

# STATE OF NEW YORK

S. 9009--C

A. 10009--C

## SENATE - ASSEMBLY

January 21, 2026

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

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

AN ACT to amend the tax law and the administrative code of the city of New York, 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 retaining the deductibility of certain charitable contributions (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 (Part E); to amend the tax law, in relation to exemptions from calculation of income in certain cases (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); intentionally omitted (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

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

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omitted (Part L); to amend the tax law and the administrative code of the city of New York, in relation to extending the real estate transfer tax rate reduction for conveyances of real property to existing real estate investment funds (Part M); to establish 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 (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 storage, 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; and to amend the real property tax law, in relation to the powers of the state board of real property tax services (Part U); to amend the real property tax law, in relation to expanding the rent increase exemption for senior citizens and persons with disabilities; 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; 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; and providing for the repeal of certain provisions upon expiration thereof (Subpart A); and to amend the administrative code of the city of New York and the real property tax law, in relation to providing notice to tenants regarding rent increase exemptions (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 the Capital 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 excluding distributions due to certain federal elections from personal income

tax (Part AA); to amend the tax law, in relation to increasing tax credits for donations to food pantries by farmers (Part BB); to amend the tax law, in relation to authorizing students to donate unused meal funds, meals or meal points to other students enrolled in such school, college or university who are facing food insecurity; and to amend chapter 678 of the laws of 2025 amending the tax law relating to excluding certain food donations from sales tax, in relation to the effectiveness thereof (Part CC); to amend the racing, pari-mutuel wagering and breeding law, in relation to additional qualifications for the board members of regional off-track betting corporations; and to amend section 2 of part JJ of chapter 56 of the laws of 2023 amending the racing, pari-mutuel wagering and breeding law, relating to the membership of the board of directors of the western regional off-track betting corporation, in relation to the effectiveness thereof (Part DD); to amend the real property tax law, in relation to the property tax exemption for certain disabled veterans (Part EE); to amend the tax law, in relation to establishing a protecting our wallets energy rebate (POWER) credit (Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to standardbred testing (Part GG); to amend the tax law, the administrative code of the city of New York and the New York city charter, in relation to authorizing a city having a population of one million or more to impose a surcharge on property that does not serve as a primary residence; and providing for the repeal of such provisions upon expiration thereof (Part HH); to amend the tax law, in relation to authorizing additional vendor fees to vendor tracks and video lottery gaming facilities; and relating to directing the gaming commission to conduct a study on video lottery terminal vendor fees and commercial casino tax rates; and providing for the repeal of such provisions upon expiration thereof (Part II); and to extend the duration of certain brownfield redevelopment and remediation tax credits with respect to certain sites (Part JJ)

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

1 Section 1. This act enacts into law major components of legislation  
2 which are necessary to implement the state fiscal plan for the 2026-2027  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through JJ. The effective date for each particular  
5 provision contained within such Part is set forth in the last section of  
6 such Part. Any provision in any section contained within a Part,  
7 including the effective date of the Part, which makes a reference to a  
8 section "of this act", when used in connection with that particular  
9 component, shall be deemed to mean and refer to the corresponding  
10 section of the Part in which it is found. Section three of this act sets  
11 forth the general effective date of this act.

12

PART A

13 Section 1. Paragraph 1 of subsection (c) of section 606 of the tax  
14 law, as amended by section 1 of part M of chapter 63 of the laws of  
15 2000, is amended to read as follows:

16 (1) [A] **For taxable years beginning before January first, two thousand**  
17 **twenty-six, a** taxpayer shall be allowed a credit as provided herein  
18 equal to the applicable percentage of the credit allowable under section

1 twenty-one of the internal revenue code for the same taxable year (with-  
2 out regard to whether the taxpayer in fact claimed the credit under such  
3 section twenty-one for such taxable year). The applicable percentage  
4 shall be the sum of (i) twenty percent and (ii) a multiplier multiplied  
5 by a fraction. For taxable years beginning in nineteen hundred ninety-  
6 six and nineteen hundred ninety-seven, the numerator of such fraction  
7 shall be the lesser of (i) four thousand dollars or (ii) fourteen thou-  
8 sand dollars less the New York adjusted gross income for the taxable  
9 year, provided, however, the numerator shall not be less than zero. For  
10 the taxable year beginning in nineteen hundred ninety-eight, the numera-  
11 tor of such fraction shall be the lesser of (i) thirteen thousand  
12 dollars or (ii) thirty thousand dollars less the New York adjusted gross  
13 income for the taxable year, provided, however, the numerator shall not  
14 be less than zero. For taxable years beginning in nineteen hundred nine-  
15 ty-nine, the numerator of such fraction shall be the lesser of (i)  
16 fifteen thousand dollars or (ii) fifty thousand dollars less the New  
17 York adjusted gross income for the taxable year, provided, however, the  
18 numerator shall not be less than zero. For taxable years beginning after  
19 nineteen hundred ninety-nine, the numerator of such fraction shall be  
20 the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand  
21 dollars less the New York adjusted gross income for the taxable year,  
22 provided, however, the numerator shall not be less than zero. The denom-  
23 inator of such fraction shall be four thousand dollars for taxable years  
24 beginning in nineteen hundred ninety-six and nineteen hundred ninety-  
25 seven, thirteen thousand dollars for the taxable year beginning in nine-  
26 teen hundred ninety-eight, and fifteen thousand dollars for taxable  
27 years beginning after nineteen hundred ninety-eight. The multiplier  
28 shall be ten percent for taxable years beginning in nineteen hundred  
29 ninety-six, forty percent for taxable years beginning in nineteen  
30 hundred ninety-seven, and eighty percent for taxable years beginning  
31 after nineteen hundred ninety-seven. Provided, however, for taxable  
32 years beginning after nineteen hundred ninety-nine, for a person whose  
33 New York adjusted gross income is less than forty thousand dollars, such  
34 applicable percentage shall be equal to (i) one hundred percent, plus  
35 (ii) ten percent multiplied by a fraction whose numerator shall be the  
36 lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars  
37 less the New York adjusted gross income for the taxable year, provided  
38 such numerator shall not be less than zero, and whose denominator shall  
39 be fifteen thousand dollars. Provided, further, that if the reversion  
40 event, as defined in this paragraph, occurs, the applicable percentage  
41 shall, for taxable years ending on or after the date on which the rever-  
42 sion event occurred, be determined using the rules specified in this  
43 paragraph applicable to taxable years beginning in nineteen hundred  
44 ninety-nine. The reversion event shall be deemed to have occurred on the  
45 date on which federal action, including but not limited to, administra-  
46 tive, statutory or regulatory changes, materially reduces or eliminates  
47 New York state's allocation of the federal temporary assistance for  
48 needy families block grant, or materially reduces the ability of the  
49 state to spend federal temporary assistance for needy families block  
50 grant funds for the credit for certain household and dependent care  
51 services necessary for gainful employment or to apply state general fund  
52 spending on the credit for certain household and dependent care services  
53 necessary for gainful employment toward the temporary assistance for  
54 needy families block grant maintenance of effort requirement, and the  
55 commissioner of the office of temporary and disability assistance shall  
56 certify the date of such event to the commissioner, the director of the

1 division of the budget, the speaker of the assembly and the temporary  
2 president of the senate.

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

5 (c-2) New York state child and dependent care credit. (1) For taxable  
6 years beginning on or after January first, two thousand twenty-six, an  
7 eligible taxpayer shall be allowed a credit as provided herein to enable  
8 the eligible taxpayer to be gainfully employed or a full-time student at  
9 an educational institution for any period of the taxable year. If the  
10 amount of the credit allowed under this subsection for any taxable year  
11 shall exceed the eligible taxpayer's tax for such year, the excess shall  
12 be treated as an overpayment of tax to be credited or refunded in  
13 accordance with the provisions of six hundred eighty-six of this arti-  
14 cle, provided, however, that no interest shall be paid thereon.

