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

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

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

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

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

(iii) For the purposes of the credit provided pursuant to this subsection, an eligible taxpayer's qualifying expenses shall not exceed:

a. three thousand dollars, in the case of an eligible taxpayer with one qualifying individual;

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

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

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

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

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

(E) "Applicable percentage" shall mean: (i) fifty-five percent in the case of an eligible taxpayer with a New York adjusted gross income determined pursuant to section six hundred twelve of this article of fifteen thousand dollars or less; or (ii) fifty-five percent reduced by twenty-five hundred thousandths of a percentage point for each dollar of an eligible taxpayer's New York adjusted gross income determined pursuant to section six hundred twelve of this article in excess of fifteen thousand dollars. Provided, however, that the applicable percentage for 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

purpose of compiling a list of prospective jurors as provided in article sixteen of the judiciary law or title twenty-eight of the United States Code. Provided, however, such delivery shall only be made pursuant to an order of the chief administrator of the courts, appointed pursuant to section two hundred ten of the judiciary law or an order of a chief judge of any United States district court in New York State. No such order may be issued unless such chief administrator or chief judge of such United States district court is satisfied that such mailing list is needed to compile a proper list of prospective jurors for the county or such United States district court for which such order is sought and that, in view of the responsibilities imposed by the various laws of the state on the department, it is reasonable to require the commissioner to furnish such list. Such order shall provide that such list shall be used for the sole purpose of compiling a list of prospective jurors and that such commissioner of jurors, or such county clerk, or clerk of the court or jury administrator of such United States district court shall take all necessary steps to insure that the list is kept confidential and that there is no unauthorized use or disclosure of such list. Furthermore, nothing herein shall be construed to prohibit the delivery to a taxpayer or [~~his or her~~] **their** duly authorized representative of a certified copy of any return or report filed in connection with [~~his or her~~] **their** tax or to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the attorney general or other legal representatives of the state of the report or return of any taxpayer or of any employer filed under section one hundred seventy-one-h of this chapter, where such taxpayer or employer shall bring action to set aside or review the tax based thereon, or against whom an action or proceeding under this chapter or under this chapter and article eighteen of the labor law has been recommended by the commissioner, the commissioner of labor with respect to unemployment insurance matters, or the attorney general or has been instituted, or the inspection of the reports or returns required under this article by the comptroller or duly designated officer or employee of the state department of audit and control, for purposes of the audit of a refund of any tax paid by a taxpayer under this article, or the furnishing to the state department of labor of unemployment insurance information obtained or derived from quarterly combined withholding, wage reporting and unemployment insurance returns required to be filed by employers pursuant to paragraph four of subsection (a) of section six hundred seventy-four of this article, for purposes of administration of such department's unemployment insurance program, employment services program, federal and state employment and training programs, employment statistics and labor market information programs, worker protection programs, federal programs for which the department has administrative responsibility or for other purposes deemed appropriate by the commissioner of labor consistent with the provisions of the labor law, and redisclosure of such information in accordance with the provisions of sections five hundred thirty-six and five hundred thirty-seven of the labor law or any other applicable law, or the furnishing to the state office of temporary and disability assistance of information obtained or derived from New York state personal income tax returns as described in paragraph (b) of subdivision two of section one hundred seventy-one-g of this chapter for the purpose of reviewing support orders enforced pursuant to title six-A of article three of the social services law to aid in the determination of whether such orders should be adjusted, or the

furnishing of information obtained from the reports required to be submitted by employers regarding newly hired or re-hired employees pursuant to section one hundred seventy-one-h of this chapter to the state office of temporary and disability assistance, the state department of health, the state department of labor and the workers' compensation board for purposes of administration of the child support enforcement program, verification of individuals' eligibility for one or more of the programs specified in subsection (b) of section eleven hundred thirty-seven of the federal social security act and for other public assistance programs authorized by state law, and administration of the state's employment security and workers' compensation programs, and to the national directory of new hires established pursuant to section four hundred fifty-three-A of the federal social security act for the purposes specified in such section, or the furnishing to the state office of temporary and disability assistance of the amount of an overpayment of income tax and interest thereon certified to the comptroller to be credited against past-due support pursuant to section one hundred seventy-one-c of this chapter and of the name and social security number of the taxpayer who made such overpayment, or the disclosing to the commissioner of finance of the city of New York, pursuant to section one hundred seventy-one-l of this chapter, of the amount of an overpayment and interest thereon certified to the comptroller to be credited against a city of New York tax warrant judgment debt and of the name and social security number of the taxpayer who made such overpayment, or the furnishing to the New York state higher education services corporation of the amount of an overpayment of income tax and interest thereon certified to the comptroller to be credited against the amount of a default in repayment of any education loan debt, including judgments, owed to the federal or New York state government that is being collected by the New York state higher education services corporation, and of the name and social security number of the taxpayer who made such overpayment, or the furnishing to the state department of health of the information required by paragraph (f) of subdivision two and subdivision two-a of section two thousand five hundred eleven of the public health law and by subdivision eight of section three hundred sixty-six-a of the social services law, or the furnishing to the state university of New York or the city university of New York respectively or the attorney general on behalf of such state or city university the amount of an overpayment of income tax and interest thereon certified to the comptroller to be credited against the amount of a default in repayment of a state university loan pursuant to section one hundred seventy-one-e of this chapter and of the name and social security number of the taxpayer who made such overpayment, or the disclosing to a state agency, pursuant to section one hundred seventy-one-f of this chapter, of the amount of an overpayment and interest thereon certified to the comptroller to be credited against a past-due legally enforceable debt owed to such agency and of the name and social security number of the taxpayer who made such overpayment, or the furnishing of employee and employer information obtained through the wage reporting system, pursuant to section one hundred seventy-one-a of this chapter, as added by chapter five hundred forty-five of the laws of nineteen hundred seventy-eight, to the state office of temporary and disability assistance, the department of health or to the state office of the medicaid inspector general for the purpose of verifying eligibility for and entitlement to amounts of benefits under the social services law or similar law of another jurisdiction, locating absent parents or other persons legally responsible for the

support of applicants for or recipients of public assistance and care under the social services law and persons legally responsible for the support of a recipient of services under section one hundred eleven-g of the social services law and, in appropriate cases, establishing support obligations pursuant to the social services law and the family court act or similar provision of law of another jurisdiction for the purpose of evaluating the effect on earnings of participation in employment, training or other programs designed to promote self-sufficiency authorized pursuant to the social services law by current recipients of public assistance and care and by former applicants and recipients of public assistance and care, (except that with regard to former recipients, information which relates to a particular former recipient shall be provided with client identifying data deleted), to the state office of temporary and disability assistance for the purpose of determining the eligibility of any child in the custody, care and custody or custody and guardianship of a local social services district or of the office of children and family services for federal payments for foster care and adoption assistance pursuant to the provisions of title IV-E of the federal social security act by providing information with respect to the parents, the stepparents, the child and the siblings of the child who were living in the same household as such child during the month that the court proceedings leading to the child's removal from the household were initiated, or the written instrument transferring care and custody of the child pursuant to the provisions of section three hundred fifty-eight-a or three hundred eighty-four-a of the social services law was signed, provided however that the office of temporary and disability assistance shall only use the information obtained pursuant to this subdivision for the purpose of determining the eligibility of such child for federal payments for foster care and adoption assistance pursuant to the provisions of title IV-E of the federal social security act, and to the state department of labor, or other individuals designated by the commissioner of labor, for the purpose of the administration of such department's unemployment insurance program, employment services program, federal and state employment and training programs, employment statistics and labor market information programs, worker protection programs, federal programs for which the department has administrative responsibility or for other purposes deemed appropriate by the commissioner of labor consistent with the provisions of the labor law, and redisclosure of such information in accordance with the provisions of sections five hundred thirty-six and five hundred thirty-seven of the labor law, or the furnishing of information, which is obtained from the wage reporting system operated pursuant to section one hundred seventy-one-a of this chapter, as added by chapter five hundred forty-five of the laws of nineteen hundred seventy-eight, to the state office of temporary and disability assistance so that it may furnish such information to public agencies of other jurisdictions with which the state office of temporary and disability assistance has an agreement pursuant to paragraph (h) or (i) of subdivision three of section twenty of the social services law, and to the state office of temporary and disability assistance for the purpose of fulfilling obligations and responsibilities otherwise incumbent upon the state department of labor, under section one hundred twenty-four of the federal family support act of nineteen hundred eighty-eight, by giving the federal parent locator service, maintained by the federal department of health and human services, prompt access to such information as required by such act, or to the state department of health to verify eligibility under the child

health insurance plan pursuant to subdivisions two and two-a of section two thousand five hundred eleven of the public health law, to verify eligibility under the medical assistance and family health plus programs pursuant to subdivision eight of section three hundred sixty-six-a of the social services law, and to verify eligibility for the program for elderly pharmaceutical insurance coverage under title three of article two of the elder law, or 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, for purposes of obtaining reimbursement from the federal social security administration for expenditures made by such office, commission or agency on behalf of disabled individuals who have achieved economic self-sufficiency or to the higher education services corporation for the purpose of assisting the corporation in default prevention and default collection of education loan debt, including judgments, owed to the federal or New York state government; provided, however, that such information shall be limited to the names, social security numbers, home and/or business addresses, and employer names of defaulted or delinquent student loan borrowers, or to the office of the state comptroller for purposes of verifying the income of a retired member of a retirement system or pension plan administered by the state or any of its political subdivisions who returns to public employment.

