

STATE OF NEW YORK

9352

IN SENATE

March 4, 2026

Introduced by Sen. LIU -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to establishing a tax on video streaming services; and to amend the state finance law, in relation to establishing the media arts technology and education fund

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

1 Section 1. This act shall be known and may be cited as the "technology,
2 gy, education and arts through media act" or "TEAM NY Act".
3 § 2. Legislative intent. This act establishes the Media Arts Technolo-
4 gy and Education Fund to promote access to broadband, community media,
5 arts, and technology throughout the State. The Fund is supported by
6 contributions from video streaming services, ensuring that these provid-
7 ers contribute to the expansion of digital infrastructure and local
8 resources for all New Yorkers in a manner that is comparable to cable
9 television companies' support for these facilities and services.
10 § 3. The tax law is amended by adding a new article 15 to read as
11 follows:

12 ARTICLE 15
13 VIDEO STREAMING TAX

14 Section 330. Definitions.

15 331. Imposition and collection of a tax on video streaming
16 services.

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

19 1. "Community media organization" means an entity that is responsible
20 for:

21 (a) operating and administering a public access channel, as defined in
22 N.Y. Comp. Codes R. & Regs. tit. 16 § 895.4(c)(1); and/or

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

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1 (b) operating and administering educational and/or governmental access
2 channels, as defined in N.Y. Comp. Codes R. & Regs. tit. 16 §
3 895.4(c)(2).

4 2. "Gross receipts" means all consideration of any kind or nature
5 received by a video streaming service provider, or an affiliate of such
6 video streaming service provider, in connection with the provision,
7 delivery, or furnishing of video streaming service to subscribers or
8 customers within the state, determined according to the hierarchy
9 described in section three hundred thirty-one of this article. Gross
10 receipts shall not include:

11 (a) revenue not actually received, regardless of whether it is billed,
12 including, but not limited to, bad debts;

13 (b) revenue from the sale of capital assets or surplus equipment not
14 used by the purchaser to receive video streaming service from the video
15 streaming service provider; or

16 (c) charges, other than charges for video streaming services, that are
17 aggregated or bundled with video streaming services on a subscriber or
18 customer's bill, if the video streaming service provider can reasonably
19 and separately identify the charges in its books and records kept in the
20 regular course of business.

21 3. "Person" means an individual, partnership, limited liability compa-
22 ny, trust or association, with or without transferable shares, joint-
23 stock company, corporation, society, club, organization, institution,
24 estate, receiver, trustee, assignee or referee and any other person
25 acting in a fiduciary or representative capacity, whether appointed by a
26 court or otherwise, and any combination of individuals acting as a unit.
27 The term "person", unless expressly provided otherwise, does not
28 include:

29 (a) a governmental entity or a unit or instrumentality of a govern-
30 mental entity; or

31 (b) any entity exempt from sales and compensating use taxes pursuant
32 to paragraph four of subdivision (a) of section eleven hundred sixteen
33 of this chapter.

34 4. "State" means the state of New York.

35 5. "Subscriber" or "customer" means any person or member of the gener-
36 al public who receives video streaming service from a video streaming
37 service provider and does not further distribute such service in the
38 ordinary course of business.

39 6. "Video programming" means programming provided by, or comparable to
40 programming provided by, a television broadcast station including, but
41 not limited to, video programming provided by local networks, national
42 broadcast networks, cable television networks and all forms of pay-per-
43 view or on-demand video entertainment.

44 7. "Video streaming service" means the distribution, broadcasting, or
45 provision of video programming displayed by the viewer for a fee on a
46 subscription basis. The term video streaming service, unless expressly
47 provided otherwise, does not include cable service as defined by 47
48 U.S.C. § 522(6).

49 8. "Video streaming service provider" means a person who transmits,
50 broadcasts or otherwise provides, delivers, furnishes, or makes avail-
51 able video streaming service to subscribers or customers in the state.

52 § 331. Imposition and collection of a tax on video streaming services.