15 (2) For the purposes of this subsection:

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

29 (B) "Qualifying individual" shall mean an individual who: (i) is under  
30 the age of thirteen at the close of the taxable year or is physically or  
31 mentally incapable of caring for themselves during the taxable year;  
32 (ii) resides with the eligible taxpayer for more than one-half of the  
33 taxable year; and (iii) is claimed as a dependent pursuant to section  
34 one hundred fifty-two of the internal revenue code, or could otherwise  
35 be claimed as a dependent. Provided, a qualifying individual shall also  
36 include an individual where a noncustodial parent claims such individual  
37 under subsection (e) of section one hundred fifty-two of the internal  
38 revenue code or the individual is the eligible taxpayer's spouse who is  
39 physically or mentally incapable of caring for themselves during the  
40 taxable year and resides with the eligible taxpayer for more than one-  
41 half of the taxable year.

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

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

54 (ii) Provided, however, "qualifying expenses" shall not include: a.  
55 any amounts paid whereby the taxpayer receives reimbursement or are paid  
56 from funds provided by a government entity, dependent care account, or

1 other third party; b. any amounts paid to a dependent of the taxpayer  
2 for which the taxpayer or the taxpayer's spouse is entitled to a  
3 deduction for the taxable year under subsection (c) of section one  
4 hundred fifty-one of the internal revenue code; or c. any amounts paid  
5 to a child of the taxpayer as defined in paragraph one of subsection (f)  
6 of section one hundred fifty-two of the internal revenue code who has  
7 not attained the age of nineteen at the close of the taxable year.

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

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

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

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

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

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

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

25 (E) "Applicable percentage" shall mean: (i) fifty-five percent in the  
26 case of an eligible taxpayer with a New York adjusted gross income  
27 determined pursuant to section six hundred twelve of this article of  
28 fifteen thousand dollars or less; or (ii) fifty-five percent reduced by  
29 twenty-five hundred thousandths of a percentage point for each dollar of  
30 an eligible taxpayer's New York adjusted gross income determined pursu-  
31 ant to section six hundred twelve of this article in excess of fifteen  
32 thousand dollars. Provided, however, that the applicable percentage for  
33 an eligible taxpayer shall not be reduced below four percent.

34 (3) The amount of the credit allowed to an eligible taxpayer under  
35 this subsection shall be the product of the eligible taxpayer's qualify-  
36 ing expenses determined pursuant to subparagraph (D) of paragraph two of  
37 this subsection and the applicable percentage determined pursuant to  
38 subparagraph (E) of paragraph two of this subsection. Provided, however,  
39 the credit allowed under this subsection shall be reduced by twenty  
40 dollars for each one thousand dollars by which the eligible taxpayer's  
41 New York adjusted gross income determined pursuant to section six  
42 hundred twelve of this article exceeds seven hundred fifty thousand  
43 dollars.

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

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

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

1 (3) Nothing herein shall be construed to prohibit the department, its  
2 officers or employees from furnishing information to the office of  
3 temporary and disability assistance relating to the payment of the cred-  
4 it for certain household and dependent care services necessary for gain-  
5 ful employment under subsection (c) of section six hundred six of this  
6 article, the New York state child and dependent care credit under  
7 subsection (c-2) of section six hundred six of this article, and the  
8 earned income credit under subsection (d) of section six hundred six of  
9 this article and the enhanced earned income credit under subsection  
10 (d-1) of section six hundred six of this article, or pursuant to a local  
11 law enacted by a city having a population of one million or more pursu-  
12 ant to subsection (f) of section thirteen hundred ten of this chapter,  
13 only to the extent necessary to calculate qualified state expenditures  
14 under paragraph seven of subdivision (a) of section four hundred nine of  
15 the federal social security act or to document the proper expenditure of  
16 federal temporary assistance for needy families funds under section four  
17 hundred three of such act. The office of temporary and disability  
18 assistance may redisclose such information to the United States depart-  
19 ment of health and human services only to the extent necessary to calcu-  
20 late such qualified state expenditures or to document the proper expend-  
21 iture of such federal temporary assistance for needy families funds.  
22 Nothing herein shall be construed to prohibit the delivery by the  
23 commissioner to a commissioner of jurors, appointed pursuant to section  
24 five hundred four of the judiciary law, or, in counties within cities  
25 having a population of one million or more, to the county clerk of such  
26 county, or to the clerk of the court or jury administrator of a United  
27 States district court appointed pursuant to title twenty-eight of the  
28 United States Code, section 1836(b)(2), of a mailing list of individuals  
29 to whom income tax forms are mailed by the commissioner for the sole  
30 purpose of compiling a list of prospective jurors as provided in article  
31 sixteen of the judiciary law or title twenty-eight of the United States  
32 Code. Provided, however, such delivery shall only be made pursuant to an  
33 order of the chief administrator of the courts, appointed pursuant to  
34 section two hundred ten of the judiciary law or an order of a chief  
35 judge of any United States district court in New York State. No such  
36 order may be issued unless such chief administrator or chief judge of  
37 such United States district court is satisfied that such mailing list is  
38 needed to compile a proper list of prospective jurors for the county or  
39 such United States district court for which such order is sought and  
40 that, in view of the responsibilities imposed by the various laws of the  
41 state on the department, it is reasonable to require the commissioner to  
42 furnish such list. Such order shall provide that such list shall be used  
43 for the sole purpose of compiling a list of prospective jurors and that  
44 such commissioner of jurors, or such county clerk, or clerk of the court  
45 or jury administrator of such United States district court shall take  
46 all necessary steps to insure that the list is kept confidential and  
47 that there is no unauthorized use or disclosure of such list. Further-  
48 more, nothing herein shall be construed to prohibit the delivery to a  
49 taxpayer or [~~his or her~~] their duly authorized representative of a  
50 certified copy of any return or report filed in connection with [~~his or~~  
51 ~~her~~] their tax or to prohibit the publication of statistics so classi-  
52 fied as to prevent the identification of particular reports or returns  
53 and the items thereof, or the inspection by the attorney general or  
54 other legal representatives of the state of the report or return of any  
55 taxpayer or of any employer filed under section one hundred  
56 seventy-one-h of this chapter, where such taxpayer or employer shall

1 bring action to set aside or review the tax based thereon, or against  
2 whom an action or proceeding under this chapter or under this chapter  
3 and article eighteen of the labor law has been recommended by the  
4 commissioner, the commissioner of labor with respect to unemployment  
5 insurance matters, or the attorney general or has been instituted, or  
6 the inspection of the reports or returns required under this article by  
7 the comptroller or duly designated officer or employee of the state  
8 department of audit and control, for purposes of the audit of a refund  
9 of any tax paid by a taxpayer under this article, or the furnishing to  
10 the state department of labor of unemployment insurance information  
11 obtained or derived from quarterly combined withholding, wage reporting  
12 and unemployment insurance returns required to be filed by employers  
13 pursuant to paragraph four of subsection (a) of section six hundred  
14 seventy-four of this article, for purposes of administration of such  
15 department's unemployment insurance program, employment services  
16 program, federal and state employment and training programs, employment  
17 statistics and labor market information programs, worker protection  
18 programs, federal programs for which the department has administrative  
19 responsibility or for other purposes deemed appropriate by the commis-  
20 sioner of labor consistent with the provisions of the labor law, and  
21 redisclosure of such information in accordance with the provisions of  
22 sections five hundred thirty-six and five hundred thirty-seven of the  
23 labor law or any other applicable law, or the furnishing to the state  
24 office of temporary and disability assistance of information obtained or  
25 derived from New York state personal income tax returns as described in  
26 paragraph (b) of subdivision two of section one hundred seventy-one-g of  
27 this chapter for the purpose of reviewing support orders enforced pursu-  
28 ant to title six-A of article three of the social services law to aid in  
29 the determination of whether such orders should be adjusted, or the  
30 furnishing of information obtained from the reports required to be  
31 submitted by employers regarding newly hired or re-hired employees  
32 pursuant to section one hundred seventy-one-h of this chapter to the  
33 state office of temporary and disability assistance, the state depart-  
34 ment of health, the state department of labor and the workers' compen-  
35 sation board for purposes of administration of the child support  
36 enforcement program, verification of individuals' eligibility for one or  
37 more of the programs specified in subsection (b) of section eleven  
38 hundred thirty-seven of the federal social security act and for other  
39 public assistance programs authorized by state law, and administration  
40 of the state's employment security and workers' compensation programs,  
41 and to the national directory of new hires established pursuant to  
42 section four hundred fifty-three-A of the federal social security act  
43 for the purposes specified in such section, or the furnishing to the  
44 state office of temporary and disability assistance of the amount of an  
45 overpayment of income tax and interest thereon certified to the comp-  
46 troller to be credited against past-due support pursuant to section one  
47 hundred seventy-one-c of this chapter and of the name and social securi-  
48 ty number of the taxpayer who made such overpayment, or the disclosing  
49 to the commissioner of finance of the city of New York, pursuant to  
50 section one hundred seventy-one-l of this chapter, of the amount of an  
51 overpayment and interest thereon certified to the comptroller to be  
52 credited against a city of New York tax warrant judgment debt and of the  
53 name and social security number of the taxpayer who made such overpay-  
54 ment, or the furnishing to the New York state higher education services  
55 corporation of the amount of an overpayment of income tax and interest  
56 thereon certified to the comptroller to be credited against the amount