Provided, however, that with respect to employee information the office of temporary and disability assistance shall only be furnished with the names, social security account numbers and gross wages of those employees who are (A) applicants for or recipients of benefits under the social services law, or similar provision of law of another jurisdiction (pursuant to an agreement under subdivision three of section twenty of the social services law) or, (B) absent parents or other persons legally responsible for the support of applicants for or recipients of public assistance and care under the social services law or similar provision of law of another jurisdiction (pursuant to an agreement under subdivision three of section twenty of the social services law), or (C) persons legally responsible for the support of a recipient of services under section one hundred eleven-g of the social services law or similar provision of law of another jurisdiction (pursuant to an agreement under subdivision three of section twenty of the social services law), or (D) employees about whom wage reporting system information is being furnished to public agencies of other jurisdictions, with which the state office of temporary and disability assistance has an agreement pursuant to paragraph (h) or (i) of subdivision three of section twenty of the social services law, or (E) employees about whom wage reporting system information is being furnished to the federal parent locator service, maintained by the federal department of health and human services, for the purpose of enabling the state office of temporary and disability assistance to fulfill obligations and responsibilities otherwise incumbent upon the state department of labor, under section one hundred twenty-four of the federal family support act of nineteen hundred eighty-eight, and, only if, the office of temporary and disability assistance certifies to the commissioner that such persons are such applicants, recipients, absent parents or persons legally responsible for support or persons about whom information has been requested by a public agency of another jurisdiction or by the federal parent locator service and further certifies that in the case of information requested under agreements with other jurisdictions entered into pursuant to 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

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

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

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

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

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

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

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

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

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

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

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

PART D

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART E

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

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

and one-half percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-seven~~] twenty-six for any taxpayer with a business income base for the taxable year of more than five million dollars, the amount prescribed by this paragraph shall be seven and one-quarter percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand twenty-six and before January first, two thousand thirty for any taxpayer with a business income base for the taxable year of more than five million dollars, the amount prescribed by this paragraph shall be nine percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income apportioned within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, and, in the case of a qualified emerging technology company, as defined in subparagraph (vii) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vii) of this paragraph.

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

(1) (i) The amount prescribed by this paragraph shall be computed at .15 percent for each dollar of the taxpayer's total business capital, or the portion thereof apportioned within the state as hereinafter provided for taxable years beginning before January first, two thousand sixteen. However, in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be .04 percent until taxable years beginning on or after January first, two thousand twenty and zero percent for taxable years beginning on or after January first, two thousand twenty-one. The rate of tax for subsequent tax years shall be as follows: .125 percent for taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen; .100 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .075 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .050 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .025 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and .1875 percent for years beginning on or after January first, two thousand twenty-one and before January first, two thousand [~~twenty-seven~~] thirty, and zero percent for taxable years beginning on or after January first, two thousand [~~twenty-seven~~] thirty. Provided however, for taxable years beginning on or after January first, two thousand twenty-one, the rate of tax for a small business as defined in paragraph (f) of this subdivision shall be zero percent. The rate of tax for a qualified New York manufacturer shall be .132 percent for taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen, .106 percent for taxable years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen, .085 percent for taxable

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

§ 3. This act shall take effect immediately.

PART F

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

(24) 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.

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

(26) For taxable years beginning on or after January first, two thousand twenty-five, the remaining 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 prior to January first, two thousand twenty-five, determined as if section one hundred seventy-four of the internal revenue code in effect as of January first, two thousand twenty-two, applied to such expenditures.

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

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

(28) 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.

(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

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

(50) For taxable years beginning on or after January first, two thousand twenty-five, the remaining 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 prior to January first, two thousand twenty-five, determined as if section one hundred seventy-four of the internal revenue code in effect as of January first, two thousand twenty-two, applied to such expenditures.

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

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

(X) 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.

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

(Z) For taxable years beginning on or after January first, two thousand twenty-five, the remaining 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 prior to January first, two thousand twenty-five, determined as if section one hundred seventy-four of the internal revenue code in effect as of January first, two thousand twenty-two, applied to such expenditures.

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

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

(AA) 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.

(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 subparagrah (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 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 clause, the term "net 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

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

PART K

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

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

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

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

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

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

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

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

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

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

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

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

2. Every person who shall possess or transport 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, upon the public highways, roads or streets of the state, shall be required to have in [~~his~~] their actual possession invoices or delivery tickets for such tobacco products. Such invoices or delivery tickets shall show the name and address of the consignor or seller, the name and address of the consignee or purchaser, the quantity and brands of the tobacco products transported, and the name and address of the person who has or shall assume the payment of the tax and the wholesale price or the tax paid or payable. The absence of such invoices or delivery tickets shall be prima facie evidence that such person is a dealer in tobacco products in this state and subject to the requirements of this article.

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

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

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

tobacco products dealer; provided, however, that any such penalty imposed shall not exceed seven thousand five hundred dollars in the aggregate. The commissioner may impose a penalty of not more than seventy-five dollars for each fifty cigars [~~or~~], one pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of fifty cigars [~~or~~], one pound of tobacco, or fifteen units of alternative nicotine products, in the possession or under the control of any tobacco products dealer or distributor appointed by the commissioner, and a penalty of not more than one hundred fifty dollars for each fifty cigars [~~or~~], pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of tobacco, or seventy-five units of alternative nicotine products, in the possession or under the control of any such dealer or distributor, with respect to which the tobacco products tax has not been paid or assumed by a distributor or a tobacco products dealer; provided, however, that any such penalty imposed shall not exceed fifteen thousand dollars in the aggregate.

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

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

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

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

(II) not less than fifty dollars but not more than two hundred dollars for each fifty cigars [~~or~~], pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of tobacco, or seventy-five units of alternative nicotine products, knowingly in the possession or knowingly under the control of any person, with respect to which the tobacco products tax has not been paid or assumed by a distributor or a tobacco products dealer; provided, however, that any such penalty imposed under 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 punisha-

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

(3) Any person, other than 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 twenty-five hundred or more cigars [~~or~~], fifty or more pounds of tobacco, or seven hundred fifty units or more 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. Provided further, that any person who has twice been convicted under this subdivision shall be guilty of a class E felony for any subsequent violation of this section, regardless of the amount of tobacco products involved in such violation.

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

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

§ 1814-a. Person not appointed as a tobacco products distributor. (a) Any person who, while not appointed as a distributor of tobacco products pursuant to the provisions of article twenty of this chapter, imports or causes to be imported into the state more than fifty cigars [~~or~~], more than one pound of tobacco, or more than fifteen units of alternative nicotine products, for sale within the state, or produces, manufactures or compounds tobacco products within the state 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. If, within any ninety day period, one thousand or more cigars, or five hundred pounds or more of tobacco, or seven thousand five hundred units or more of alternative nicotine products, are imported or caused to be imported into the state for sale within the state or are produced, manufactured or compounded within the state by any person while not appointed as a distributor of tobacco products, such person shall be guilty of a misdemeanor. Provided further, that any person who has twice been convicted under this section shall be guilty of a class E felony for any subsequent violation of this section, regardless of the amount of tobacco products involved in such violation.

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

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

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

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

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

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

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

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

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

(b) The pool administrator under contract with the commissioner of health pursuant to section twenty-eight hundred seven-y of the public health law shall continue to collect moneys required to be collected or deposited pursuant to paragraph (a) of subdivision eighteen of section twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t of the public health law, and shall deposit such moneys in the HCRA resources fund. The comptroller shall deposit moneys collected or required to be deposited pursuant to [~~subdivision~~] subdivisions (b) and (c) of section four hundred eighty-two of the tax law and required to be credited to the tobacco control and insurance initiatives pool, subparagraph (O) of paragraph four of subsection (j) of section four thousand three hundred one of the insurance law, section twenty-seven of part A of chapter one of the laws of two thousand two and all other moneys credited or transferred thereto from any other fund or source pursuant to law in the HCRA resources fund.

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

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

PART L

Intentionally Omitted

PART M

Intentionally Omitted

PART N

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

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

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

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

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

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

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

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

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

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

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

§ 3. This act shall take effect immediately.

PART O

Intentionally Omitted

PART P

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

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

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

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

§ 2. This act shall take effect immediately.

PART Q

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

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

§ 2. This act shall take effect immediately.

PART R

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

(a) General.--Every petroleum business subject to tax under this article shall monthly, on or before the twentieth day following the close of its taxable month, file a return which shall state (i) the number of gallons of motor fuel imported or caused to be imported into this state for use, distribution, storage or sale in the state or produced, refined, manufactured or compounded in the state during the preceding calendar month, (ii) the number of gallons of diesel motor fuel sold or used or, with respect to gallonage which prior thereto has not been included in the measure of the tax imposed by this article, delivered by the petroleum business to a filling station or into the fuel tank connecting with the engine of a motor vehicle for use in the operation thereof during the preceding calendar month, (iii) the number of gallons of, and the resultant product produced, manufactured or blended, using diesel motor fuel as a component of such resultant product and the sales of such resultant product, and (iv) the number of gallons of residual petroleum product sold or used in this state and the sales of such residual petroleum product, for the period covered by such return. A residual petroleum business shall include in its reports the number of gallons of residual petroleum product imported into the state or purchased in this state, the number of gallons of diesel motor fuel purchased in this state and the number of gallons of, and the resultant product produced, manufactured or blended by such petroleum business, using diesel motor fuel as a component of such resultant product. The commissioner of taxation and finance may permit the filing of a return on a quarterly basis in the case of a petroleum business which only makes sales of diesel motor fuel solely for residential heating purposes and which is registered under article twelve-A of this chapter as a diesel motor fuel distributor under a limited registration applicable only to the importation, sale and distribution of diesel motor fuel for the purposes described in subparagraph (i) of paragraph (b) of subdivision three of section two hundred eighty-two-a of this chapter or in the case of a petroleum business registered as a "distributor of kero-jet fuel only" pursuant to the provisions of subdivision two of section two hundred eighty-two-a of this chapter. In the case of such returns permitted to be filed on a quarterly basis, the adjustments to the rates of tax then in effect, as provided for in sections three hundred one-a and three hundred one-e of this article, which take effect on the first day of January of each year shall, with respect to such quarterly return, take effect on the first day of the next succeeding March. Returns shall be filed with the commissioner [~~in~~] **on** a form prescribed by the commissioner, setting forth such other information as the commissioner may prescribe. Every petroleum business shall also transmit such other returns and such facts and information as the commissioner may require in the administration of this article. Every petroleum business 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.

