, as amended by section 12 of part P of chapter 60 of the
22 laws of 2016, is amended to read as follows:

23 The amount determined in this subparagraph is the product of (i) the
24 excess of (A) the tax computed under clause (i) of subparagraph one of
25 paragraph (e) of subdivision one of this section, without allowance of
26 any credits allowed by this section, over (B) the tax so computed,
27 determined as if the corporation had no such distributive share or guar-
28 anteed payments with respect to the unincorporated business, and (ii) a
29 fraction, the numerator of which is four and the denominator of which,
30 for a taxable year beginning before January first, two thousand twenty-
31 six, is eight and eighty-five one hundredths, provided that, for a taxa-
32 ble year beginning on or after January first, two thousand twenty-six,
33 such denominator is ten and sixty-two one-hundredths, [except] and
34 provided further that in the case of a financial corporation as defined
35 in clause (i) of subparagraph one of paragraph (e) of subdivision one of
36 this section, for a taxable year beginning before January first, two
37 thousand twenty-six, such denominator is nine, and for a taxable year
38 beginning on or after January first, two thousand twenty-six, such
39 denominator is ten and eight-tenths, and provided further that in the
40 case of a taxpayer that is subject to paragraph (j) or (k) of subdivi-
41 sion one of this section, such denominator shall be the rate of tax as
42 determined by such paragraph (j) or (k) for the taxable year; provided
43 that the amounts computed in subclauses (A) and (B) of clause (i) of
44 this subparagraph shall be computed with the following modifications:

45 § 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section
46 11-654 of the administrative code of the city of New York, as amended by
47 section 13 of part P of chapter 60 of the laws of 2016, is amended to
48 read as follows:

49 (1) Notwithstanding anything to the contrary in paragraph (a) of this
50 subdivision, in the case of a corporation that, before the application
51 of this subdivision or any other credit allowed by this section, is
52 liable for the tax on business income under clause (i) of subparagraph
53 one of paragraph (e) of subdivision one of this section, the credit or
54 the sum of the credits that may be taken by such corporation for a taxa-
55 ble year under this subdivision with respect to an unincorporated busi-
56 ness or unincorporated businesses in which it is a partner shall not

1 exceed the tax so computed, without allowance of any credits allowed by
2 this section, multiplied by a fraction the numerator of which is four
3 and the denominator of which is eight and eighty-five one-hundredths,
4 provided that, for a taxable year beginning on or after January first,
5 two thousand twenty-six, such denominator shall be equal to ten and
6 sixty-two one-hundredths, [except] and provided further that in the case
7 of a financial corporation as defined in clause (i) of subparagraph one
8 of paragraph (e) of subdivision one of this section, such denominator,
9 for a taxable year beginning before January first, two thousand twenty-
10 six, is nine, and, for a taxable year beginning on or after January
11 first, two thousand twenty-six, is ten and eight-tenths, and provided
12 further that in the case of a taxpayer that is subject to paragraph (j)
13 or (k) of subdivision one of this section, such denominator shall be the
14 rate of tax as determined by such paragraph (j) or (k) for the taxable
15 year. If the credit allowed under this subdivision or the sum of such
16 credits exceeds the product of such tax and such fraction, the amount of
17 the excess may be carried forward, in order, to each of the seven imme-
18 diately succeeding taxable years and, to the extent not previously
19 taken, shall be allowed as a credit in each of such years. In applying
20 the provisions of the preceding sentence, the credit determined for the
21 taxable year under paragraph (a) of this subdivision shall be taken
22 before taking any credit carryforward pursuant to this paragraph and the
23 credit carryforward attributable to the earliest taxable year shall be
24 taken before taking a credit carryforward attributable to a subsequent
25 taxable year.

26 § 14. The local legislative body of the city of New York is hereby
27 authorized and empowered to ratify and approve by local law the amend-
28 ments set forth in sections two through thirteen of this act, provided
29 that: (i) where such local legislative body ratifies and approves the
30 amendments set forth in section three, four, or five of this act, such
31 local legislative body shall ratify and approve the amendments set forth
32 in all of such sections three, four, and five of this act; (ii) where
33 such local legislative body ratifies and approves the amendments set
34 forth in section six, seven, or eight of this act, such local legisla-
35 tive body shall ratify and approve the amendments set forth in all of
36 such sections six, seven, and eight of this act; and (iii) where such
37 local legislative body ratifies and approves the amendments set forth in
38 section nine, ten, eleven, twelve, or thirteen of this act, such local
39 legislative body shall ratify and approve the amendments set forth in
40 all of such sections nine, ten, eleven, twelve, and thirteen of this
41 act.