1 of a default in repayment of any education loan debt, including judg-  
2 ments, owed to the federal or New York state government that is being  
3 collected by the New York state higher education services corporation,  
4 and of the name and social security number of the taxpayer who made such  
5 overpayment, or the furnishing to the state department of health of the  
6 information required by paragraph (f) of subdivision two and subdivision  
7 two-a of section two thousand five hundred eleven of the public health  
8 law and by subdivision eight of section three hundred sixty-six-a of the  
9 social services law, or the furnishing to the state university of New  
10 York or the city university of New York respectively or the attorney  
11 general on behalf of such state or city university the amount of an  
12 overpayment of income tax and interest thereon certified to the comp-  
13 troller to be credited against the amount of a default in repayment of a  
14 state university loan pursuant to section one hundred seventy-one-e of  
15 this chapter and of the name and social security number of the taxpayer  
16 who made such overpayment, or the disclosing to a state agency, pursuant  
17 to section one hundred seventy-one-f of this chapter, of the amount of  
18 an overpayment and interest thereon certified to the comptroller to be  
19 credited against a past-due legally enforceable debt owed to such agency  
20 and of the name and social security number of the taxpayer who made such  
21 overpayment, or the furnishing of employee and employer information  
22 obtained through the wage reporting system, pursuant to section one  
23 hundred seventy-one-a of this chapter, as added by chapter five hundred  
24 forty-five of the laws of nineteen hundred seventy-eight, to the state  
25 office of temporary and disability assistance, the department of health  
26 or to the state office of the medicaid inspector general for the purpose  
27 of verifying eligibility for and entitlement to amounts of benefits  
28 under the social services law or similar law of another jurisdiction,  
29 locating absent parents or other persons legally responsible for the  
30 support of applicants for or recipients of public assistance and care  
31 under the social services law and persons legally responsible for the  
32 support of a recipient of services under section one hundred eleven-g of  
33 the social services law and, in appropriate cases, establishing support  
34 obligations pursuant to the social services law and the family court act  
35 or similar provision of law of another jurisdiction for the purpose of  
36 evaluating the effect on earnings of participation in employment, train-  
37 ing or other programs designed to promote self-sufficiency authorized  
38 pursuant to the social services law by current recipients of public  
39 assistance and care and by former applicants and recipients of public  
40 assistance and care, (except that with regard to former recipients,  
41 information which relates to a particular former recipient shall be  
42 provided with client identifying data deleted), to the state office of  
43 temporary and disability assistance for the purpose of determining the  
44 eligibility of any child in the custody, care and custody or custody and  
45 guardianship of a local social services district or of the office of  
46 children and family services for federal payments for foster care and  
47 adoption assistance pursuant to the provisions of title IV-E of the  
48 federal social security act by providing information with respect to the  
49 parents, the stepparents, the child and the siblings of the child who  
50 were living in the same household as such child during the month that  
51 the court proceedings leading to the child's removal from the household  
52 were initiated, or the written instrument transferring care and custody  
53 of the child pursuant to the provisions of section three hundred fifty-  
54 eight-a or three hundred eighty-four-a of the social services law was  
55 signed, provided however that the office of temporary and disability  
56 assistance shall only use the information obtained pursuant to this

1 subdivision for the purpose of determining the eligibility of such child  
2 for federal payments for foster care and adoption assistance pursuant to  
3 the provisions of title IV-E of the federal social security act, and to  
4 the state department of labor, or other individuals designated by the  
5 commissioner of labor, for the purpose of the administration of such  
6 department's unemployment insurance program, employment services  
7 program, federal and state employment and training programs, employment  
8 statistics and labor market information programs, worker protection  
9 programs, federal programs for which the department has administrative  
10 responsibility or for other purposes deemed appropriate by the commis-  
11 sioner of labor consistent with the provisions of the labor law, and  
12 redisclosure of such information in accordance with the provisions of  
13 sections five hundred thirty-six and five hundred thirty-seven of the  
14 labor law, or the furnishing of information, which is obtained from the  
15 wage reporting system operated pursuant to section one hundred seventy-  
16 one-a of this chapter, as added by chapter five hundred forty-five of  
17 the laws of nineteen hundred seventy-eight, to the state office of  
18 temporary and disability assistance so that it may furnish such informa-  
19 tion to public agencies of other jurisdictions with which the state  
20 office of temporary and disability assistance has an agreement pursuant  
21 to paragraph (h) or (i) of subdivision three of section twenty of the  
22 social services law, and to the state office of temporary and disability  
23 assistance for the purpose of fulfilling obligations and responsibil-  
24 ities otherwise incumbent upon the state department of labor, under  
25 section one hundred twenty-four of the federal family support act of  
26 nineteen hundred eighty-eight, by giving the federal parent locator  
27 service, maintained by the federal department of health and human  
28 services, prompt access to such information as required by such act, or  
29 to the state department of health to verify eligibility under the child  
30 health insurance plan pursuant to subdivisions two and two-a of section  
31 two thousand five hundred eleven of the public health law, to verify  
32 eligibility under the medical assistance and family health plus programs  
33 pursuant to subdivision eight of section three hundred sixty-six-a of  
34 the social services law, and to verify eligibility for the program for  
35 elderly pharmaceutical insurance coverage under title three of article  
36 two of the elder law, or to the office of vocational and educational  
37 services for individuals with disabilities of the education department,  
38 the commission for the blind and any other state vocational rehabili-  
39 tation agency, for purposes of obtaining reimbursement from the federal  
40 social security administration for expenditures made by such office,  
41 commission or agency on behalf of disabled individuals who have achieved  
42 economic self-sufficiency or to the higher education services corpo-  
43 ration for the purpose of assisting the corporation in default  
44 prevention and default collection of education loan debt, including  
45 judgments, owed to the federal or New York state government; provided,  
46 however, that such information shall be limited to the names, social  
47 security numbers, home and/or business addresses, and employer names of  
48 defaulted or delinquent student loan borrowers, or to the office of the  
49 state comptroller for purposes of verifying the income of a retired  
50 member of a retirement system or pension plan administered by the state  
51 or any of its political subdivisions who returns to public employment.  
52 Provided, however, that with respect to employee information the  
53 office of temporary and disability assistance shall only be furnished  
54 with the names, social security account numbers and gross wages of those  
55 employees who are (A) applicants for or recipients of benefits under the  
56 social services law, or similar provision of law of another jurisdiction