PART T

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

(a-2) Notwithstanding any provision of law to the contrary, [~~where an application for the "enhanced" STAR exemption authorized by subdivision four of this section has not been filed on or before the taxable status date, and the owner believes that good cause existed for the failure to file the application by that date,~~] **when a property owner of a property with a basic STAR exemption believes they have become eligible for the enhanced STAR exemption but their basic STAR exemption has not been changed to an enhanced STAR exemption pursuant to the provisions of paragraph (b) of subdivision four-b of this section,** the owner may, no later than the last day for paying school taxes without incurring interest or penalty, submit a [~~written~~] request to the commissioner asking [~~him or her to extend the filing deadline and~~] **the commissioner to** grant the exemption. Such request shall **be in a form prescribed by the commissioner and shall** contain an explanation of why the [~~deadline was missed, and shall be accompanied by an application, reflecting the facts and circumstances as they existed on the taxable status date~~] **property owner believes they have become eligible for the enhanced STAR exemption**. After consulting with the assessor, the commissioner may [~~extend the filing deadline and~~] grant the exemption if the commissioner is satisfied that [~~(i) good cause existed for the failure to file the application by the taxable status date, and that (ii)~~] the applicant is [~~otherwise~~] entitled to the exemption. The commissioner shall mail notice of [~~his or her~~] **such** determination to such owner and the assessor. If the determination states that the commissioner has granted the exemption, the assessor shall thereupon be authorized and directed to correct the assessment roll accordingly, or, if another person has custody or control of the assessment roll, to direct that person to make the appropriate corrections. Provided, however, that if the assessment roll cannot be corrected in time for the exemption to appear on the applicant's school tax bill, the commissioner shall be authorized to remit directly to the applicant the tax savings that the STAR exemption would have yielded if it had appeared on the applicant's tax bill. The amounts so payable shall be paid from the account established for the payment of STAR benefits to late registrants pursuant to subparagraph (iii) of paragraph (a) of subdivision fourteen of this section.

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

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

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

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

§ 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 O 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-

tled to the possession or to the use and occupancy of a dwelling unit, provided, however, with respect to a dwelling which was subject to a mortgage insured or initially insured by the federal government pursuant to section two hundred thirteen of the National Housing Act, as amended "eligible head of the household" shall be limited to that person or [~~his or her~~] **such person's** spouse who was entitled to possession or the use and occupancy of such dwelling unit at the time of termination of such mortgage, and whose income when combined with the income of all other members of the household, does not exceed six thousand five hundred dollars for the taxable period, or such other sum not less than sixty-five hundred dollars nor 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 local law; or (2) a person with a disability as defined in this subdivision. **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.**

m. "Person with a disability" means an individual who is currently receiving social security disability insurance (SSDI) or supplemental security income (SSI) benefits under the federal social security act or disability pension or disability compensation benefits provided by the United States department of veterans affairs or those previously eligible by virtue of receiving disability benefits under the supplemental security income program or the social security disability program and currently receiving medical assistance benefits based on determination of disability as provided in section three hundred sixty-six of the social services law and whose income for the current income tax year, together with the income of all members of such individual's household, does not exceed [~~fifty~~] **seventy-five** thousand dollars beginning July first, two thousand [~~fourteen~~] **twenty-six**, as may be provided by local law. **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.

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

(i) if the income of the owner or the combined income of the owners of the property for the applicable income tax year exceeds the sum of three thousand dollars, or such other sum not less than three thousand dollars nor more than [~~fifty~~] 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. The maximum income threshold provided for herein shall be increased by order of the commissioner 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.

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

(i) if the income of the owner or the combined income of the owners of the property for the applicable income tax year exceeds the sum of three thousand dollars, or such other sum not less than three thousand dollars nor more than [~~fifty~~] seventy-five thousand dollars beginning July first, two thousand twenty-six, as may be provided by the local law or resolution adopted pursuant to this section. The maximum income threshold provided for herein shall be increased by order of the commissioner 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.

§ 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;

(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 this title, a maximum base rent adjustment pursuant to paragraph one of subdivision g of section 26-405 of this title.

(2) 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 this title.

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

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

(2) (A) a landlord of any housing accommodation subject to provisions of the local emergency housing rent control act, the emergency tenant protection act of nineteen seventy-four or any local laws enacted pursuant thereto, the emergency housing rent control law or the rent stabilization law of nineteen hundred sixty-nine shall, at least once annually, including with a new lease and all renewal leases and upon the annual registration of a housing accommodation as required by section 26-517 of the administrative code of the city of New York delivered to the occupant of such accommodation, provide the informational material describing eligibility for and the benefits of the senior citizen rent increase exemption program and the disability rent increase exemption program, as provided by the entity administering the program pursuant to subparagraph one of this paragraph.

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

(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.

(C) When notice is furnished pursuant to clause (B) of this subparagraph, such notice shall include specific information as to the agency providing such notice.

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

e. (1) Notwithstanding any provision of law to the contrary, a tenant residing in a dwelling unit subject to the provisions of this section shall be furnished a notice informing such tenant about the tenant's potential eligibility for a rent increase exemption pursuant to this section. 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 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

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

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

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

§ 236. Disposition of pari-mutuel pools; percentage payable to state as a tax; authority of counties or certain cities to impose a tax. 1. Every corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting on races run thereat, except as provided in section two hundred thirty-eight of this article with respect to the franchised corporation, shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, providing such tickets be presented for payment before April first of the year following the year of their purchase, less an amount that shall be established and retained by such racing corporation of between fourteen to twenty percent of the total deposits in pools resulting from regular on-track bets and less sixteen to twenty-two percent of the total deposits in pools resulting from multiple on-track bets and less twenty to thirty percent of the total deposits in pools resulting from exotic on-track bets and less twenty to thirty-six percent of the total pools resulting from super exotic on-track bets[~~, plus the breaks~~]. The retention rate to be established is subject to the prior approval of the commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter [~~and breaks 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~~]. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. Of the amount so retained there shall be paid by such corporation to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meeting held by such corporation, which tax is hereby levied, [~~the following percentages of the total pool, plus fifty-five percent of the breaks; the applicable rates for regular and multiple bets shall be one and one-half percent; the applicable rates for exotic bets shall be six and three-quarter percent and the applicable rate for super exotic bets shall be seven and three-quarter percent. Effective on and after September first, nineteen hundred ninety-four, the applicable tax rate shall be one percent of all wagers, provided that, an amount equal to one-half the difference between the taxation rate for on-track regular, multiple and exotic bets as of December thirty-first, nineteen hundred ninety-three and the rates on such on-track~~

~~wagers as herein provided shall be used exclusively for purses. Provided, however, that~~] 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

and an amount equal to three and one-half percent of the total pools resulting from on-track multiple bets and an amount equal to twelve percent of on-track super exotic bets shall be used exclusively for the purpose of increasing purses (including stakes, premiums and prizes) awarded to horses in races conducted by such corporation. Such two and one-half percent and three and one-half percent shall be in addition to (i) four and one-half percent of such total pools resulting from regular and multiple wagers and five and one-half percent of such total pools resulting from exotic wagers, or (ii) the percentage of such total pools used for purses (including stakes, premiums and prizes) during the year nineteen hundred eighty-two, whichever is larger. Such percentage of the total pools mentioned in this subdivision shall be used for purses (including stakes, premiums and prizes) in races hereafter conducted by such corporation, and any portion 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~~]. The commission shall report annually, on or 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 corporation used and 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 subdivision one of this section in accomplishing the objectives stated therein~~]. Such report shall also specify the amount 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.

3. [~~Tax rates in event of a failure to maintain~~] **Maintenance of** pari-mutuel racing activity. [~~a. Notwithstanding any other provision of this section to the contrary, for~~] **For** any calendar year commencing on or after January first, nineteen hundred eighty-nine, [~~in which~~] a racing corporation in zone two [~~does~~] **shall** not conduct [~~a minimum number of~~] **fewer** pari-mutuel programs and pari-mutuel races at its facilities [~~equal to at least~~] **than** ninety percent of the programs and races so conducted during nineteen hundred eighty-five or during nineteen hundred eighty-six, whichever is less, [~~in lieu of the tax rates set forth in subdivision one of this section the applicable pari-mutuel tax rates for such corporation with respect to on-track pari-mutuel betting pools during such year shall be increased by one percent of regular, multiple and exotic betting pools. Notwithstanding the foregoing, no increase shall be proposed unless such corporation 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.~~

~~b. The provisions of this subdivision shall not apply to a corporation for any calendar year for which the commission certifies to the commissioner of taxation and finance:~~

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

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

~~(ii) by January thirty-first of the year immediately subsequent to such year, that such 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 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 a corporation, the tax imposed by this section shall be computed by substituting the provisions of paragraph a of this subdivision for the provisions 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 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 a corporation, the tax required to be paid hereunder for such year shall be equal to the difference between the tax imposed pursuant to paragraph a of this subdivision and the tax imposed pursuant to the provisions 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 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 balance of 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 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 corporation by such dates~~].