42 § 15. This act shall take effect immediately, except that sections two
43 through thirteen of this act shall take effect only upon enactment of a
44 local law of the city of New York as described in section fourteen of
45 this act and shall be deemed to have been in full force and effect as of
46 January 1, 2026 and apply to taxable years beginning on or after such
47 date, provided that, where the local legislative body of the city of New
48 York does not ratify and approve the amendments set forth in one or more
49 of such sections, the amendments set forth in such sections shall not
50 take effect. The city of New York shall notify the legislative bill
51 drafting commission upon enactment of such local law as described in
52 section fourteen of this act in order that the commission may maintain
53 an accurate and timely effective data base of the official text of the
54 laws of the state of New York in furtherance of effectuating the
55 provisions of section 44 of the legislative law and section 70-b of the
56 public officers law.

1

PART TT

2 Section 1. Short title. This act shall be known and may be cited as
3 the "New York city mansion tax act".

4 § 2. Paragraph (i) of subdivision (b) of section 1201 of the tax law,
5 as amended by chapter 170 of the laws of 1994, is amended to read as
6 follows:

7 (i) Taxes on each deed, other instrument or transaction (other than a
8 deed or instrument given solely as security or a transaction the sole
9 purpose of which is to secure an obligation or indebtedness) by which
10 any real property or any economic interest therein is conveyed or trans-
11 ferred, measured by the consideration or value of the interest or prop-
12 erty conveyed or transferred, (1) at a rate not to exceed one-half of
13 one percent of such consideration or value with respect to conveyances
14 made before July first, nineteen hundred seventy-one, or made in
15 performance of a contract therefor executed before such date, (2) at a
16 rate not to exceed one percent of such consideration or value with
17 respect to (A) all conveyances made on or after July first, nineteen
18 hundred seventy-one and before February first, nineteen hundred eighty-
19 two, or made in performance of a contract therefor executed during such
20 period, (B) conveyances or transfers made on or after February first,
21 nineteen hundred eighty-two of one, two or three-family houses, individ-
22 ual cooperative apartments and individual residential condominium units,
23 or interests therein, and (C) conveyances or transfers made on or after
24 February first, nineteen hundred eighty-two (other than grants, assign-
25 ments or surrenders of leasehold interests in real property) where the
26 consideration or value is less than five hundred thousand dollars, (3)
27 at a rate not to exceed two percent of such consideration or value with
28 respect to all other conveyances or transfers made on or after February
29 first, nineteen hundred eighty-two (other than grants, assignments or
30 surrenders of leasehold interests in real property) other than those
31 conveyances or transfers specified in subparagraphs four, five ~~and~~,
32 six and seven of this paragraph, (4) at a rate not to exceed one and
33 four hundred twenty-five thousandths of one percent of such consider-
34 ation or value where such consideration or value is less than five
35 hundred thousand dollars with respect to all conveyances or transfers
36 other than for conveyances or transfers of one, two or three family
37 houses, individual cooperative apartments, and individual residential
38 condominium units, or interests therein (other than grants, assignment
39 or surrenders of leasehold interests in real property), made on or after
40 August first, nineteen hundred eighty-nine, (5) at a rate not to exceed
41 one and four hundred twenty-five thousandths of one percent of such
42 consideration or value where such consideration or value is more than
43 five hundred thousand dollars with respect to conveyances or transfers
44 of one, two or three family houses, individual cooperative apartments,
45 and individual residential condominium units, or interests therein
46 (other than grants, assignments or surrenders of leasehold interests in
47 real property), made on or after August first, nineteen hundred eighty-
48 nine and before June first, two thousand twenty-six, ~~and~~ (6) at a rate
49 not to exceed two and six hundred twenty-five one thousandths of one
50 percent of such consideration or value where such consideration or value
51 is greater than five hundred thousand dollars with respect to all
52 conveyances or transfers other than for conveyances or transfers of one,
53 two or three family houses, individual cooperative apartments, and indi-
54 vidual residential condominium units, or interests therein (other than
55 grants, assignment or surrenders of leasehold interests in real proper-