1 (pursuant to an agreement under subdivision three of section twenty of  
2 the social services law) or, (B) absent parents or other persons legally  
3 responsible for the support of applicants for or recipients of public  
4 assistance and care under the social services law or similar provision  
5 of law of another jurisdiction (pursuant to an agreement under subdivi-  
6 sion three of section twenty of the social services law), or (C) persons  
7 legally responsible for the support of a recipient of services under  
8 section one hundred eleven-g of the social services law or similar  
9 provision of law of another jurisdiction (pursuant to an agreement under  
10 subdivision three of section twenty of the social services law), or (D)  
11 employees about whom wage reporting system information is being  
12 furnished to public agencies of other jurisdictions, with which the  
13 state office of temporary and disability assistance has an agreement  
14 pursuant to paragraph (h) or (i) of subdivision three of section twenty  
15 of the social services law, or (E) employees about whom wage reporting  
16 system information is being furnished to the federal parent locator  
17 service, maintained by the federal department of health and human  
18 services, for the purpose of enabling the state office of temporary and  
19 disability assistance to fulfill obligations and responsibilities other-  
20 wise incumbent upon the state department of labor, under section one  
21 hundred twenty-four of the federal family support act of nineteen  
22 hundred eighty-eight, and, only if, the office of temporary and disabil-  
23 ity assistance certifies to the commissioner that such persons are such  
24 applicants, recipients, absent parents or persons legally responsible  
25 for support or persons about whom information has been requested by a  
26 public agency of another jurisdiction or by the federal parent locator  
27 service and further certifies that in the case of information requested  
28 under agreements with other jurisdictions entered into pursuant to  
29 subdivision three of section twenty of the social services law, that  
30 such request is in compliance with any applicable federal law. Provided,  
31 further, that where the office of temporary and disability assistance  
32 requests employee information for the purpose of evaluating the effects  
33 on earnings of participation in employment, training or other programs  
34 designed to promote self-sufficiency authorized pursuant to the social  
35 services law, the office of temporary and disability assistance shall  
36 only be furnished with the quarterly gross wages (excluding any refer-  
37 ence to the name, social security number or any other information which  
38 could be used to identify any employee or the name or identification  
39 number of any employer) paid to employees who are former applicants for  
40 or recipients of public assistance and care and who are so certified to  
41 the commissioner by the commissioner of the office of temporary and  
42 disability assistance. Provided, further, that with respect to employee  
43 information, the department of health shall only be furnished with the  
44 information required pursuant to the provisions of paragraph (f) of  
45 subdivision two and subdivision two-a of section two thousand five  
46 hundred eleven of the public health law and subdivision eight of section  
47 three hundred sixty-six-a of the social services law, with respect to  
48 those individuals whose eligibility under the child health insurance  
49 plan, medical assistance program, and family health plus program is to  
50 be determined pursuant to such provisions and with respect to those  
51 members of any such individual's household whose income affects such  
52 individual's eligibility and who are so certified to the commissioner or  
53 by the department of health. Provided, further, that wage reporting  
54 information shall be furnished to the office of vocational and educa-  
55 tional services for individuals with disabilities of the education  
56 department, the commission for the blind and any other state vocational

1 rehabilitation agency only if such office, commission or agency, as  
2 applicable, certifies to the commissioner that such information is  
3 necessary to obtain reimbursement from the federal social security  
4 administration for expenditures made on behalf of disabled individuals  
5 who have achieved self-sufficiency. Reports and returns shall be  
6 preserved for three years and thereafter until the commissioner orders  
7 them to be destroyed.

8 § 4. The opening paragraph of paragraph 1 of subdivision (e) of  
9 section 11-1706 of the administrative code of the city of New York, as  
10 added by chapter 484 of the laws of 2007, is amended to read as follows:

11 For taxable years beginning on or after January first, two thousand  
12 seven, a taxpayer shall be allowed a credit as provided herein equal to  
13 the applicable percentage of the credit allowed under [~~subsection~~  
14 subsections (c) and (c-2)] of section six hundred six of the tax law with  
15 respect to qualifying individuals as defined in paragraph one of  
16 subsection (b) of section twenty-one of the internal revenue code (with-  
17 out regard to whether the taxpayer in fact claimed the credit under such  
18 section twenty-one for the taxable year) who are dependents of the  
19 taxpayer and who have not attained the age of four as of the end of the  
20 taxable year. The applicable percentage shall be determined as follows:

21 § 5. This act shall take effect immediately.

22

## PART B

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

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

29 § 2. This act shall take effect immediately.

30

## PART C

31 Section 1. Subsection (g) of section 615 of the tax law, as amended by  
32 section 1 of part Q of chapter 59 of the laws of 2019, paragraph 2 as  
33 amended by section 1 of part A of chapter 59 of the laws of 2024, is  
34 amended to read as follows:

35 (g) Notwithstanding subsection (a) of this section, the New York item-  
36 ized deduction for charitable contributions shall be the amount allowed  
37 under section one hundred seventy of the internal revenue code or the  
38 amount allowable pursuant to paragraph three of this subsection, as  
39 modified by paragraph nine of subsection (c) of this section and as  
40 limited by this subsection. (1) With respect to an individual whose New  
41 York adjusted gross income is over one million dollars and no more than  
42 ten million dollars, the New York itemized deduction shall be an amount  
43 equal to fifty percent of any charitable contribution deduction allowed  
44 under section one hundred seventy of the internal revenue code or allow-  
45 able pursuant to paragraph three of this subsection for taxable years  
46 beginning after two thousand nine and before two thousand twenty-five.  
47 With respect to an individual whose New York adjusted gross income is  
48 over one million dollars, the New York itemized deduction shall be an  
49 amount equal to fifty percent of any charitable contribution deduction  
50 allowed under section one hundred seventy of the internal revenue code  
51 or allowable pursuant to paragraph three of this subsection for taxable  
52 years beginning in two thousand nine or after two thousand twenty-four.

1 (2) With respect to an individual whose New York adjusted gross income  
2 is over ten million dollars, the New York itemized deduction shall be an  
3 amount equal to twenty-five percent of any charitable contribution  
4 deduction allowed under section one hundred seventy of the internal  
5 revenue code or allowable pursuant to paragraph three of this subsection  
6 for taxable years beginning after two thousand nine and ending before  
7 two thousand thirty.

8 (3) Contributions to an organization that meets the definition of an  
9 exempt organization under paragraph four of subdivision (a) of section  
10 eleven hundred sixteen of this chapter or to organizations that have  
11 applied for, and were approved for tax-exempt status under subsection  
12 (c) of section five hundred one of the internal revenue code by the  
13 internal revenue service before January first, two thousand twenty-five,  
14 will continue to qualify as charitable contributions allowable as a New  
15 York itemized deduction under this subsection, to the extent otherwise  
16 allowable under section one hundred seventy of the internal revenue  
17 code, even if the internal revenue service revokes such organization's  
18 tax-exempt status, so long as the organization establishes that the  
19 revocation was unrelated to the organization's charitable mission and  
20 that it continues to meet the statutory requirements of paragraph three  
21 of subsection (c) of section five hundred one of the internal revenue  
22 code and the regulations and authorities promulgated thereunder.

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

25 PART D

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

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

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

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

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

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

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

16 (b) Eligible farmer. For purposes of this subdivision, the term  
17 "eligible farmer" means a taxpayer whose [~~federal~~] New York gross income  
18 from farming for the taxable year, or whose average New York gross  
19 income from farming for the current year and two prior taxable years, is  
20 at least two-thirds of [~~excess~~] such taxpayer's federal gross income  
21 from all sources less thirty thousand dollars. The term "eligible farm-  
22 er" also includes a corporation other than the taxpayer of record for  
23 qualified agricultural land which has paid the school district property  
24 taxes on such land pursuant to a contract for the future purchase of  
25 such land; provided that such corporation [~~has a federal gross income~~  
26 ~~from farming for the taxable year which is at least two thirds of excess~~  
27 ~~federal gross income, and provided further that, in determining such~~  
28 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~  
29 ~~age of such federal gross income from farming for that taxable year and~~  
30 ~~such income for the two consecutive taxable years immediately preceding~~  
31 ~~such taxable year. Excess federal gross income means the amount of~~  
32 ~~federal gross income from all sources for the taxable year in excess of~~  
33 ~~thirty thousand dollars. For the purposes of this paragraph, payments~~  
34 ~~from the state's farmland protection program, administered by the~~  
35 ~~department of agriculture and markets, shall be included as federal~~  
36 ~~gross income from farming for otherwise eligible farmers] meets the  
37 definition of eligible farmer pursuant to this paragraph.~~

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

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

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

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

55 (1-a) New York gross income from farming. For purposes of this  
56 subsection, the term "New York gross income from farming" means a

1 taxpayer's federal gross income from farming, plus payments from the  
2 state's farmland protection program, administered by the department of  
3 agriculture and markets, income from a commercial horse boarding opera-  
4 tion as defined by subdivision thirteen of section three hundred one of  
5 the agriculture and markets law, and income from the production or sale  
6 of maple syrup, Christmas trees, and cider or wine from a licensed New  
7 York state farm cidery or winery, as provided for in section fifty-  
8 eight-c and article six of the alcoholic beverage control law.