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

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

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

§ 238. Disposition of pari-mutuel pools of the franchised corporation; percentage payable to state as a tax; authority of counties or certain cities to impose a tax. 1. (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, **which tax is hereby levied, in** 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~~] **applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter**. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one percent of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets and for the period April first, two thousand one through December thirty-first, two thousand twenty-six, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

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

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

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

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

(ii) Such franchised 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 franchised corporation.

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

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

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

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

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

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

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

1. Except as otherwise provided by law, every association or corporation authorized under this article to conduct pari-mutuel betting at a harness horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount that shall be established and retained by such racing association or corporation of between fourteen and twenty percent of the total deposits in pools resulting from regular bets, less sixteen to twenty-two percent of the total deposits in pools resulting from multiple bets, less twenty to thirty percent of the total deposits in pools resulting from exotic bets, and less twenty to thirty-six percent of the total betting deposits in pools resulting from 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~~]. "Super exotic bets" shall have the meaning set forth in subdivision four of section three hundred one of this article [~~and "the breaks" are hereby defined as the odd cents over any multiple of ten for regular and multiple bets, or for exotic bets, over any multiple of fifty, or for super exotic bets, over any multiple of one hundred calculated on the basis of one dollar and otherwise payable to a patron, provided however, that effective after October fifteenth, nineteen hundred ninety-four breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars~~].

a. Of the sum so retained from on-track pari-mutuel betting pools, such association or corporation authorized to operate in Westchester or Nassau county: (i) 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, [~~at the rate of one-half of one percent of all wagers from total daily on-track pools. Such association or corporation 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 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

benefits in such plans shall not be conditioned upon membership in such organization by any employee or employer thereof, and any denial of eligibility for benefits in such plans which, upon investigation and review by the commission, is determined to have resulted from a person, firm, association, corporation or organization knowingly aiding in or permitting eligibility for benefits being conditioned upon membership in such organization shall subject such organization to the penalties imposed under sections three hundred ten and three hundred twenty-one of this article but the ratio between the amounts actually expended for such welfare and medical plans and the cost actually incurred in administering such welfare and medical plans for fiscal years of such corporation or association, on or after July twenty-fourth, nineteen hundred eighty-one, shall not be less than the ratio between such amounts actually expended and such costs actually incurred for the fiscal year immediately prior to such date. Such organization shall annually on or before July first certify to the commission that it represents at least fifty-one percent of such owners and trainers and provide copies of such certification to such association or corporation. Any other organization claiming to represent at least fifty-one percent of such owners and trainers may file a challenge with the commission within fifteen days of such original certification. The commission shall examine such claim and may undertake studies and conduct hearings to determine the validity of such claim. Within sixty days of receiving such challenge and based upon the findings of such studies and hearings, the commission shall render a decision on the validity of such claim and advise such organizations and association or corporation of its determination. Upon receipt of such original certification by such organization, the association or corporation shall make such payments to said organization and, in the event of a challenge brought to any other organization, such payments shall continue to be made until such time as the commission renders its decision on such challenge; and

(iii) the balance of the retained percentage of such pools [~~and the balance of the breaks~~] may be held by such association or corporation for its own use and purposes except as provided in paragraph c of this subdivision and in subdivision four of section three hundred one of this article, provided, however, that the commission shall report annually, on or 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 subparagraph (i) of this paragraph 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 and article 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

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

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

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

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

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

d. Every harness racing association or 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 association or corporation.

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

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

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

~~(i) For such an association or corporation authorized to operate in Westchester or Nassau county: of total daily on-track pools resulting from regular bets, three and seventy-five hundredths percent of the first five hundred thousand dollars comprising such pools and five and twenty-five hundredths percent of the amount in excess of five hundred thousand dollars, plus fifty percent of the breaks; of total daily on-track pools resulting from multiple bets, four and seventy-five hundredths percent of the first three hundred thousand dollars comprising such pools and six and twenty-five hundredths percent of the amount in excess of three hundred thousand dollars, plus fifty percent of the breaks; of total daily on-track pools resulting from exotic bets, eight and seventy-five hundredths percent of the first two hundred thousand dollars comprising such pools, and ten and twenty-five hundredths percent of the amount in excess of two hundred thousand dollars, plus fifty percent of the breaks; and of total daily on-track pools resulting from super exotic bets, seven percent, plus fifty percent of the breaks; and~~

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

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

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

~~(ii) by January thirty-first of the year immediately subsequent to 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

tickets be presented for payment before April first of the year following the year of their purchase, less seventeen percent of the total deposits in pools resulting from regular on-track bets and less nineteen percent of the total deposits in pools resulting from multiple bets and less twenty-five percent of the total deposits in pools resulting from exotic on-track bets[~~, plus the breaks~~]. "Multiple bet" or "multiple wager" shall mean a single bet or wager on two horses, evidenced by a single ticket and representing an interest in a single betting pool. "Exotic bet" or "exotic wager" shall mean a single bet or wager on three or more horses, evidenced by a single ticket and representing an interest in a single betting pool. [~~The breaks for regular bets and multiple bets are hereby defined as the odd cents over any multiple of ten or for exotic bets, over any multiple of fifty calculated on the basis of one dollar and otherwise payable to a patron.~~] Of the sum so retained [~~the applicable tax rates for regular bets shall be three percent; the applicable tax rates for multiple bets shall be three and one-half percent; the applicable tax rates for exotic bets~~] **there** shall be eight percent, plus sixty-five percent of the amount of the breaks from on-track regular, multiple and exotic bets shall be paid by such corporation or association to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the quarter horse race meetings held by such corporation or association, which tax is hereby levied, [~~and the balance of the retained percentage of such pool and of the breaks may be held by such corporation or association for its own use and purposes~~] **in the applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter**. The payment of such state tax shall be made to the department of taxation and finance at such regular intervals as the department of taxation and finance may require, and shall be accompanied by a report under oath showing the total of all such contributions together with such other information as the department of taxation and finance may require. A penalty of five percent and interest at the rate of one percent per month from the date the report is required to be filed to the date of payment of the tax shall be payable in case any tax imposed by this section is not paid when due. If the department of taxation and finance determines that any moneys received under this section were paid in error, it may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with it within one year from the time the erroneous payment was made. Such taxes, interest and penalties when collected, after the deduction of refunds of taxes erroneously paid, shall be paid by the department of taxation and finance into the general fund of the state treasury. [~~Ten percent of the breaks shall be paid to the New York state quarter horse breeding and development fund.~~]

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

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

~~the rate of~~] be paid by each regional corporation conducting off-track betting, as a reasonable tax imposed upon the retained commission for the privilege of conducting off-track pari-mutuel betting, which tax is hereby levied [~~and~~], a percentage of all money wagered on live races through such corporation, which shall be payable in the manner set forth in this section and in subdivision one of section one hundred thirty-six of this chapter. Each off-track betting corporation shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of the total daily pools of such corporation. Each corporation shall also pay twenty percent of the breaks derived from bets on out-of-state harness races and fifty percent of the breaks derived from bets on all other out-of-state races to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty percent to each such fund. For the purposes of this section, the New York city, Suffolk, Nassau, and the Catskill regions shall constitute a single region and any thoroughbred track located within the Capital District region shall be deemed to be within such single region. A "regional meeting" shall refer to either harness or thoroughbred meetings, or both, except that a franchised corporation shall not be a regional track for the purpose of receiving distributions from bets on thoroughbred races conducted by a thoroughbred track in the Catskill region conducting a mixed meeting. With the exception of a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Tioga, Saratoga or Westchester county after January first, two thousand five, racing corporations first licensed to conduct pari-mutuel racing after January first, nineteen hundred eighty-six or a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Genesee County after January first, two thousand five, and quarter horse tracks shall not be "regional tracks"; if there is more than one harness track within a region, such tracks shall evenly divide payments made pursuant to the tables in paragraphs a and b of this subdivision when neither track is running. In the event a track elects to reduce its retained percentage from any or all of its pari-mutuel pools, the payments to the track holding the race and the regional track required by paragraphs a and b of this subdivision shall be reduced in proportion to such reduction. Nothing in this section shall be construed to authorize the conduct of off-track betting contrary to the provisions of section five hundred twenty-three of this article.

a. Regular and multiple bets:

Pools on races run by:	Track holding race	Regional track	[~~State~~] [~~tax~~]
Franchised corporations:			
in region;.....	3.50	N/A	[~~.30~~]
out-region, during a regional meeting;.....	1.00	2.50	[~~.30~~]
out-region, no regional meeting;.....	1.75	1.75	[~~.30~~]
Racing corporations			
in special			
betting district:			

in-special betting district;...	3.80	N/A	[~~1.00~~]
out-district, during a regional meeting;.....	1.00	2.80	[~~1.00~~]
out-district, no regional meeting;.....	1.90	1.90	[~~1.00~~]
Harness racing associations or corporations within Suffolk, Nassau, or Catskill regions:			
in region;.....	4.00	N/A	[~~.70~~]
out-region, during a regional meeting;.....	1.00	3.00	[~~.70~~]
out-region, no regional meeting;.....	2.00	2.00	[~~.70~~]
Harness racing associations or corporations:			
in-special betting district;.....	4.00	N/A	[~~.50~~]
out-district, during a regional meeting;.....	1.00	3.00	[~~.50~~]
out-district, no regional meeting;.....	2.00	2.00	[~~.50~~]
Other harness racing associations or corporations:			
in region;.....	4.00	N/A	[~~.50~~]
out-region, during a regional meeting;.....	1.00	3.00	[~~.50~~]
out-region, no regional meeting;.....	2.00	2.00	[~~.50~~]
Quarter horse racing associations or corporations;.....	3.50	N/A	[~~1.10~~]
Out-of-state tracks:.....	3.50 divided pursuant to paragraph g of this subdivision		[~~1.10~~]

b. Exotic bets:

	Track holding race	Regional track	[~~State~~] [~~tax~~]
Pools on races run by:			
Franchised corporations:			
in region;.....	6.50	N/A	[~~1.30~~]
out-region, during a regional meeting;.....	2.00	4.50	[~~1.30~~]
out-region, no regional meeting;.....	3.25	3.25	[~~1.30~~]
Racing corporations in special betting district:			
in-special betting districts;..	6.80	N/A	[~~3.00~~]
out-district, during a regional meeting;.....	2.00	4.80	[~~3.00~~]
out-district, no regional meeting;.....	3.40	3.40	[~~3.00~~]

Harness racing associations or corporations within Suffolk, Nassau, or Catskill regions:			
in region;.....	7.00	N/A	[~~2.70~~]
out-region, during a regional meeting;.....	2.00	5.00	[~~2.70~~]
out-region, no regional meeting;.....	3.50	3.50	[~~2.70~~]
Harness racing associations or corporations:			
in-special betting district;.....	7.00	N/A	[~~2.50~~]
out-district, during a regional meeting;.....	2.00	5.00	[~~2.50~~]
out-district, no regional meeting;.....	3.50	3.50	[~~2.50~~]
Other harness racing associations or corporations:			
in-region;.....	7.00	N/A	[~~2.50~~]
out-region, during a regional meeting;.....	2.00	5.00	[~~2.50~~]
out-region, no regional meeting;.....	3.50	3.50	[~~2.50~~]
Quarter horse racing associations or corporations;.....	6.50	N/A	[~~3.10~~]
Out-of-state tracks:.....	6.50 divided pursuant to paragraph g of this subdivision		[~~3.10~~]

c. Super Exotic Bets:

Pools on races run by:	Track holding race	Regional track	[~~State~~] [~~tax~~]
Franchised corporations:			
in region;.....	12.00	N/A	[~~3.50~~]
out-region, during a regional meeting;.....	3.00	10.00	[~~2.50~~]
out-region, no regional meeting;.....	6.00	6.00	[~~3.50~~]
Racing corporations in special betting district:			
in-special betting districts;..	12.00	N/A	[~~3.50~~]
out-district, during a regional meeting;.....	3.00	10.00	[~~2.50~~]
out-district, no regional meeting;.....	6.00	6.00	[~~3.50~~]
Harness racing associations or corporations within Suffolk, Nassau, or Catskill regions:			
in-region;.....	12.00	N/A	[~~3.50~~]

out-region, during a regional meeting;.....	3.00	10.00	[~~2.50~~]
out-region, no regional meeting;.....	6.00	6.00	[~~3.50~~]
Harness racing associations or corporations:			
in-special betting district;.....	12.00	N/A	[~~3.50~~]
out-district, during a regional meeting;.....	3.00	10.00	[~~2.50~~]
out-district, no regional meeting;.....	6.00	6.00	[~~3.50~~]
Other harness racing associations or corporations:			
in-region;.....	12.00	N/A	[~~3.50~~]
out-region, during a regional meeting;.....	3.00	10.00	[~~2.50~~]
out-region, no regional meeting;.....	6.00	6.00	[~~3.50~~]

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

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

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

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

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

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

(i) when a harness corporation located in the harness special betting district is conducting a meet and no thoroughbred race meeting is being conducted by a racing corporation located in the thoroughbred special 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

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

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

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

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

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

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

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

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

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

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

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

b. the balance as follows:

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

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

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

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

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

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

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

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

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

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

c. one-fifth to be retained by the off-track betting operator with 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

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

§ 10. Paragraph a of subdivision 3 of section 1007 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:

a. Of the sums retained by the receiving track from simulcast pools the pari-mutuel tax shall be levied at the [~~lower of the pari-mutuel tax~~] rate [~~in effect on December thirty-first, nineteen hundred ninety-three at the receiving track, plus ten percent of the breaks or the following rates: two percent of simulcast pools generated by regular wagers, two and one-half percent of simulcast pools generated by multiple wagers, and seven percent of simulcast pools generated by exotic and super exotic wagers, plus ten percent of the breaks~~] **set forth in subdivision one of section one hundred thirty-six of this chapter**.

§ 11. Paragraph a of subdivision 4 of section 1009 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:

a. Of the sums retained by the operator as provided in this subdivision, the pari-mutuel tax shall be levied at the [~~following rates plus twenty percent of the breaks: from wagers on thoroughbred races, eight-tenths of one percent of pools generated from regular wagers; one and three-tenths percent of pools generated from multiple wagers; two and eight-tenths percent of pools generated from exotic wagers; and three and one-half percent of pools generated from super exotic wagers; and from wagers on harness races, one-half of one percent of pools generated from regular wagers; one percent of pools generated from multiple wagers; two and one-half percent of pools generated from exotic wagers and three percent of pools generated from super exotic wagers~~] **rate set forth in subdivision one of section one hundred thirty-six of this chapter**.

§ 12. Paragraph i of subdivision 1 of section 1014 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:

i. 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 winning tickets therein, provided such tickets are presented for payment prior to April first of the year following the year of their purchase less eighteen percent of the total deposits in pools resulting from regular bets, less twenty-one percent of the total deposits in pools resulting from multiple bets, less twenty-six percent of the total deposits in pools resulting from exotic bets, less thirty-six percent of the total deposits in pools resulting from super exotic bets [~~plus the breaks as defined in section two hundred thirty-six 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.

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

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

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 winning tickets therein, provided such tickets are presented for payment prior to April first of the year following the year of their purchase less eighteen percent of the total deposits in pools resulting from regular bets, less twenty-one percent of the total deposits in pools resulting from multiple bets, less twenty-six percent of the total deposits in pools resulting from exotic bets, and less twenty-seven percent of the total deposits in pools resulting from super exotic bets, [~~plus the breaks as defined in section two hundred thirty-six of this chapter~~] may be required by another jurisdiction 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.

(1) Of the sums so retained, the applicable tax rates shall be as [~~governed by clauses (A) and (B) of subparagraphs three, four, five and six of this paragraph plus fifty percent of the breaks; provided, however, fifty percent of the breaks accruing from off-track betting corporations licensed in accordance with section one thousand eight of this article and from simulcast theaters licensed in accordance with section one thousand nine of this article, shall be paid to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty percent to each such fund~~] as set forth in subdivision one of section one hundred thirty-six of this chapter.

(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	0.50	0.50	0.50	0.50
Non-franchised Thoroughbred Racing corporation payments to purses	1.50	2.00	1.50	2.00
Franchised corporation	0.50	0.50	0.50	0.50
Franchised corporation payments to purses	2.00	2.00	2.50	4.00

(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	0.50	0.50	0.50	0.00
Non-franchised Thoroughbred Racing corporation payments to purses	0.50	0.50	0.50	0.50
Franchised corporation	2.00	1.50	1.50	2.00
Franchised corporation payments to purses	2.00	3.00	3.00	5.00

(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~~]
Non-franchised Thoroughbred Racing corporation payments to purses	2.00	2.00	2.00	2.50
Franchised corporation	1.00	1.00	1.00	1.00
Franchised corporation payments to purses	2.00	2.00	2.50	4.00

(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~~	~~0.50~~	~~0.50~~	~~0.50~~	~~0.50~~]
Non-franchised Thoroughbred racing corporation	0.50	0.25	0.50	0.50
Non-franchised Thoroughbred racing corporation payments to purses	0.50	0.25	0.50	0.50
Franchised corporation	2.25	2.25	2.00	2.50
Franchised corporation 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~~]

Non-franchised Thoroughbred Racing corporation payments to purses	1.00	1.00	1.00	1.25
Franchised corporation	0.50	0.50	0.50	0.50
Franchised corporation payments to purses	1.00	1.00	1.25	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~~	~~0.50~~	~~0.50~~	~~0.50~~	~~0.50~~]
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	1.25	1.25	1.00	1.25
Franchised corporation payments to purses	1.25	2.00	1.50	2.25

§ 15. Subdivision 1 of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

1. Of the sums so retained, the applicable tax rates shall be as set forth in [~~this paragraph plus fifty percent of the breaks; provided, however, fifty percent of the breaks accruing from an off-track betting corporation licensed in accordance with section one thousand eight of this article and from simulcast theatres licensed in accordance with section one thousand nine of this article, shall be paid to the agriculture and New York state horse breeding and development fund~~] **subdivision one of section one hundred thirty-six of this chapter**.

§ 16. This act shall take effect immediately.

PART X

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

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

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

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

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

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

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

cost of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

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

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

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

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

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

§ 2. This act shall take effect immediately.

PART Y

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect [~~on~~] January 1, 1991[~~, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, 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-~~

~~ber thirty-first, two thousand twenty-six~~], such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

§ 9. This act shall take effect immediately.