53 1. There is hereby imposed on every video streaming service provider a
54 tax equal to five percent of such provider's gross receipts in the
55 state.

1 2. The commissioner shall promulgate regulations by December thirty-
2 first, two thousand twenty-six, to establish procedures determining
3 video streaming service providers' gross receipts from subscribers or
4 customers in the state, including the hierarchy of sourcing methods
5 based on:

6 (a) the customer's primary use location of the video streaming
7 service; and

8 (b) the customer's billing address.

9 3. The tax authorized in this section shall be for each year, or part
10 of each year, that such video streaming service provider is engaged in
11 the provision, delivery, or furnishing of video streaming services to
12 subscribers or customers in the state.

13 4. (a) Every video streaming service provider subject to tax under
14 this section shall, on or before April fifteenth of each year, for years
15 beginning on or after January first, two thousand twenty-six:

16 (i) file a return for the year ended on the preceding December thir-
17 ty-first, which return shall state the gross receipts for the period
18 covered by each such return, and

19 (ii) pay the tax due.

20 (b) Returns shall be filed with the commissioner on a form to be
21 furnished by the commissioner for such purpose and shall contain such
22 other data, information or matter as the commissioner may require to be
23 included therein.

24 (c) Notwithstanding the foregoing provisions of this subdivision, the
25 commissioner may require any video streaming service provider to file an
26 annual return, which shall contain any data specified by the commis-
27 sioner, regardless of whether such provider is subject to taxation under
28 this section.

29 (d) Video streaming service providers subject to assessment under this
30 section may not include the amount of the tax on bills as a pass-through
31 to subscribers or customers. The tax under this article is imposed upon
32 video streaming service providers, and providers may not misrepresent or
33 mislead subscribers or customers regarding the person responsible for
34 the tax.

35 5. (a) A video streaming service provider who fails to file a return
36 or to pay any tax due under this article within thirty days of the time
37 required pursuant to this article (determined with regard to any exten-
38 sion of time for filing or paying) shall be subject to a penalty of ten
39 percent of the amount of the tax determined to be due, plus five percent
40 of such amount for each subsequent month or fraction thereof during
41 which such failure continues, not to exceed thirty percent in the aggre-
42 gate.

43 (b) In the event of an underpayment of the tax owed, the commissioner
44 shall set the underpayment rate of interest to be paid, but the under-
45 payment rate shall not be less than seven and one-half percent per
46 annum, compounded daily. If no such rate of interest is set, such under-
47 payment rate shall be deemed to be set at seven and one-half percent per
48 annum, compounded daily. Any such rate set by the commissioner shall
49 apply to taxes, or any portion thereof, which remain or become due or
50 underpaid on or after the date on which such rates become effective and
51 shall apply only with respect to interest computed or computable for
52 periods or portions of periods occurring in the period during which such
53 rates are in effect.

54 6. Every video streaming service provider subject to taxation under
55 this section shall keep such records of its business and in such form as
56 the commissioner may require, and such records shall be preserved for a

1 period of three years, except that the commissioner may consent to their
2 destruction within that period or may require that they be kept longer.

3 7. All revenue received pursuant to this section shall be deposited
4 into the media arts technology and education fund established by section
5 ninety-nine-m of the tax law; provided that the commissioner may retain
6 up to ten percent of the moneys collected annually for operational
7 expenditures.

8 § 4. The state finance law is amended by adding a new section 99-m to
9 read as follows:

10 § 99-m. Media arts technology and education fund. 1. There is hereby
11 established in the joint custody of the comptroller and the commissioner
12 of taxation and finance a special fund to be known as the "media arts
13 technology and education fund".

14 2. For purposes of this section, the following terms shall have the
15 following meanings:

16 (a) "Community media organization" has the meaning set forth in
17 section three hundred thirty of the tax law.

18 (b) "Municipal class" shall mean one of the following categories of
19 local government within the state: counties not wholly contained within
20 a city, cities, towns, and villages.