ty), made on or after August first, nineteen hundred eighty-nine, and (7) with respect to conveyances or transfers of one, two or three-family houses, individual cooperative apartments, and individual residential condominium units, or interests therein (other than grants, assignments or surrenders of leasehold interests in real property), made on or after June first, two thousand twenty-six, (A) at a rate not to exceed one and four hundred twenty-five one thousandths of one percent of consideration or value where such consideration or value is greater than five hundred thousand dollars but not greater than five million dollars, (B) at a rate not to exceed three and six hundred seventy-five one thousandths of one percent of consideration or value where such consideration or value is greater than five million dollars but not greater than ten million dollars, (C) at a rate not to exceed four and six hundred seventy-five one thousandths of one percent of consideration or value where such consideration or value is greater than ten million dollars but not greater than fifteen million dollars, (D) at a rate not to exceed four and nine hundred twenty-five one thousandths of one percent of consideration or value where such consideration or value is greater than fifteen million dollars but not greater than twenty million dollars, (E) at a rate not to exceed five and one hundred seventy-five one thousandths of one percent of consideration or value where such consideration or value is greater than twenty million dollars but not greater than twenty-five million dollars, and (F) at a rate not to exceed five and three hundred twenty-five one thousandths of one percent of consideration or value where such consideration or value is greater than twenty-five million dollars. Provided, however, that any such city may allow deductions, in determining the portion of any tax authorized hereby the proceeds of which are payable to the New York city transit authority as hereinafter provided, for any continuing liens on such interest or property where such interest or property is a one, two or three-family house, an individual cooperative apartment or an individual residential condominium unit or where the consideration for or value of the interest or property conveyed or transferred is less than five hundred thousand dollars, and may also allow an exemption not in excess of twenty-five thousand dollars on the consideration or value of the interest or property conveyed and provided, further, that such taxes shall not apply if the contract for any such conveyance was made prior to May first, nineteen hundred fifty-nine. Anything to the contrary notwithstanding, where the tax authorized hereby is imposed on the consideration or value without any deduction for continuing liens, the portion of the consideration or value ascribable to such liens shall not be taxed at a rate in excess of one percent prior to July first, nineteen hundred eighty-two, in excess of two percent on and after July first, nineteen hundred eighty-two and before August first, nineteen hundred eighty-nine, or in excess of two and six hundred twenty-five thousandths of one percent on and after August first, nineteen hundred eighty-nine, except that where the interest or property is a one, two or three-family house, an individual cooperative apartment or an individual residential condominium unit or where the consideration for a value of the interest or property conveyed or transferred is less than five hundred thousand dollars the rate on and after July first, nineteen hundred eighty-two shall not be in excess of one percent. The amount of any pre-existing liens on such property or interest which continue thereon after the conveyance or transfer shall be deemed to be part of the consideration or value for purposes of measuring the tax without regard to whether or not payment of the liens or of the underlying debt is assumed by the grantee or transferee. The tax