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

12 (2) Eligible farmer. For purposes of this subsection, the term "eligi-  
13 ble farmer" means a taxpayer whose [~~federal~~] New York gross income from  
14 farming for the taxable year, or whose average New York gross income  
15 from farming for the current year and two prior taxable years, is at  
16 least two-thirds of [~~excess~~] such taxpayer's federal gross income from  
17 all sources less thirty thousand dollars. The term "eligible farmer"  
18 also includes an individual other than the taxpayer of record for quali-  
19 fied agricultural land who has paid the school district property taxes  
20 on such land pursuant to a contract for the future purchase of such  
21 land; provided that such individual [~~has a federal gross income from~~  
22 ~~farming for the taxable year which is at least two thirds of excess~~  
23 ~~federal gross income; and provided further that, in determining such~~  
24 ~~income eligibility, a taxpayer may, for any taxable year, use the aver-~~  
25 ~~age of such federal gross income from farming for that taxable year and~~  
26 ~~such income for the two consecutive taxable years immediately preceding~~  
27 ~~such taxable year. Excess federal gross income means the amount of~~  
28 ~~federal gross income from all sources for the taxable year reduced by~~  
29 ~~the sum (not to exceed thirty thousand dollars) of those items included~~  
30 ~~in federal gross income which consist of (i) earned income, (ii) pension~~  
31 ~~payments, including social security payments, (iii) interest, and (iv)~~  
32 ~~dividends. For purposes of this paragraph, the term "earned income"~~  
33 ~~shall mean wages, salaries, tips and other employee compensation, and~~  
34 ~~those items of gross income which are includible in the computation of~~  
35 ~~net earnings from self-employment. For the purposes of this paragraph,~~  
36 ~~payments from the state's farmland protection program, administered by~~  
37 ~~the department of agriculture and markets, shall be included as federal~~  
38 ~~gross income from farming for otherwise eligible farmers] meets the  
39 definition of "eligible farmer" pursuant to this paragraph.~~

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

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

45 (2) Eligible farmer. For purposes of this subsection, the term "eligi-  
46 ble farmer" [~~means a taxpayer whose federal gross income from farming~~  
47 ~~for the taxable year is at least two thirds of excess federal gross~~  
48 ~~income. Excess federal gross income means the amount of federal gross~~  
49 ~~income from all sources for the taxable year reduced by the sum (not to~~  
50 ~~exceed thirty thousand dollars) of those items included in federal gross~~  
51 ~~income that consist of: (i) earned income, (ii) pension payments,~~  
52 ~~including social security payments, (iii) interest, and (iv) dividends.~~  
53 ~~For purposes of this paragraph, the term "earned income" shall mean~~  
54 ~~wages, salaries, tips and other employee compensation, and those items~~  
55 ~~of gross income that are includible in the computation of net earnings~~  
56 ~~from self-employment. For the purposes of this paragraph, payments from~~

1 ~~the state's farmland protection program, administered by the department~~  
2 ~~of agriculture and markets, shall be included as federal gross income~~  
3 ~~from farming for otherwise eligible farmers] shall have the same meaning~~  
4 as set forth in subsection (n) of this section.

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

7 PART E

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

11 For taxable years beginning before January first, two thousand  
12 sixteen, the amount prescribed by this paragraph shall be computed at  
13 the rate of seven and one-tenth percent of the taxpayer's business  
14 income base. For taxable years beginning on or after January first, two  
15 thousand sixteen, the amount prescribed by this paragraph shall be six  
16 and one-half percent of the taxpayer's business income base. For taxable  
17 years beginning on or after January first, two thousand twenty-one and  
18 before January first, two thousand [~~twenty-seven~~ **thirty** for any taxpay-  
19 er with a business income base for the taxable year of more than five  
20 million dollars, the amount prescribed by this paragraph shall be seven  
21 and one-quarter percent of the taxpayer's business income base. The  
22 taxpayer's business income base shall mean the portion of the taxpayer's  
23 business income apportioned within the state as hereinafter provided.  
24 However, in the case of a small business taxpayer, as defined in para-  
25 graph (f) of this subdivision, the amount prescribed by this paragraph  
26 shall be computed pursuant to subparagraph (iv) of this paragraph and in  
27 the case of a manufacturer, as defined in subparagraph (vi) of this  
28 paragraph, the amount prescribed by this paragraph shall be computed  
29 pursuant to subparagraph (vi) of this paragraph, and, in the case of a  
30 qualified emerging technology company, as defined in subparagraph (vii)  
31 of this paragraph, the amount prescribed by this paragraph shall be  
32 computed pursuant to subparagraph (vii) of this paragraph.

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

36 (1) (i) The amount prescribed by this paragraph shall be computed  
37 at .15 percent for each dollar of the taxpayer's total business capital,  
38 or the portion thereof apportioned within the state as hereinafter  
39 provided for taxable years beginning before January first, two thousand  
40 sixteen. However, in the case of a cooperative housing corporation as  
41 defined in the internal revenue code, the applicable rate shall be .04  
42 percent until taxable years beginning on or after January first, two  
43 thousand twenty and zero percent for taxable years beginning on or after  
44 January first, two thousand twenty-one. The rate of tax for subsequent  
45 tax years shall be as follows: .125 percent for taxable years beginning  
46 on or after January first, two thousand sixteen and before January  
47 first, two thousand seventeen; .100 percent for taxable years beginning  
48 on or after January first, two thousand seventeen and before January  
49 first, two thousand eighteen; .075 percent for taxable years beginning  
50 on or after January first, two thousand eighteen and before January  
51 first, two thousand nineteen; .050 percent for taxable years beginning  
52 on or after January first, two thousand nineteen and before January  
53 first, two thousand twenty; .025 percent for taxable years beginning on  
54 or after January first, two thousand twenty and before January first,

1 two thousand twenty-one; and .1875 percent for years beginning on or  
2 after January first, two thousand twenty-one and before January first,  
3 two thousand [~~twenty-seven~~ thirty, and zero percent for taxable years  
4 beginning on or after January first, two thousand [~~twenty-seven~~ thirty.  
5 Provided however, for taxable years beginning on or after January first,  
6 two thousand twenty-one, the rate of tax for a small business as defined  
7 in paragraph (f) of this subdivision shall be zero percent. The rate of  
8 tax for a qualified New York manufacturer shall be .132 percent for  
9 taxable years beginning on or after January first, two thousand fifteen  
10 and before January first, two thousand sixteen, .106 percent for taxable  
11 years beginning on or after January first, two thousand sixteen and  
12 before January first, two thousand seventeen, .085 percent for taxable  
13 years beginning on or after January first, two thousand seventeen and  
14 before January first, two thousand eighteen; .056 percent for taxable  
15 years beginning on or after January first, two thousand eighteen and  
16 before January first, two thousand nineteen; .038 percent for taxable  
17 years beginning on or after January first, two thousand nineteen and  
18 before January first, two thousand twenty; .019 percent for taxable  
19 years beginning on or after January first, two thousand twenty and  
20 before January first, two thousand twenty-one; and zero percent for  
21 years beginning on or after January first, two thousand twenty-one. (ii)  
22 In no event shall the amount prescribed by this paragraph exceed three  
23 hundred fifty thousand dollars for qualified New York manufacturers and  
24 for all other taxpayers five million dollars.  
25 § 3. This act shall take effect immediately.