PART Z

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

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of this article, the commission shall license owners, which term shall be deemed to include part-owners and lessees, trainers, assistant trainers and jockeys, jockey agents, stable employees, non-publicly appointed members of the board of a franchised corporation, and such other persons as the commission may by rule prescribe at running races and at steeplechases, provided, however, that no such license shall be required for seasonal employees hired solely to work for no longer than six weeks during the summer meet at Saratoga racetrack, and any such other times as race dates historically assigned to Belmont Park are conducted at the Saratoga racetrack in two thousand twenty-four [~~and~~], two thousand twenty-five **and two thousand twenty-six** as approved in writing by the commission. In the event that a proposed licensee is other than a natural person, the commission shall require by regulation disclosure of the names and addresses of all owners of an interest in such entity. The commission may retain, employ or appoint such officers, employees and agents, as it may deem necessary to receive, examine and make recommendations, for the consideration of the commission, in respect of applications for such licenses; prescribe their duties in connection therewith, and fix their compensation therefor within the limitations prescribed by law. Each applicant for a license shall pay to the commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, thirty dollars; assistant trainer's license, thirty dollars; jockey's license, fifty dollars; jockey agent's license, twenty dollars; and stable employee's license, five dollars. Each applicant may apply for a two-year or three-year license by payment to the commission of the appropriate multiple of the annual fee. The commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the commission, not to exceed thirty dollars per category. The application for the license shall be in writing in such form as the commission may prescribe, and contain such information as the commission may require. The commission shall henceforth cause all applicants for licenses to be photographed and fingerprinted and may issue identification cards to licensees. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. A fee equal to the actual cost of issuance shall be charged for the initial issuance of such identification cards. Each such license unless revoked for cause shall be for the period of no more than one, two or three years, determined by rule of the commission, expiring on the applicant's birth date. Licenses of non-publicly appointed members of the board of a franchised corporation shall be issued without fee and remain in effect for the duration of their board service. Licenses

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

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

PART AA

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

(g-1) Solar energy system equipment credit. (1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-six percent of qualified solar energy system equipment expenditures, except as provided in subparagraph (D) of paragraph two of this subsection. This credit shall not exceed three thousand seven hundred fifty dollars for qualified solar energy equipment placed in service before September first, two thousand six, [~~and~~] five thousand dollars for qualified solar energy equipment placed in service on or after September first, two thousand six **and before January first, two thousand twenty-six, and ten thousand dollars for qualified solar energy equipment placed in service on or after January first, two thousand twenty-six**.

(2) Qualified solar energy system equipment expenditures. (A) The term "qualified solar energy system equipment expenditures" means expenditures for:

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

(ii) the lease of solar energy system equipment under a written agreement that spans at least ten years where such equipment owned by a person other than the taxpayer is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as [~~his or her~~] **their** principal residence at the time the solar energy system equipment is placed in service; or

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

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

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

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

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

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

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

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

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

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

(8) Carryover of credit **and refundability**. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. **For taxable years beginning on or after January first, two thousand twenty-six, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low to moderate income, as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.**

§ 2. This act shall take effect immediately.

PART BB

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

reliability of electricity or electric service transmitted or distributed through such lines, for example, by operating reserve capacity machinery and equipment.

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

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

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

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

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

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

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

(c) the amendments to subdivisions (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.

PART DD

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.

PART EE

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

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

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

If the New York taxable income is:	The tax is:
Not over $17,150	3.90% of the New York taxable income
Over $17,150 but not over $23,600	$669 plus 4.40% of excess over $17,150
Over $23,600 but not over $27,900	$953 plus 5.15% of excess over $23,600
Over $27,900 but not over $161,550	$1,174 plus 5.40% of excess over $27,900
Over $161,550 but not over $323,200	$8,391 plus 5.90% of excess over $161,550
Over $323,200 but not over $2,155,350	$17,928 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,430 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$417,939 plus [~~10.30%~~] 10.80% of excess over $5,000,000
Over $25,000,000	$2,477,939 plus [~~10.90%~~] 11.40% of excess over $25,000,000

§ 2. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, as amended by section 3 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 $12,800	4% of the New York taxable income
Over $12,800 but not over $17,650	$512 plus 4.5% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.5% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,651 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$434,163 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,494,163 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	The tax is:
Not over $12,800	3.90% of the New York taxable income
Over $12,800 but not over $17,650	$499 plus 4.40% of excess over $12,800
Over $17,650 but not over $20,900	$712 plus 5.15% of excess over $17,650
Over $20,900 but not over $107,650	$879 plus 5.40% of excess over $20,900
Over $107,650 but not over $269,300	$5,564 plus 5.90% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,101 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,381 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$433,894 plus [~~10.30%~~] 10.80% of excess over $5,000,000
Over $25,000,000	$2,493,894 plus [~~10.90%~~] 11.40% of excess over $25,000,000

§ 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (c) of section 601 of the tax law, as amended by section 5 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 $8,500	4% of the New York taxable income
Over $8,500 but not over $11,700	$340 plus 4.5% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,413 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,929 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,509,929 plus 10.90% of excess over $25,000,000

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

If the New York taxable income is:	The tax is:
Not over $8,500	3.90% of the New York taxable income
Over $8,500 but not over $11,700	$332 plus 4.40% of excess over $8,500
Over $11,700 but not over $13,900	$473 plus 5.15% of excess over

	$11,700
Over $13,900 but not over $80,650	$586 plus 5.40% of excess over $13,900
Over $80,650 but not over $215,400	$4,191 plus 5.90% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,141 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,198 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,714 plus [~~10.30%~~] **10.80%** of excess over $5,000.000
Over $25,000,000	$2,509,714 plus [~~10.90%~~] **11.40%** of excess over $25,000,000

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

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

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

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

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

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

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

PART GG

Section 1. Subsection (b) of section 863 of the tax law, as added by section 1 of part C of chapter 59 of the laws of 2021, 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 partnership or electing S corporation pursuant to subsection (a) of this section shall not exceed **ninety percent of** the tax due under [~~subsection (a) of~~] section eight hundred sixty-two of this article from such electing partnership or electing S corporation for the taxable year.

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

PART HH

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

c. Notwithstanding any provision of law to the contrary, the local governing body of the city of Buffalo, 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 II

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

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

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

PART JJ

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

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

§ 2. This act shall take effect immediately.

PART KK

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

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

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

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

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

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

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

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

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

(ii) A letter or other written communication from the eligible community-based organization acknowledging receipt of the contribution and containing the information in clauses one, two, and three of subparagraph (i) of this paragraph shall serve as a receipt.

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

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

§ 2. This act shall take effect immediately.

PART LL

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

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

against the tax imposed by this article for taxable years beginning on and after January first, two thousand eighteen. The amount of the credit shall be twenty-five percent of the fair market value of the taxpayer's qualified donations made to any eligible food pantry during the taxable year, not to exceed five thousand dollars per taxable year **for taxable years ending before January first, two thousand twenty-seven, and for taxable years beginning on and after January first, two thousand twenty-seven, the amount of the credit shall be fifty percent of the fair market value of the taxpayer's qualified donations made to any eligible food pantry during the taxable year, not to exceed ten thousand dollars per taxable year**. If the taxpayer is a partner in a partnership, then the cap imposed by the preceding sentence shall be applied at the entity level, so that the aggregate credit allowed to all partners of such entity in the taxable year does not exceed five thousand dollars **for taxable years ending before January first, two thousand twenty-seven, and ten thousand dollars for taxable years beginning on or after January first, two thousand twenty-seven**.

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

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

§ 3. This act shall take effect immediately.

PART MM

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

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

Section 289-g. Definitions.
289-h. Imposition of the noise tax on non-essential helicopter and seaplane flights.
289-i. Liability for the tax.
289-j. Exemptions from the tax.
289-k. Payment and returns.
289-l. Records to be kept.

289-m. Secrecy of returns and reports.
289-n. Practice and procedure.
289-o. Deposit and disposition of revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. (a) Notwithstanding the provisions of subdivision one of this section, upon written request from the chairperson of the committee on ways and means of the United States House of Representatives, the chairperson of the committee on finance of the United States Senate, or the chairperson of the joint committee on taxation of the United States Congress, the commissioner shall furnish such committee with any current or prior year returns specified in such request that were filed under this article by the president of the United States, vice-president of the United States, member of the United States Congress representing New York state, or any person who served in or was employed by the executive branch of the government of the United States on the executive staff of the president, in the executive office of the president, or in an acting or confirmed capacity in a position subject to confirmation by the United States Senate; or, in New York state: a statewide elected official, as defined in paragraph (a) of subdivision one of section seventy-three-a of the public officers law; a state officer or employee, as defined in subparagraph (i) of paragraph (c) of subdivision one of such section seventy-three-a; a political party chairperson, as defined in paragraph (h) of subdivision one of such section seventy-three-a; a local elected official, as defined in subdivisions one and two of section eight hundred ten of the general municipal law; a person appointed, pursuant to law, to serve due to vacancy or otherwise in the position of a local elected official, as defined in subdivisions one and two of section eight hundred ten of the general municipal law; a member of the state legislature; or a judge or justice of the unified court system; or filed by a partnership, firm, association, corporation,

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

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

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

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

§ 2. This act shall take effect immediately.

PART NN

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

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

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

§ 2. This act shall take effect immediately.

PART OO

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

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

PART PP

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

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

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

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

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

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

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

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

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

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

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

PART QQ

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

d. Notwithstanding any provision of law to the contrary, the local 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**

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

§ 4. The opening paragraph of subparagraph 2 of paragraph (a) of subdivision 18 of section 11-604 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 subparagraph is the product of (A) the excess of (i) the tax computed under clause one of subparagraph (a) of paragraph E of subdivision one of this section, without allowance of any credits allowed by this section, over (ii) the tax so computed, determined as if the 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 eight and eighty-five one hundredths, 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 sixty-two one-hundredths, and provided further that the amounts computed in clauses (i) and (ii) of this subparagraph shall be computed with the following modifications:

§ 5. Subparagraph 1 of paragraph (b) of subdivision 18 of section 11-604 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 paragraph (a) of this subdivision, in the case of a corporation that, before the application of this subdivision or any other credit allowed by this section, is liable for the tax on entire net income under clause one of subparagraph (a) of paragraph E of subdivision one of this section, the credit or the sum of the credits that may be taken by such corporation for a taxable year under this subdivision 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 section, multiplied by a fraction the numerator of which is four and the denominator of which is eight and eighty-five one hundredths, 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 sixty-two one-hundredths. 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 paragraph (a) of this subdivision 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.