1 authorized hereby may also be imposed (A) prior to July first, nineteen
2 hundred eighty-two, at a rate not to exceed one percent, on the grant-
3 ing, assignment or surrender of a leasehold interest in real property,
4 other than a leasehold interest in a one, two or three-family house or
5 an individual dwelling unit in a dwelling which is to be occupied or is
6 occupied as the residence or home of four or more families living inde-
7 pendently of each other, where the consideration for or value of such
8 grant, assignment or surrender is five hundred thousand dollars or more,
9 (B) on and after July first, nineteen hundred eighty-two and before
10 August first, nineteen hundred eighty-nine, at a rate not to exceed two
11 percent, on the granting, assignment or surrender of a leasehold inter-
12 est in real property, except that in the case of a leasehold interest in
13 a one, two or three-family house or an individual dwelling unit in a
14 dwelling which is to be occupied or is occupied as the residence or home
15 of four or more families living independently of each other, or where
16 the consideration for or value of such grant, assignment or surrender is
17 less than five hundred thousand dollars, the rate shall not exceed one
18 percent ~~[and]~~. (C) on and after August first, nineteen hundred eighty-
19 nine and before June first, two thousand twenty-six, at a rate not to
20 exceed two and six hundred twenty-five thousandths of one percent, on
21 the granting, assignment or surrender of a leasehold interest in real
22 property, except that in the case of a leasehold interest in a one, two
23 or three-family house or an individual dwelling unit in a dwelling which
24 is to be occupied or is occupied as the residence or home of four or
25 more families living independently of each other where the consideration
26 for or value of such grant, assignment or surrender is less than five
27 hundred thousand dollars, the rate shall not exceed one percent, or in
28 the case of a leasehold interest in a one, two or three family house or
29 an individual dwelling unit in a dwelling which is to be occupied or is
30 occupied as the residence or home of four or more families living inde-
31 pendently of each other where the consideration for or value of such
32 grant, assignment or surrender is greater than five hundred thousand
33 dollars, the rate shall not exceed one and four hundred twenty-five
34 thousandths of one percent, or where the consideration for or value of
35 any other grant, assignment or surrender is less than five hundred thou-
36 sand dollars, the rate shall not exceed one and four hundred twenty-five
37 thousandths of one percent, and (D) on and after June first, two thou-
38 sand twenty-six, at a rate not to exceed two and six hundred twenty-five
39 thousandths of one percent, on the granting, assignment or surrender of
40 a leasehold interest in real property, except that in the case of a
41 leasehold interest in a one, two or three-family house or an individual
42 dwelling unit in a dwelling which is to be occupied or is occupied as
43 the residence or home of four or more families living independently of
44 each other where the consideration for or value of such grant, assign-
45 ment or surrender is five hundred thousand dollars or less, the rate
46 shall not exceed one percent, or in the case of a leasehold interest in
47 a one, two or three-family house or an individual dwelling unit in a
48 dwelling which is to be occupied or is occupied as the residence or home
49 of four or more families living independently of each other where the
50 consideration for or value of such grant, assignment or surrender is
51 greater than five hundred thousand dollars but not greater than five
52 million dollars, the rate shall not exceed one and four hundred twenty-
53 five thousandths of one percent, or in the case of a leasehold interest
54 in a one, two or three-family house or an individual dwelling unit in a
55 dwelling which is to be occupied or is occupied as the residence or home
56 of four or more families living independently of each other where the

consideration for or value of such grant, assignment or surrender is greater than five million dollars but not greater than ten million dollars, the rate shall not exceed three and six hundred seventy-five thousandths of one percent, or in the case of a leasehold interest in a one, two or three-family house or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other where the consideration for or value of such grant, assignment or surrender is greater than ten million dollars but not greater than fifteen million dollars, the rate shall not exceed four and six hundred seventy-five thousandths of one percent, or in the case of a leasehold interest in a one, two or three-family house or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other where the consideration for or value of such grant, assignment or surrender is greater than fifteen million dollars but not greater than twenty million dollars, the rate shall not exceed four and nine hundred twenty-five thousandths of one percent, or in the case of a leasehold interest in a one, two or three-family house or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other where the consideration for or value of such grant, assignment or surrender is greater than twenty million dollars but not greater than twenty-five million dollars, the rate shall not exceed five and one hundred seventy-five thousandths of one percent, or in the case of a leasehold interest in a one, two or three-family house or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other where the consideration for or value of such grant, assignment or surrender is greater than twenty-five million dollars, the rate shall not exceed five and three hundred twenty-five thousandths of one percent, or where the consideration for or value of any other grant, assignment or surrender is five hundred thousand dollars or less, the rate shall not exceed one and four hundred twenty-five thousandths of one percent; provided, however, that for purposes of a tax on the granting of a leasehold interest in real property, the amount subject to tax shall be only such amount as is not considered rent for purposes of the tax authorized to be imposed on the occupancy of commercial premises by chapter two hundred fifty-seven of the laws of nineteen hundred sixty-three, as amended, and imposed by a city having a population of one million or more pursuant thereto. In the case of any conveyance or transfer of real property or any economic interest therein in complete or partial liquidation of a corporation, partnership, association, trust or other entity, the tax shall be measured by the consideration for such conveyance or transfer or the value of the real property or interest therein, whichever is greater. Such taxes may be imposed on any conveyance or transfer of real property or interest therein where the real property is located in such city regardless of where transactions, negotiations, transfers of deeds or other actions with regard to the transfer or conveyance take place, subject only to the restrictions contained in section twelve hundred thirty. The payment of, and the filing of a return relating to, any such taxes may be required as a condition precedent (1) to the recording or filing of a deed, lease, assignment or surrender of lease or other instrument, (2) to the commencement of any action or proceeding in any court of this state in which any conveyance, transfer or lease described herein is in issue, directly or indirectly,

