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:

Section 1. This act shall be known and may be cited as the "technology, education and arts through media act" or "TEAM NY Act".

§ 2. Legislative intent. This act establishes the Media Arts Technology and Education Fund to promote access to broadband, community media, arts, and technology throughout the State. The Fund is supported by contributions from video streaming services, ensuring that these providers contribute to the expansion of digital infrastructure and local resources for all New Yorkers in a manner that is comparable to cable television companies' support for these facilities and services.

§ 3. The tax law is amended by adding a new article 15 to read as follows:

ARTICLE 15
VIDEO STREAMING TAX

Section 330. Definitions.
331. Imposition and collection of a tax on video streaming services.

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

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

(a) operating and administering a public access channel, as defined in 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.

LBD14554-05-6

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

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

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

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

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

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

(a) a governmental entity or a unit or instrumentality of a governmental entity; or

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

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

5. "Subscriber" or "customer" means any person or member of the general public who receives video streaming service from a video streaming service provider and does not further distribute such service in the ordinary course of business.

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

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

8. "Video streaming service provider" means a person who transmits, broadcasts or otherwise provides, delivers, furnishes, or makes available video streaming service to subscribers or customers in the state.

§ 331. Imposition and collection of a tax on video streaming services. 1. There is hereby imposed on every video streaming service provider a tax equal to five percent of such provider's gross receipts in the state.

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

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

(b) the customer's billing address.

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

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

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

(ii) pay the tax due.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) improving digital equity and inclusion, including digital literacy;

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

(iv) planning and/or constructing infrastructure needed for communications connectivity.

(d) "Population" shall mean the population as shown by the most recent decennial federal census completed and published as a final population count by the United States bureau of the census preceding the commencement of the state fiscal year in which the moneys are distributed pursuant to this section, provided that, for purposes of calculating distributions within a municipal class pursuant to subdivision five of this section, the population of a city shall mean the total population within such city; the population of a village shall mean the total population within such village; the population of a town shall exclude the population of any village within such town; and the population of a county shall exclude the population of any city or village within such county.

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

4. Moneys in the fund shall be kept separate and shall not be commingled with any other moneys in the custody of the comptroller. All deposits of such moneys shall be secured by obligations of the United States or of the state of market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such securities for such deposits.

5. (a) Moneys in the fund shall be distributed to the state, municipalities, community media organizations, and other qualified organizations as provided in this section.

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

(i) community media organizations eligible to receive moneys distributed pursuant to this section, and the municipality or municipalities served by each community media organization; and

(ii) other qualified organizations eligible to receive moneys distributed pursuant to this section and the allocation formula or other methodology for determining which other qualified organizations will receive moneys and in what amount.

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

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

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

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

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

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

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