§ 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

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

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

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

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

paragraph (e) of this subdivision shall be at the rate of (i) six and five-tenths per centum, plus (ii) [~~two and thirty-five one-hundredths per centum~~] a general scaling factor multiplied by a fraction the numerator of which is allocated business income less one million dollars and the denominator of which is five hundred thousand dollars, of the amount of business 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) Provided, however, notwithstanding anything to the contrary, if the amount of business income before allocation is two million dollars or greater but less than three million dollars, the rate of tax provided for in this paragraph shall not be less than (i) six and five-tenths per centum, plus (ii) [~~two and thirty-five one-hundredths per centum~~] a general scaling factor multiplied by a fraction the numerator of which is business income before allocation less two million dollars and the denominator of which is one million dollars, and provided, however, notwithstanding anything to the contrary, if the amount of business income before allocation is three million dollars or greater, the rate of tax shall be eight and eighty-five one-hundredths percentum for a taxable year beginning before January first, two thousand twenty-six, and ten and sixty-two one-hundredths per centum for a taxable year beginning on or after January first, two thousand twenty-six, or, in the case of a financial corporation, as defined in clause (i) of subparagraph one of paragraph (e) of this subdivision [~~one of section 11-654~~], if the amount of business income before allocation is three million dollars or greater the rate of tax shall be nine per centum for a taxable year beginning before January first, two thousand twenty-six, and ten and eight-tenths per centum for a taxable year beginning on or after January first, two thousand twenty-six. For the purposes of this subparagraph and subparagraph two of this paragraph, the term "general scaling factor" means a value equal to two and thirty-five one-hundredths per centum for a taxable year beginning before January first, two thousand twenty-six, or a value equal to four and twelve one-hundredths per centum for a taxable year beginning on or after January first, two thousand twenty-six.

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

(2) Subject to subparagraph three of this paragraph for qualified New York manufacturing corporations as defined in subparagraph four of this paragraph, if the amount of business income allocated within the city as hereinafter provided is ten million dollars or greater but less than twenty million dollars, the amount computed in clause (i) of subparagraph one of paragraph (e) of this subdivision shall be at the rate of (i) four and four hundred twenty-five one-thousandths per centum, plus (ii) [~~four and four hundred twenty-five one-thousandths per centum~~] a manufacturing scaling factor multiplied by a fraction the numerator of which is allocated business income less ten million dollars and the denominator of which is ten million dollars, of its business income or the portion of such business 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) Notwithstanding anything to the contrary, if the amount of business income before allocation is twenty million dollars or greater but less than forty million dollars, the rate of tax provided for in this

paragraph shall not be less than (i) four and four hundred twenty-five one thousandths percentum, plus (ii) [~~four and four hundred twenty-five one thousandths percentum~~] a manufacturing scaling factor multiplied by a fraction the numerator of which is business income before allocation less twenty million dollars and the denominator of which is twenty million dollars, and provided, however, notwithstanding anything to the contrary, if the amount of business income before allocation is forty million dollars or greater, the rate of tax shall be eight and eighty-five one-hundredths per centum for a taxable year beginning before January first, two thousand twenty-six, and ten and sixty-two one-hundredths per centum for a taxable year beginning on or after January first, two thousand twenty-six. For the purposes of this subparagraph and subparagraph two of this paragraph, the term "manufacturing scaling factor" means a value equal to four and four hundred twenty-five one-thousandths per centum for a taxable year beginning before January first, two thousand twenty-six, or a value equal to six and one hundred ninety-five one-thousandths per centum for a taxable year beginning on or after January first, two thousand twenty-six.

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

The amount determined in this subparagraph is the product of (i) the excess of (A) the tax computed under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, without allowance of any credits allowed by this section, over (B) the tax so computed, determined as if the corporation had no such distributive share or guaranteed payments with respect to the unincorporated business, and (ii) a fraction, the numerator of which is four and the denominator of which, for a taxable year beginning before January first, two thousand twenty-six, is eight and eighty-five one hundredths, provided that, for a taxable year beginning on or after January first, two thousand twenty-six, such denominator is ten and sixty-two one-hundredths, [~~except~~] and provided further that in the case of a financial corporation as defined in clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, for a taxable year beginning before January first, two thousand twenty-six, such denominator is nine, and for a taxable year beginning on or after January first, two thousand twenty-six, such denominator is ten and eight-tenths, and provided further that in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year; provided that the amounts computed in subclauses (A) and (B) of clause (i) of this subparagraph shall be computed with the following modifications:

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

(1) Notwithstanding anything to the contrary in paragraph (a) of this subdivision, in the case of a corporation that, before the application of this subdivision or any other credit allowed by this section, is liable for the tax on business income under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, the credit or the sum of the credits that may be taken by such corporation for a taxable year under this subdivision 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 section, multiplied by a fraction the numerator of which is four and the denominator of which is eight and eighty-five one-hundredths**, provided that, for a taxable year beginning on or after January first, two thousand twenty-six, such denominator shall be equal to ten and sixty-two one-hundredths**, [~~except~~] **and provided further** that in the case of a financial corporation as defined in clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, such denominator**, for a taxable year beginning before January first, two thousand twenty-six,** is nine**, and, for a taxable year beginning on or after January first, two thousand twenty-six, is ten and eight-tenths**, and **provided further that** in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year. 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 paragraph (a) of this subdivision 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.

§ 14. The local legislative body of the city of New York is hereby authorized and empowered to ratify and approve by local law the amendments set forth in sections two through thirteen of this act, provided that: (i) where such local legislative body ratifies and approves the amendments set forth in section three, four, or five of this act, such local legislative body shall ratify and approve the amendments set forth in all of such sections three, four, and five of this act; (ii) where such local legislative body ratifies and approves the amendments set forth in section six, seven, or eight of this act, such local legislative body shall ratify and approve the amendments set forth in all of such sections six, seven, and eight of this act; and (iii) where such local legislative body ratifies and approves the amendments set forth in section nine, ten, eleven, twelve, or thirteen of this act, such local legislative body shall ratify and approve the amendments set forth in all of such sections nine, ten, eleven, twelve, and thirteen of this act.

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

PART TT

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

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

(i) Taxes on each deed, other instrument or transaction (other than a deed or instrument given solely as security or a transaction the sole purpose of which is to secure an obligation or indebtedness) by which any real property or any economic interest therein is conveyed or transferred, measured by the consideration or value of the interest or property conveyed or transferred, (1) at a rate not to exceed one-half of one percent of such consideration or value with respect to conveyances made before July first, nineteen hundred seventy-one, or made in performance of a contract therefor executed before such date, (2) at a rate not to exceed one percent of such consideration or value with respect to (A) all conveyances made on or after July first, nineteen hundred seventy-one and before February first, nineteen hundred eighty-two, or made in performance of a contract therefor executed during such period, (B) conveyances or transfers made on or after February first, nineteen hundred eighty-two of one, two or three-family houses, individual cooperative apartments and individual residential condominium units, or interests therein, and (C) conveyances or transfers made on or after February first, nineteen hundred eighty-two (other than grants, assignments or surrenders of leasehold interests in real property) where the consideration or value is less than five hundred thousand dollars, (3) at a rate not to exceed two percent of such consideration or value with respect to all other conveyances or transfers made on or after February first, nineteen hundred eighty-two (other than grants, assignments or surrenders of leasehold interests in real property) other than those conveyances or transfers specified in subparagraphs four, five [~~and~~], six **and seven** of this paragraph, (4) at a rate not to exceed one and four hundred twenty-five thousandths of one percent of such consideration or value where such consideration or value is less than five hundred thousand dollars with respect to all conveyances or transfers other than for conveyances or transfers of one, two or three family houses, individual cooperative apartments, and individual residential condominium units, or interests therein (other than grants, assignment or surrenders of leasehold interests in real property), made on or after August first, nineteen hundred eighty-nine, (5) at a rate not to exceed one and four hundred twenty-five thousandths of one percent of such consideration or value where such consideration or value is more than five hundred thousand dollars 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 August first, nineteen hundred eighty-nine **and before June first, two thousand twenty-six**, [~~and~~] (6) at a rate not to exceed two and six hundred twenty-five one thousandths of one percent of such consideration or value where such consideration or value is greater than five hundred thousand dollars with respect to all conveyances or transfers other than for conveyances or transfers of one, two or three family houses, individual cooperative apartments, and individual residential condominium units, or interests therein (other than 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

authorized hereby may also be imposed (A) prior to July first, nineteen hundred eighty-two, at a rate not to exceed one percent, on the granting, assignment or surrender of a leasehold interest in real property, other than 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 five hundred thousand dollars or more, (B) on and after July first, nineteen hundred eighty-two and before August first, nineteen hundred eighty-nine, at a rate not to exceed two percent, on the granting, assignment or surrender of a leasehold interest in real property, except that 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, or where the consideration for or value of such grant, assignment or surrender is less than five hundred thousand dollars, the rate shall not exceed one percent [~~and~~], (C) on and after August first, nineteen hundred eighty-nine **and before June first, two thousand twenty-six**, at a rate not to exceed two and six hundred twenty-five thousandths of one percent, on the granting, assignment or surrender of a leasehold interest in real property, except that 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 less than five hundred thousand dollars, the rate shall not exceed 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 five hundred thousand dollars, the rate shall not exceed one and four hundred twenty-five thousandths of one percent, or where the consideration for or value of any other grant, assignment or surrender is less than five hundred thousand dollars, the rate shall not exceed one and four hundred twenty-five thousandths of one percent**, and (D) on and after June first, two thousand twenty-six, at a rate not to exceed two and six hundred twenty-five thousandths of one percent, on the granting, assignment or surrender of a leasehold interest in real property, except that 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 five hundred thousand dollars or less, the rate shall not exceed 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 five hundred thousand dollars but not greater than five million dollars, the rate shall not exceed one and four 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 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 seven-ty-five thousandths of one percent, or in the case of a leasehold inter-est 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 liqui-dation of a corporation, partnership, association, trust or other enti-ty, 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 prece-dent (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,