1 or (3) to the receipt in evidence of such deed, lease, assignment or
2 surrender of lease or other instrument in any such court. In each
3 instance where the tax rate imposed pursuant to this subdivision is two
4 percent, fifty percent of the total amount of such tax, including fifty
5 percent of any interest or penalties thereon, shall be set aside in a
6 special account by the commissioner of finance of such city, provided,
7 however, that where the consideration for or value of property or inter-
8 est conveyed or transferred includes the amount of any nondeductible
9 mortgage, lien or other encumbrance which existed before the conveyance
10 or transfer and remains thereon after such conveyance or transfer, (A)
11 prior to July first, nineteen hundred eighty-two the entire amount of
12 tax imposed at a rate not in excess of one percent on the portion of the
13 consideration or value ascribable to such nondeductible mortgage, lien
14 or other encumbrance, including any interest or penalties thereon, and
15 fifty percent of the tax on the balance of the consideration or value,
16 including fifty percent of any interest or penalties thereon, shall be
17 set aside in such special account, and (B) on and after July first,
18 nineteen hundred eighty-two and before August first, nineteen hundred
19 eighty-nine, fifty percent of the amount of tax imposed at a rate in
20 excess of one percent but not in excess of two percent on the portion of
21 the consideration or value ascribable to such nondeductible mortgage,
22 lien or other encumbrance, including fifty percent of any interest or
23 penalties thereon, and fifty percent of the tax on the balance of the
24 consideration or value, including fifty percent of any interest or
25 penalties thereon, shall be set aside in such special account. On and
26 after August first, nineteen hundred eighty-nine, in each instance where
27 the tax rate imposed pursuant to this subdivision is in excess of two
28 percent, except where such tax rate is imposed on a conveyance or trans-
29 fer of a one, two or three-family house, individual cooperative apart-
30 ment, or individual residential condominium units, or interest therein,
31 and the consideration for or value of such conveyance or transfer is
32 greater than five million dollars, the portion of the tax, and any
33 interest or penalty thereon, to be set aside in such special account
34 shall be an amount equal to one percent of the total consideration for
35 or value of the real property or economic interest therein conveyed or
36 transferred, plus any interest or penalty attributable to such portion
37 of the tax. There shall also be set aside in such special account prior
38 to July first, nineteen hundred eighty-two the total amount of taxes
39 imposed on grants, assignments or surrenders of leasehold interests in
40 real property, including any interest or penalties thereon; on and after
41 July first, nineteen hundred eighty-two and before August first, nine-
42 teen hundred eighty-nine, there shall be set aside in such special
43 account fifty percent of the amount of taxes imposed on grants, assign-
44 ments or surrenders of leasehold interests in real property, other than
45 a leasehold interest in a one, two or three-family house or an individ-
46 ual dwelling unit in a dwelling which is to be occupied or is occupied
47 as the residence or home of four or more families living independently
48 of each other, or where the consideration for or value of such grant,
49 assignment or surrender is less than five hundred thousand dollars,
50 including fifty percent of any interest or penalties thereon. On and
51 after August first, nineteen hundred eighty-nine, there shall be set
52 aside in such special account, in each instance where the rate of tax on
53 grants, assignments or surrenders of leasehold interests in real proper-
54 ty is two percent or more, except where such rate of tax is imposed on
55 grants, assignments or surrenders of leasehold interests in one, two or
56 three-family houses or individual dwelling units in a dwelling which is