26

## PART F

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

30 (24) For taxable years beginning on or after January first, two thou-  
31 sand twenty-five, in the case of qualified production property described  
32 in paragraph two of subsection (n) of section one hundred sixty-eight of  
33 the internal revenue code, the amount of any deduction allowed pursuant  
34 to subsection (a) of section one hundred sixty-seven of the internal  
35 revenue code as if the taxpayer has not made an election pursuant to  
36 subsection (n) of section one hundred sixty-eight of the internal reven-  
37 ue code.

38 (25) For taxable years beginning on or after January first, two thou-  
39 sand twenty-five, the amount of any foreign and domestic research or  
40 experimental expenditures, as defined in sections one hundred seventy-  
41 four and 174A of the internal revenue code, paid or incurred in each  
42 taxable year on and after January first, two thousand twenty-five, amor-  
43 tized over a sixty-month period as if the election in subsection (c) of  
44 section 174A of the internal revenue code applied to such foreign and  
45 domestic research or experimental expenditures.

46 (26) For taxable years beginning on or after January first, two thou-  
47 sand twenty-five, the remaining amount of any foreign and domestic  
48 research or experimental expenditures, as defined in sections one  
49 hundred seventy-four and 174A of the internal revenue code, paid or  
50 incurred prior to January first, two thousand twenty-five, determined as  
51 if section one hundred seventy-four of the internal revenue code in  
52 effect as of January first, two thousand twenty-two, applied to such  
53 expenditures.

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

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

11 (29) For taxable years beginning on or after January first, two thou-  
12 sand twenty-five, any amount claimed as a deduction under sections one  
13 hundred seventy-four and 174A of the internal revenue code in effect as  
14 of January first, two thousand twenty-five, and any amount claimed as a  
15 deduction pursuant to federal Public Law 119-21, title VII, section  
16 70302(f)(2)(a), for foreign and domestic research or experimental  
17 expenditures, as defined in sections one hundred seventy-four and 174A  
18 of the internal revenue code.

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

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

29 (45) For taxable years beginning on or after January first, two thou-  
30 sand twenty-five, any amount claimed as a deduction under sections one  
31 hundred seventy-four and 174A of the internal revenue code in effect as  
32 of January first, two thousand twenty-five, and any amount claimed as a  
33 deduction pursuant to federal Public Law 119-21, title VII, section  
34 70302(f)(2)(a), for foreign and domestic research or experimental  
35 expenditures, as defined in sections one hundred seventy-four and 174A  
36 of the internal revenue code.

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

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

47 (49) For taxable years beginning on or after January first, two thou-  
48 sand twenty-five, the amount of any foreign and domestic research or  
49 experimental expenditures, as defined in sections one hundred seventy-  
50 four and 174A of the internal revenue code, paid or incurred in each  
51 taxable year on and after January first, two thousand twenty-five, amor-  
52 tized over a sixty-month period as if the election in subsection (c) of  
53 section 174A of the internal revenue code applied to such foreign and  
54 domestic research or experimental expenditures.

55 (50) For taxable years beginning on or after January first, two thou-  
56 sand twenty-five, the remaining amount of any foreign and domestic

1 research or experimental expenditures, as defined in sections one  
2 hundred seventy-four and 174A of the internal revenue code, paid or  
3 incurred prior to January first, two thousand twenty-five, determined as  
4 if section one hundred seventy-four of the internal revenue code in  
5 effect as of January first, two thousand twenty-two, applied to such  
6 expenditures.

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

10 (X) For taxable years beginning on or after January first, two thou-  
11 sand twenty-five, in the case of qualified production property described  
12 in paragraph two of subsection (n) of section one hundred sixty-eight of  
13 the internal revenue code, the amount of any deduction allowed pursuant  
14 to subsection (a) of section one hundred sixty-seven of the internal  
15 revenue code as if the taxpayer has not made an election pursuant to  
16 subsection (n) of section one hundred sixty-eight of the internal reven-  
17 ue code.

18 (Y) For taxable years beginning on or after January first, two thou-  
19 sand twenty-five, the amount of any foreign and domestic research or  
20 experimental expenditures, as defined in sections one hundred seventy-  
21 four and 174A of the internal revenue code, paid or incurred in each  
22 taxable year on and after January first, two thousand twenty-five, amor-  
23 tized over a sixty-month period as if the election in subsection (c) of  
24 section 174A of the internal revenue code applied to such foreign and  
25 domestic research or experimental expenditures.

26 (Z) For taxable years beginning on or after January first, two thou-  
27 sand twenty-five, the remaining amount of any foreign and domestic  
28 research or experimental expenditures, as defined in sections one  
29 hundred seventy-four and 174A of the internal revenue code, paid or  
30 incurred prior to January first, two thousand twenty-five, determined as  
31 if section one hundred seventy-four of the internal revenue code in  
32 effect as of January first, two thousand twenty-two, applied to such  
33 expenditures.

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

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

45 (BB) For taxable years beginning on or after January first, two thou-  
46 sand twenty-five, any amount claimed as a deduction under sections one  
47 hundred seventy-four and 174A of the internal revenue code in effect as  
48 of January first, two thousand twenty-five, and any amount claimed as a  
49 deduction pursuant to federal Public Law 119-21, title VII, section  
50 70302(f)(2)(a), for foreign and domestic research or experimental  
51 expenditures, as defined in sections one hundred seventy-four and 174A  
52 of the internal revenue code.

53 § 7. This act shall take effect immediately, and shall apply to tax  
54 years beginning on or after January 1, 2025; provided, however, that no  
55 interest or penalty shall accrue on returns under a valid extension that  
56 are filed within the period of extension or amended returns filed for

1 taxable years beginning on or after January 1, 2025, and before January  
2 1, 2026, that solely report the modifications required by this act.

3 PART G

4 Section 1. Subdivision (b) of section 11-506 of the administrative  
5 code of the city of New York is amended by adding four new paragraphs  
6 19, 20, 21 and 22 to read as follows:

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

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

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

24 (22) For taxable years beginning on or after January first, two thou-  
25 sand twenty-five, the increase in the amount allowed as a federal inter-  
26 est deduction pursuant to section one hundred sixty-three of the inter-  
27 nal revenue code attributable to additional adjusted taxable income that  
28 is attributable to depreciation, amortization, or depletion. For the  
29 purposes of this subdivision, "additional adjusted taxable income that  
30 is attributable to depreciation, amortization, or depletion" means the  
31 difference between the amount of adjusted taxable income computed pursu-  
32 ant to paragraph eight of subsection (j) of section one hundred sixty-  
33 three of the internal revenue code and such amount calculated without  
34 regard to clause (v) of subparagraph (A) of such paragraph.

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

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

49 (15) For taxable years beginning after December thirty-first, two  
50 thousand twenty-four, the amount allowed as an exclusion or deduction in  
51 determining federal gross income pursuant to subsection (a) of section  
52 one hundred seventy-nine of the internal revenue code subject to the  
53 dollar limitations in paragraphs one and two of subsection (b) of such  
54 section that were in effect for the last tax year beginning before Janu-

1 ary first, two thousand twenty-five, adjusted in accordance with para-  
2 graph six of such subsection using the amounts in paragraphs one and two  
3 that were in effect for such tax year and, for the purposes of applying  
4 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
5 section one of the internal revenue code, substituting "calendar year  
6 2017" for "calendar year 2016".

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

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

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

32 (19) for taxable years beginning after December thirty-first, two  
33 thousand twenty-four, the amount allowed as an exclusion or deduction in  
34 determining federal taxable income pursuant to subsection (a) of section  
35 one hundred seventy-nine of the internal revenue code subject to the  
36 dollar limitations in paragraphs one and two of subsection (b) of such  
37 section that were in effect for the last tax year beginning before Janu-  
38 ary first, two thousand twenty-five, adjusted in accordance with para-  
39 graph six of such subsection using the amounts in paragraphs one and two  
40 that were in effect for such tax year and, for the purposes of applying  
41 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
42 section one of the internal revenue code, substituting "calendar year  
43 2017" for "calendar year 2016".