or (3) to the receipt in evidence of such deed, lease, assignment or surrender of lease or other instrument in any such court. In each instance where the tax rate imposed pursuant to this subdivision is two percent, fifty percent of the total amount of such tax, including fifty percent of any interest or penalties thereon, shall be set aside in a special account by the commissioner of finance of such city, provided, however, that where the consideration for or value of property or interest conveyed or transferred includes the amount of any nondeductible mortgage, lien or other encumbrance which existed before the conveyance or transfer and remains thereon after such conveyance or transfer, (A) prior to July first, nineteen hundred eighty-two the entire amount of tax imposed at a rate not in excess of one percent on the portion of the consideration or value ascribable to such nondeductible mortgage, lien or other encumbrance, including any interest or penalties thereon, and fifty percent of the tax on the balance of the consideration or value, including fifty percent of any interest or penalties thereon, shall be set aside in such special account, and (B) on and after July first, nineteen hundred eighty-two and before August first, nineteen hundred eighty-nine, fifty percent of the amount of tax imposed at a rate in excess of one percent but not in excess of two percent on the portion of the consideration or value ascribable to such nondeductible mortgage, lien or other encumbrance, including fifty percent of any interest or penalties thereon, and fifty percent of the tax on the balance of the consideration or value, including fifty percent of any interest or penalties thereon, shall be set aside in such special account. On and after August first, nineteen hundred eighty-nine, in each instance where the tax rate imposed pursuant to this subdivision is in excess of two percent, **except where such tax rate is imposed on a conveyance or transfer of a one, two or three-family house, individual cooperative apartment, or individual residential condominium units, or interest therein, and the consideration for or value of such conveyance or transfer is greater than five million dollars,** the portion of the tax, and any interest or penalty thereon, to be set aside in such special account shall be an amount equal to one percent of the total consideration for or value of the real property or economic interest therein conveyed or transferred, plus any interest or penalty attributable to such portion of the tax. There shall also be set aside in such special account prior to July first, nineteen hundred eighty-two the total amount of taxes imposed on grants, assignments or surrenders of leasehold interests in real property, including any interest or penalties thereon; on and after July first, nineteen hundred eighty-two and before August first, nineteen hundred eighty-nine, there shall be set aside in such special account fifty percent of the amount of taxes imposed on grants, assignments or surrenders of leasehold interests in real property, other than 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, or where the consideration for or value of such grant, assignment or surrender is less than five hundred thousand dollars, including fifty percent of any interest or penalties thereon. On and after August first, nineteen hundred eighty-nine, there shall be set aside in such special account, in each instance where the rate of tax on grants, assignments or surrenders of leasehold interests in real property is two percent or more, **except where such rate of tax is imposed on grants, assignments or surrenders of leasehold interests in one, two or three-family houses or individual dwelling units 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 the consideration for or value of such grant, assignment, or surrender of a leasehold interest is greater than five million dollars, an amount equal to one percent of the consideration for or value of the leasehold interest granted, assigned or surrendered, plus any interest or penalty attributable to such portion of the tax. Notwithstanding anything in this paragraph (i) to the contrary, in each instance where the tax rate imposed pursuant to paragraph (xi) of this subdivision is in excess of one percent, except where such tax rate is imposed on a conveyance or transfer of a one, two or three-family house, individual cooperative apartment, or individual residential condominium units, or interest therein, and the consideration for or value of such conveyance or transfer is greater than five million dollars, the portion of tax, and any interest or penalty thereon, to be set aside in such special account shall be an amount equal to one-half of one percent of the total consideration for or value of the real property or economic interest therein conveyed or transferred, plus any interest or penalty attributable to such portion of the tax, and there shall be set aside in such special account, in each instance where the rate of tax imposed under paragraph (xi) of this subdivision on grants, assignments or surrenders of leasehold interests in real property is in excess of one percent, except where such rate of tax is imposed on grants, assignments or surrenders of leasehold interests in one, two or three-family houses or individual dwelling units 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 the consideration for or value of such grant, assignment or surrender of a leasehold interest is greater than five million dollars, an amount equal to one-half of one percent of the consideration for or value of the leasehold interest granted, assigned or surrendered, plus any interest or penalty attributable to such portion of the tax. Moneys in such account shall be used for payment by such commissioner to the state comptroller for deposit in the urban mass transit operating assistance account of the mass transportation operating assistance fund of any amount of insufficiency certified by the state comptroller pursuant to the provisions of subdivision six of section eighty-eight-a of the state finance law, and, on the fifteenth day of each month such commissioner shall transmit all funds in such account on the last day of the preceding month, except the amount required for the payment of any amount of insufficiency certified by the state comptroller and such amount as [~~he~~] the comptroller deems necessary for refunds and such other amounts necessary to finance the New York city transportation disabled committee and the New York city paratransit system as established by section fifteen-b of the transportation law, provided, however, that such amounts shall not exceed six percent of the total funds in the account but in no event be less than one hundred seventy-five thousand dollars beginning April first, nineteen hundred eighty-six, and further that beginning November fifteenth, nineteen hundred eighty-four and during the entire period prior to operation of such system, the total of such amounts shall not exceed three hundred seventy-five thousand dollars for the administrative expenses of such committee and fifty thousand dollars for the expenses of the agency designated pursuant to paragraph b of subdivision five of such section, and other amounts necessary to finance the operating needs of the private bus companies franchised by the city of New York and eligible to receive state operating assistance under section eighteen-b of the transportation law, provided, however, that

such amounts shall not exceed four percent of the total funds in the account, to the New York city transit authority for mass transit within the city.

§ 3. Paragraphs 9 and 10 of subdivision a of section 11-2102 of the administrative code of the city of New York, as added by local law number 59 of the city of New York for the year 1989, are amended and two new paragraphs 11 and 12 are added to read as follows:

(9) with respect to conveyances made on or after August first, nineteen hundred eighty-nine**, and before June first, two thousand twenty-six** (other than grants, assignments or surrenders of leasehold interests in real property taxable as provided in paragraph ten of this subdivision), the tax shall be at the following rates:

(i) at the rate of one percent of the consideration for conveyances of one, two or three-family houses and individual residential condominium units where the consideration 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 for such conveyances where the consideration 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 conveyances 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 where the consideration for such conveyances is more than five hundred thousand dollars;

(10) With respect to a grant, assignment or surrender of a leasehold interest in real property 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 for the granting, assignment or surrender 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 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 granting, assignment or surrender [~~or~~] **of** such leasehold interest 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 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[~~.~~]**;**

(11) with respect to conveyances made on or after June first, two thousand twenty-six (other than grants, assignments or surrenders of leasehold interests in real property taxable as provided in paragraph twelve of this subdivision), the tax shall be at the following rates:

(i) at the rate of one percent of the consideration for conveyances of one, two or three-family houses and individual residential condominium units where the consideration 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 for such conveyances where the consideration 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 for such conveyances where the consideration is more than five million dollars but not more than ten million dollars, and at the rate of four and six hundred seventy-five thousandths of one percent of the consideration for such conveyances where the consideration is more than ten million dollars but not more than fifteen million dollars, and at the rate of four and nine hundred twenty-five thousandths of one percent of the consideration for such conveyances where the consideration is more than fifteen million dollars but not more than twenty million dollars, and at the rate of five and one hundred seventy-five thousandths of one percent of the consideration for such conveyances where the consideration is more than twenty million dollars but not more than twenty-five million dollars, and at the rate of five and three hundred twenty-five thousandths of one percent of the consideration for such conveyances where the consideration is more than twenty-five million 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 conveyances 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 where the consideration for such conveyances is more than five hundred thousand dollars;

(12) with respect to a grant, assignment or surrender of a leasehold interest in real property 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 for the granting, assignment or surrender 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 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 granting, assignment or surrender of such a leasehold interest 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 granting, assignment or surrender of such a leasehold interest is more than five million dollars but not more than ten million dollars, and at the rate of four and six hundred seventy-five thousandths of one percent of the consideration where the consideration for granting, assignment or surrender of such a leasehold interest is more than ten million dollars but not more than fifteen million dollars, and at the rate of four and nine hundred twenty-five thousandths of one percent of the consideration where the consideration for granting, assignment or surrender of such a leasehold interest is more than fifteen million dollars but not more than twenty million dollars, and at the rate of five and one hundred seventy-five thousandths of one percent of the consideration where the consideration for granting, assignment or surrender of such a leasehold interest is more than twenty million dollars but not more than twenty-five million dollars, and at the rate of five and three hundred twenty-five thousandths of one percent of the consideration where the consideration for granting, assignment or surrender of such a leasehold interest is more than twenty-five million 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

such property is more than five million dollars but not more than ten million dollars, and at the rate of four and six hundred seventy-five thousandths of one percent of the consideration where the consideration for such transfer of an economic interest in such property is more than ten million dollars but not more than fifteen million dollars, and at the rate of four and nine 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 fifteen million dollars but not more than twenty million dollars, and at the rate of five and one hundred seventy-five thousandths of one percent of the consideration where the consideration for such transfer of an economic interest in such property is more than twenty million dollars but not more than twenty-five million dollars, and at the rate of five and three 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 twenty-five million 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.

§ 6. This act shall take effect immediately and shall be deemed to have been in full force and effect as of June 1, 2026, and apply to transactions occurring on or after such date.

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

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