1 to be occupied or is occupied as the residence or home of four or more
2 families living independently of each other, and the consideration for
3 or value of such grant, assignment, or surrender of a leasehold interest
4 is greater than five million dollars, an amount equal to one percent of
5 the consideration for or value of the leasehold interest granted,
6 assigned or surrendered, plus any interest or penalty attributable to
7 such portion of the tax. Notwithstanding anything in this paragraph (i)
8 to the contrary, in each instance where the tax rate imposed pursuant to
9 paragraph (xi) of this subdivision is in excess of one percent, except
10 where such tax rate is imposed on a conveyance or transfer of a one, two
11 or three-family house, individual cooperative apartment, or individual
12 residential condominium units, or interest therein, and the consider-
13 ation for or value of such conveyance or transfer is greater than five
14 million dollars, the portion of tax, and any interest or penalty there-
15 on, to be set aside in such special account shall be an amount equal to
16 one-half of one percent of the total consideration for or value of the
17 real property or economic interest therein conveyed or transferred, plus
18 any interest or penalty attributable to such portion of the tax, and
19 there shall be set aside in such special account, in each instance where
20 the rate of tax imposed under paragraph (xi) of this subdivision on
21 grants, assignments or surrenders of leasehold interests in real proper-
22 ty is in excess of one percent, except where such rate of tax is
23 imposed on grants, assignments or surrenders of leasehold interests in
24 one, two or three-family houses or individual dwelling units in a dwell-
25 ing which is to be occupied or is occupied as the residence or home of
26 four or more families living independently of each other, and the
27 consideration for or value of such grant, assignment or surrender of a
28 leasehold interest is greater than five million dollars, an amount equal
29 to one-half of one percent of the consideration for or value of the
30 leasehold interest granted, assigned or surrendered, plus any interest
31 or penalty attributable to such portion of the tax. Moneys in such
32 account shall be used for payment by such commissioner to the state
33 comptroller for deposit in the urban mass transit operating assistance
34 account of the mass transportation operating assistance fund of any
35 amount of insufficiency certified by the state comptroller pursuant to
36 the provisions of subdivision six of section eighty-eight-a of the state
37 finance law, and, on the fifteenth day of each month such commissioner
38 shall transmit all funds in such account on the last day of the preced-
39 ing month, except the amount required for the payment of any amount of
40 insufficiency certified by the state comptroller and such amount as [he]
41 the comptroller deems necessary for refunds and such other amounts
42 necessary to finance the New York city transportation disabled committee
43 and the New York city paratransit system as established by section
44 fifteen-b of the transportation law, provided, however, that such
45 amounts shall not exceed six percent of the total funds in the account
46 but in no event be less than one hundred seventy-five thousand dollars
47 beginning April first, nineteen hundred eighty-six, and further that
48 beginning November fifteenth, nineteen hundred eighty-four and during
49 the entire period prior to operation of such system, the total of such
50 amounts shall not exceed three hundred seventy-five thousand dollars for
51 the administrative expenses of such committee and fifty thousand dollars
52 for the expenses of the agency designated pursuant to paragraph b of
53 subdivision five of such section, and other amounts necessary to finance
54 the operating needs of the private bus companies franchised by the city
55 of New York and eligible to receive state operating assistance under
56 section eighteen-b of the transportation law, provided, however, that

1 such amounts shall not exceed four percent of the total funds in the
2 account, to the New York city transit authority for mass transit within
3 the city.

4 § 3. Paragraphs 9 and 10 of subdivision a of section 11-2102 of the
5 administrative code of the city of New York, as added by local law
6 number 59 of the city of New York for the year 1989, are amended and two
7 new paragraphs 11 and 12 are added to read as follows:

8 (9) with respect to conveyances made on or after August first, nine-
9 teen hundred eighty-nine, and before June first, two thousand twenty-six
10 (other than grants, assignments or surrenders of leasehold interests in
11 real property taxable as provided in paragraph ten of this subdivision),
12 the tax shall be at the following rates:

13 (i) at the rate of one percent of the consideration for conveyances of
14 one, two or three-family houses and individual residential condominium
15 units where the consideration is five hundred thousand dollars or less,
16 and at the rate of one and four hundred twenty-five thousandths of one
17 percent of the consideration for such conveyances where the consider-
18 ation is more than five hundred thousand dollars, and

19 (ii) at the rate of one and four hundred twenty-five thousandths of
20 one percent of the consideration with respect to all other conveyances
21 where the consideration is five hundred thousand dollars or less, and at
22 the rate of two and six hundred twenty-five thousandths of one percent
23 where the consideration for such conveyances is more than five hundred
24 thousand dollars;

25 (10) With respect to a grant, assignment or surrender of a leasehold
26 interest in real property made on or after August first, nineteen
27 hundred eighty-nine, and before June first, two thousand twenty-six, the
28 tax shall be at the following rates:

29 (i) at the rate of one percent of the consideration for the granting,
30 assignment or surrender of a leasehold interest in a one, two or three-
31 family house or an individual dwelling unit in a dwelling which is to be
32 occupied or is occupied as the residence or home of four or more fami-
33 lies living independently of each other where the consideration is five
34 hundred thousand dollars or less, and at the rate of one and four
35 hundred twenty-five thousandths of one percent of the consideration
36 where the consideration for granting, assignment or surrender ~~of~~ of
37 such leasehold interest is more than five hundred thousand dollars, and

38 (ii) at the rate of one and four hundred twenty-five thousandths of
39 one percent of the consideration for the granting, assignment or surren-
40 der of a leasehold interest in all other real property where the consid-
41 eration is five hundred thousand dollars or less, and at the rate of two
42 and six hundred twenty-five thousandths of one percent of the consider-
43 ation where the consideration for the granting, assignment or surrender
44 of such a leasehold interest is more than five hundred thousand dollars;

45 (iii) provided, however, that for purposes of subparagraphs (i) and
46 (ii) of this paragraph, the amount subject to tax in the case of a grant
47 of a leasehold interest shall be only such amount as is not considered
48 rent for purposes of the tax imposed by chapter seven of this title~~[-]~~;

49 (11) with respect to conveyances made on or after June first, two
50 thousand twenty-six (other than grants, assignments or surrenders of
51 leasehold interests in real property taxable as provided in paragraph
52 twelve of this subdivision), the tax shall be at the following rates:

53 (i) at the rate of one percent of the consideration for conveyances of
54 one, two or three-family houses and individual residential condominium
55 units where the consideration is five hundred thousand dollars or less,
56 and at the rate of one and four hundred twenty-five thousandths of one

1 percent of the consideration for such conveyances where the consider-
2 ation is more than five hundred thousand dollars but not more than five
3 million dollars, and at the rate of three and six hundred seventy-five
4 thousandths of one percent of the consideration for such conveyances
5 where the consideration is more than five million dollars but not more
6 than ten million dollars, and at the rate of four and six hundred seven-
7 ty-five thousandths of one percent of the consideration for such convey-
8 ances where the consideration is more than ten million dollars but not
9 more than fifteen million dollars, and at the rate of four and nine
10 hundred twenty-five thousandths of one percent of the consideration for
11 such conveyances where the consideration is more than fifteen million
12 dollars but not more than twenty million dollars, and at the rate of
13 five and one hundred seventy-five thousandths of one percent of the
14 consideration for such conveyances where the consideration is more than
15 twenty million dollars but not more than twenty-five million dollars,
16 and at the rate of five and three hundred twenty-five thousandths of one
17 percent of the consideration for such conveyances where the consider-
18 ation is more than twenty-five million dollars; and

19 (ii) at the rate of one and four hundred twenty-five thousandths of
20 one percent of the consideration with respect to all other conveyances
21 where the consideration is five hundred thousand dollars or less, and at
22 the rate of two and six hundred twenty-five thousandths of one percent
23 where the consideration for such conveyances is more than five hundred
24 thousand dollars;

25 (12) with respect to a grant, assignment or surrender of a leasehold
26 interest in real property made on or after June first, two thousand
27 twenty-six, the tax shall be at the following rates:

28 (i) at the rate of one percent of the consideration for the granting,
29 assignment or surrender of a leasehold interest in a one, two or three-
30 family house or an individual dwelling unit in a dwelling which is to be
31 occupied or is occupied as the residence or home of four or more fami-
32 lies living independently of each other where the consideration is five
33 hundred thousand dollars or less, and at the rate of one and four
34 hundred twenty-five thousandths of one percent of the consideration
35 where the consideration for granting, assignment or surrender of such a
36 leasehold interest is more than five hundred thousand dollars but not
37 more than five million dollars, and at the rate of three and six hundred
38 seventy-five thousandths of one percent of the consideration where the
39 consideration for granting, assignment or surrender of such a leasehold
40 interest is more than five million dollars but not more than ten million
41 dollars, and at the rate of four and six hundred seventy-five thou-
42 sandths of one percent of the consideration where the consideration for
43 granting, assignment or surrender of such a leasehold interest is more
44 than ten million dollars but not more than fifteen million dollars, and
45 at the rate of four and nine hundred twenty-five thousandths of one
46 percent of the consideration where the consideration for granting,
47 assignment or surrender of such a leasehold interest is more than
48 fifteen million dollars but not more than twenty million dollars, and at
49 the rate of five and one hundred seventy-five thousandths of one percent
50 of the consideration where the consideration for granting, assignment or
51 surrender of such a leasehold interest is more than twenty million
52 dollars but not more than twenty-five million dollars, and at the rate
53 of five and three hundred twenty-five thousandths of one percent of the
54 consideration where the consideration for granting, assignment or
55 surrender of such a leasehold interest is more than twenty-five million
56 dollars;