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

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

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

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

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

21 (26) For taxable years beginning on or after January first, two thou-  
22 sand twenty-five, the increase in the amount allowed as a federal inter-  
23 est deduction pursuant to section one hundred sixty-three of the inter-  
24 nal revenue code attributable to additional adjusted taxable income that  
25 is attributable to depreciation, amortization, or depletion. For the  
26 purposes of this subdivision, "additional adjusted taxable income that  
27 is attributable to depreciation, amortization, or depletion" means the  
28 difference between the amount of adjusted taxable income computed pursu-  
29 ant to paragraph eight of subsection (j) of section one hundred sixty-  
30 three of the internal revenue code and such amount calculated without  
31 regard to clause (v) of subparagraph (A) of such paragraph.

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

36 (E) notwithstanding any other provision of this paragraph, [~~net global~~  
37 ~~intangible low taxed income shall be included in the receipts fraction~~  
38 ~~as provided in this clause. Receipts constituting net global intangible~~  
39 ~~low taxed income]~~ the amount required to be included in the taxpayer's  
40 federal gross income pursuant to subsection (a) of section 951A of the  
41 internal revenue code less the amount of the deduction allowed under  
42 clause (i) of section 250(a)(1) (B) of such code shall not be included  
43 in the numerator of the receipts fraction. [~~Receipts constituting net~~  
44 ~~global intangible low taxed income]~~ The amount required to be included  
45 in the taxpayer's federal gross income pursuant to subsection (a) of  
46 section 951A of the internal revenue code less the amount of the  
47 deduction allowed under clause (i) of section 250(a)(1)(B) of such code  
48 shall be included in the denominator of the receipts fraction. [~~For~~  
49 ~~purposes of this clause, the term "net global intangible low taxed~~  
50 ~~income" means the amount that would have been required to be included in~~  
51 ~~the taxpayer's federal gross income pursuant to subsection (a) of~~  
52 ~~section 951A of the internal revenue code less the amount of the~~  
53 ~~deduction that would have been allowed under clause (i) of section~~  
54 ~~250(a)(1)(B) of such code if the taxpayer had not made an election under~~  
55 ~~subchapter s of chapter one of the internal revenue code]~~ For any taxa-

1 ble year, such amount shall be calculated pursuant to such provisions of  
2 the internal revenue code provisions as in effect in such taxable year.

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

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

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

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

23 (21) For taxable years beginning on or after January first, two thou-  
24 sand twenty-five, the increase in the amount allowed as a federal inter-  
25 est deduction pursuant to section one hundred sixty-three of the inter-  
26 nal revenue code attributable to additional adjusted taxable income that  
27 is attributable to depreciation, amortization, or depletion. For the  
28 purposes of this subdivision, "additional adjusted taxable income that  
29 is attributable to depreciation, amortization, or depletion" means the  
30 difference between the amount of adjusted taxable income computed pursu-  
31 ant to paragraph eight of subsection (j) of section one hundred sixty-  
32 three of the internal revenue code and such amount calculated without  
33 regard to clause (v) of subparagraph (A) of such paragraph.

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

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

48 (18) for taxable years beginning after December thirty-first, two  
49 thousand twenty-four, the amount allowed as an exclusion or deduction in  
50 determining federal taxable income pursuant to subsection (a) of section  
51 one hundred seventy-nine of the internal revenue code subject to the  
52 dollar limitations in paragraphs one and two of subsection (b) of such  
53 section that were in effect for the last tax year beginning before Janu-  
54 ary first, two thousand twenty-five, adjusted in accordance with para-  
55 graph six of such subsection using the amounts in paragraphs one and two  
56 that were in effect for such tax year and, for the purposes of applying

1 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
2 section one of the internal revenue code, substituting "calendar year  
3 2017" for "calendar year 2016".

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

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

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

29 (20) for taxable years beginning after December thirty-first, two  
30 thousand twenty-four, the amount allowed as an exclusion or deduction in  
31 determining federal taxable income pursuant to subsection (a) of section  
32 one hundred seventy-nine of the internal revenue code subject to the  
33 dollar limitations in paragraphs one and two of subsection (b) of such  
34 section that were in effect for the last tax year beginning before Janu-  
35 ary first, two thousand twenty-five, adjusted in accordance with para-  
36 graph six of such subsection using the amounts in paragraphs one and two  
37 that were in effect for such tax year and, for the purposes of applying  
38 clause (ii) of subparagraph (A) of paragraph three of subsection (f) of  
39 section one of the internal revenue code, substituting "calendar year  
40 2017" for "calendar year 2016".

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

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

55 (24) For taxable years beginning after December thirty-first, two  
56 thousand twenty-four, the amount allowed as an exclusion or deduction in

1 determining federal taxable income of any depreciation of qualified  
2 production property described in subsection (n) of section one hundred  
3 sixty-eight of the internal revenue code. For the purposes of this  
4 subchapter, such property shall not be treated as section 1245 property  
5 as described in section one thousand two hundred forty-five of the  
6 internal revenue code.

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

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

16 (27) For taxable years beginning on or after January first, two thou-  
17 sand twenty-five, the increase in the amount allowed as a federal inter-  
18 est deduction pursuant to section one hundred sixty-three of the inter-  
19 nal revenue code attributable to additional adjusted taxable income that  
20 is attributable to depreciation, amortization, or depletion. For the  
21 purposes of this subdivision, "additional adjusted taxable income that  
22 is attributable to depreciation, amortization, or depletion" means the  
23 difference between the amount of adjusted taxable income computed pursu-  
24 ant to paragraph eight of subsection (j) of section one hundred sixty-  
25 three of the internal revenue code and such amount calculated without  
26 regard to clause (v) of subparagraph (A) of such paragraph.

27 § 10. Subdivision 5-a of section 11-654.2 of the administrative code  
28 of the city of New York, as added by section 2 of part C of chapter 59  
29 of the laws of 2019, is amended to read as follows:

30 5-a. Notwithstanding any other provision of this section, [~~net global~~  
31 ~~intangible low taxed income shall be included in the receipts fraction~~  
32 ~~as provided in this subdivision. Receipts constituting net global intan-~~  
33 ~~gible low taxed income] the amount required to be included in the  
34 taxpayer's federal gross income pursuant to subsection (a) of section  
35 951A of the internal revenue code less the amount of the deduction  
36 allowed under clause (i) of section 250(a)(1)(B) of such code shall not  
37 be included in the numerator of the receipts fraction. [~~Receipts consti-~~  
38 ~~tuting net global intangible low taxed income] The amount required to be  
39 included in the taxpayer's federal gross income pursuant to subsection  
40 (a) of section 951A of the internal revenue code less the amount of the  
41 deduction allowed under clause (i) of section 250(a)(1)(B) of such code  
42 shall be included in the denominator of the receipts fraction. [~~For~~  
43 ~~purposes of this subdivision, the term "net global intangible low taxed~~  
44 ~~income" means the amount required to be included in the taxpayer's~~  
45 ~~federal gross income pursuant to subsection (a) of section 951A of the~~  
46 ~~internal revenue code less the amount of the deduction allowed under~~  
47 ~~clause (i) of section 250(a)(1)(B) of such code] For any taxable year,  
48 such amount shall be calculated pursuant to such provisions of the  
49 internal revenue code provisions as in effect in such taxable year.~~~~~~

50 § 11. This act shall take effect immediately and shall be deemed to  
51 have been in full force and effect on and after December 31, 2024, and  
52 shall apply to taxable years beginning after December 31, 2024;  
53 provided, however, that no interest or penalty shall accrue on returns  
54 under a valid extension that are filed within the period of extension or  
55 amended returns filed for taxable years beginning after December 31,

1 2024, and before January 1, 2026, that solely report the modifications  
2 required by this act.

3 PART H

4 Intentionally Omitted

5 PART I

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

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

16 § 2. Subdivision (a) of section 49 of the tax law, as added by section  
17 2 of part E of chapter 59 of the laws of 2024, is amended to read as  
18 follows:

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

29 § 3. This act shall take effect immediately.