21 (c) "Other qualified organization" means an organization that is not a
22 community media organization and that, as determined by the commissioner
23 of taxation and finance pursuant to paragraph (b) of subdivision five of
24 this section, provides one or more of the following services:

25 (i) creating and/or facilitating access to local non-profit news
26 and/or media;

27 (ii) improving digital equity and inclusion, including digital litera-
28 cy;

29 (iii) fostering and/or advancing local arts, culture, and creativity;
30 and/or

31 (iv) planning and/or constructing infrastructure needed for communi-
32 cations connectivity.

33 (d) "Population" shall mean the population as shown by the most recent
34 decennial federal census completed and published as a final population
35 count by the United States bureau of the census preceding the commence-
36 ment of the state fiscal year in which the moneys are distributed pursu-
37 ant to this section, provided that, for purposes of calculating distrib-
38 utions within a municipal class pursuant to subdivision five of this
39 section, the population of a city shall mean the total population within
40 such city; the population of a village shall mean the total population
41 within such village; the population of a town shall exclude the popu-
42 lation of any village within such town; and the population of a county
43 shall exclude the population of any city or village within such county.

44 3. The fund shall consist of all moneys collected for the tax imposed
45 on video streaming services pursuant to section three hundred thirty-one
46 of the tax law and all other moneys appropriated, credited or trans-
47 ferred thereto from any other fund or source pursuant to law.

48 4. Moneys in the fund shall be kept separate and shall not be commin-
49 gled with any other moneys in the custody of the comptroller. All depos-
50 its of such moneys shall be secured by obligations of the United States
51 or of the state of market value equal at all times to the amount of the
52 deposit and all banks and trust companies are authorized to give such
53 securities for such deposits.

54 5. (a) Moneys in the fund shall be distributed to the state, munici-
55 palities, community media organizations, and other qualified organiza-
56 tions as provided in this section.

1 (b) The commissioner of taxation and finance shall promulgate regu-
2 lations necessary to implement the provisions of this section, including
3 regulations to establish procedures for identifying, on an annual basis:

4 (i) community media organizations eligible to receive moneys distrib-
5 uted pursuant to this section, and the municipality or municipalities
6 served by each community media organization; and

7 (ii) other qualified organizations eligible to receive moneys distrib-
8 uted pursuant to this section and the allocation formula or other meth-
9 odology for determining which other qualified organizations will receive
10 moneys and in what amount.

11 (c) Moneys in the fund shall be annually distributed according to the
12 following formula and the regulations of the commissioner of taxation
13 and finance:

14 (i) three-tenths of the moneys in the fund, less the moneys retained
15 by the commissioner for operational expenditures, shall be distributed
16 to the state general fund;

17 (ii) three-tenths of the moneys in the fund shall be distributed
18 directly to municipalities within each municipal class in the state.
19 The commissioner shall apportion such moneys among the municipal classes
20 in proportion to the aggregate population of each class, and shall
21 distribute funds to each municipality in proportion to the population of
22 each such municipality within each class.

23 (iii) three-tenths of the moneys in the fund shall be distributed
24 directly to identified community media organizations. The commissioner
25 shall apportion such moneys in proportion to the population of each
26 municipal class served by each such organization, except that for commu-
27 nity media organizations serving New York city, the commissioner shall
28 apportion such moneys equally to each community media organization
29 based on the population of New York city divided by the number of
30 community media organizations serving any portion of New York city; and

31 (iv) one-tenth of the moneys in the fund shall be distributed to other
32 qualified organizations identified pursuant to regulations promulgated
33 by the commissioner of taxation and finance, in the amounts determined
34 pursuant to such regulations.

35 6. Moneys shall be payable from the fund on the audit and warrant of
36 the comptroller on vouchers approved and certified by the commissioner
37 of taxation and finance.

38 § 5. This act shall take effect immediately and shall apply to tax
39 years beginning on and after January 1, 2027.