(ii) at the rate of one and four hundred twenty-five thousandths of one percent of the consideration for the granting, assignment or surrender of a leasehold interest in all other real property where the consideration is five hundred thousand dollars or less, and at the rate of two and six hundred twenty-five thousandths of one percent of the consideration where the consideration for the granting, assignment or surrender of such a leasehold interest is more than five hundred thousand dollars;

(iii) provided, however, that for purposes of subparagraphs (i) and (ii) of this paragraph, the amount subject to tax in the case of a grant of a leasehold interest shall be only such amount as is not considered rent for purposes of the tax imposed by chapter seven of this title.

§ 4. Subparagraph (B) of paragraph 1 of subdivision b of section 11-2102 of the administrative code of the city of New York, as amended by local law number 59 of the city of New York for the year 1989, is amended to read as follows:

(B) With respect to such transfers made on or after August first, nineteen hundred eighty-nine, and before June first, two thousand twenty-six, the tax shall be at the following rates:

(i) at the rate of one percent of the consideration where the real property, the economic interest in which is transferred, is a one, two or three-family house, an individual cooperative apartment, an individual residential condominium unit or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other and where the consideration for such transfer of an economic interest in such real property is five hundred thousand dollars or less, and at the rate of one and four hundred twenty-five thousandths of one percent of the consideration where the consideration for such transfer of an economic interest in such property is more than five hundred thousand dollars, and

(ii) at the rate of one and four hundred twenty-five thousandths of one percent of the consideration with respect to all other transfers of an economic interest in real property where the consideration is five hundred thousand dollars or less, and at the rate of two and six hundred twenty-five thousandths of one percent of the consideration where the consideration for such transfers is more than five hundred thousand dollars.

§ 5. Paragraph 1 of subdivision b of section 11-2102 of the administrative code of the city of New York is amended by adding a new subparagraph (B-1) to read as follows:

(B-1) With respect to such transfers made on or after June first, two thousand twenty-six, the tax shall be at the following rates:

(i) at the rate of one percent of the consideration where the real property, the economic interest in which is transferred, is a one, two or three-family house, an individual cooperative apartment, an individual residential condominium unit or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other and where the consideration for such transfer of an economic interest in such real property is five hundred thousand dollars or less, and at the rate of one and four hundred twenty-five thousandths of one percent of the consideration where the consideration for such transfer of an economic interest in such property is more than five hundred thousand dollars but not more than five million dollars, and at the rate of three and six hundred seventy-five thousandths of one percent of the consideration where the consideration for such transfer of an economic interest in

1 such property is more than five million dollars but not more than ten
2 million dollars, and at the rate of four and six hundred seventy-five
3 thousandths of one percent of the consideration where the consideration
4 for such transfer of an economic interest in such property is more than
5 ten million dollars but not more than fifteen million dollars, and at
6 the rate of four and nine hundred twenty-five thousandths of one percent
7 of the consideration where the consideration for such transfer of an
8 economic interest in such property is more than fifteen million dollars
9 but not more than twenty million dollars, and at the rate of five and
10 one hundred seventy-five thousandths of one percent of the consideration
11 where the consideration for such transfer of an economic interest in
12 such property is more than twenty million dollars but not more than
13 twenty-five million dollars, and at the rate of five and three hundred
14 twenty-five thousandths of one percent of the consideration where the
15 consideration for such transfer of an economic interest in such property
16 is more than twenty-five million dollars; and

17 (ii) at the rate of one and four hundred twenty-five thousandths of
18 one percent of the consideration with respect to all other transfers of
19 an economic interest in real property where the consideration is five
20 hundred thousand dollars or less, and at the rate of two and six hundred
21 twenty-five thousandths of one percent of the consideration where the
22 consideration for such transfers is more than five hundred thousand
23 dollars.

24 § 6. This act shall take effect immediately and shall be deemed to
25 have been in full force and effect as of June 1, 2026, and apply to
26 transactions occurring on or after such date.

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

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