30 PART J

31 Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax  
32 law, as amended by section 4 of part L of chapter 59 of the laws of  
33 2025, is amended to read as follows:

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

41 § 2. This act shall take effect immediately and apply to qualified New  
42 York city musical and theatrical production companies whose first  
43 performance was on or after December 1, 2025; provided, however, that  
44 the amendments to section 24-c of the tax law made by section one of  
45 this act shall not affect the repeal of such section and shall be deemed  
46 repealed therewith.

47 PART K

1 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdivi-  
2 vision 2 as amended by chapter 728 of the laws of 2019 and subdivision  
3 12 as added by chapter 61 of the laws of 1989, are amended and a new  
4 subdivision 22 is added to read as follows:

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

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

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

28 § 2. The opening paragraph of subdivision (a) of section 471-c of the  
29 tax law, as amended by section 2 of part II of chapter 57 of the laws of  
30 2009, is amended to read as follows:

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

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

44 2. Every person who shall possess or transport more than two hundred  
45 fifty cigars, or more than five pounds of tobacco other than roll-your-  
46 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or  
47 more than seventy-five units of alternative nicotine products, upon the  
48 public highways, roads or streets of the state, shall be required to  
49 have in [~~his~~] their actual possession invoices or delivery tickets for  
50 such tobacco products. Such invoices or delivery tickets shall show the  
51 name and address of the consignor or seller, the name and address of the  
52 consignee or purchaser, the quantity and brands of the tobacco products  
53 transported, and the name and address of the person who has or shall  
54 assume the payment of the tax and the wholesale price or the tax paid or  
55 payable. The absence of such invoices or delivery tickets shall be prima

1 facie evidence that such person is a dealer in tobacco products in this  
2 state and subject to the requirements of this article.

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

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

20 (i) In addition to any other penalty imposed by this article, the  
21 commissioner may (A) impose a penalty of not more than six hundred  
22 dollars for each two hundred cigarettes, or fraction thereof, in excess  
23 of one thousand cigarettes in unstamped or unlawfully stamped packages  
24 in the possession or under the control of any person or (B) impose a  
25 penalty of not more than two hundred dollars for each ten unaffixed  
26 false, altered or counterfeit cigarette tax stamps, imprints or  
27 impressions, or fraction thereof, in the possession or under the control  
28 of any person. In addition, the commissioner may impose a penalty of not  
29 more than seventy-five dollars for each fifty cigars [~~or~~], one pound of  
30 tobacco, or fifteen units of alternative nicotine products, or fraction  
31 thereof, in excess of two hundred fifty cigars [~~or~~], five pounds of  
32 tobacco, or seventy-five units of alternative nicotine products, in the  
33 possession or under the control of any person and a penalty of not more  
34 than one hundred fifty dollars for each fifty cigars [~~or~~], pound of  
35 tobacco, or fifteen units of alternative nicotine products, or fraction  
36 thereof, in excess of five hundred cigars [~~or~~], ten pounds of tobacco,  
37 or one hundred fifty units of alternative nicotine products, in the  
38 possession or under the control of any person, with respect to which the  
39 tobacco products tax has not been paid or assumed by a distributor or  
40 tobacco products dealer; provided, however, that any such penalty  
41 imposed shall not exceed seven thousand five hundred dollars in the  
42 aggregate. The commissioner may impose a penalty of not more than seven-  
43 ty-five dollars for each fifty cigars [~~or~~], one pound of tobacco, or  
44 fifteen units of alternative nicotine products, or fraction thereof, in  
45 excess of fifty cigars [~~or~~], one pound of tobacco, or fifteen units of  
46 alternative nicotine products, in the possession or under the control of  
47 any tobacco products dealer or distributor appointed by the commission-  
48 er, and a penalty of not more than one hundred fifty dollars for each  
49 fifty cigars [~~or~~], pound of tobacco, or fifteen units of alternative  
50 nicotine products, or fraction thereof, in excess of two hundred fifty  
51 cigars [~~or~~], five pounds of tobacco, or seventy-five units of alterna-  
52 tive nicotine products, in the possession or under the control of any  
53 such dealer or distributor, with respect to which the tobacco products  
54 tax has not been paid or assumed by a distributor or a tobacco products  
55 dealer; provided, however, that any such penalty imposed shall not  
56 exceed fifteen thousand dollars in the aggregate.

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

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

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

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

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

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

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

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

52 (c) From the taxes, interest and penalties collected or received by  
53 the commissioner under section four hundred seventy-one-b of this arti-  
54 cle, effective April first, two thousand twenty-seven, fifty million  
55 dollars from the moneys collected or received under such section shall  
56 be deposited annually to the credit of the tobacco control and insurance

1 initiatives pool to be established and distributed by the commissioner  
2 of health in accordance with section twenty-eight hundred seven-v of the  
3 public health law.

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

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

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

27 (2) Any person, other than a dealer or a distributor appointed by the  
28 commissioner under article twenty of this chapter, who shall knowingly  
29 transport or have in [~~his~~] their custody, possession or under [~~his~~]  
30 their control more than fifteen pounds of tobacco [~~or~~], more than seven  
31 hundred fifty cigars, or more than two hundred twenty-five units of  
32 alternative nicotine products, upon which the taxes imposed by article  
33 twenty of this chapter have not been assumed or paid by a distributor  
34 appointed by the commissioner under article twenty of this chapter, or  
35 other person treated as a distributor pursuant to section four hundred  
36 seventy-one-d of this chapter shall be guilty of a misdemeanor punisha-  
37 ble by a fine of not more than five thousand dollars or by a term of  
38 imprisonment not to exceed thirty days.

39 (3) Any person, other than a distributor appointed by the commissioner  
40 under article twenty of this chapter, who shall knowingly transport or  
41 have in [~~his~~] their custody, possession or under [~~his~~] their control  
42 twenty-five hundred or more cigars [~~or~~], fifty or more pounds of  
43 tobacco, or seven hundred fifty units or more of alternative nicotine  
44 products, upon which the taxes imposed by article twenty of this chapter  
45 have not been assumed or paid by a distributor appointed by the commis-  
46 sioner under article twenty of this chapter, or other person treated as  
47 a distributor pursuant to section four hundred seventy-one-d of this  
48 chapter shall be guilty of a misdemeanor. Provided further, that any  
49 person who has twice been convicted under this subdivision shall be  
50 guilty of a class E felony for any subsequent violation of this section,  
51 regardless of the amount of tobacco products involved in such violation.

52 (4) For purposes of this subdivision, such person shall knowingly  
53 transport or have in [~~his~~] their custody, possession or under [~~his~~]  
54 their control tobacco [~~or~~], cigars, or alternative nicotine products, on  
55 which such taxes have not been assumed or paid by a distributor  
56 appointed by the commissioner where such person has knowledge of the

1 requirement of the tax on tobacco products and, where to [~~his~~] their  
2 knowledge, such taxes have not been assumed or paid on such tobacco  
3 products by a distributor appointed by the commissioner of taxation and  
4 finance.

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

7 § 1814-a. Person not appointed as a tobacco products distributor. (a)  
8 Any person who, while not appointed as a distributor of tobacco products  
9 pursuant to the provisions of article twenty of this chapter, imports or  
10 causes to be imported into the state more than fifty cigars [~~or~~],  
11 more than one pound of tobacco, or more than fifteen units of alternative  
12 nicotine products, for sale within the state, or produces, manufactures  
13 or compounds tobacco products within the state shall be guilty of a  
14 misdemeanor punishable by a fine of not more than five thousand dollars  
15 or by a term of imprisonment not to exceed thirty days. If, within any  
16 ninety day period, one thousand or more cigars, or five hundred pounds  
17 or more of tobacco, or seven thousand five hundred units or more of  
18 alternative nicotine products, are imported or caused to be imported  
19 into the state for sale within the state or are produced, manufactured  
20 or compounded within the state by any person while not appointed as a  
21 distributor of tobacco products, such person shall be guilty of a misde-  
22 meanor. Provided further, that any person who has twice been convicted  
23 under this section shall be guilty of a class E felony for any subse-  
24 quent violation of this section, regardless of the amount of tobacco  
25 products involved in such violation.

26 (b) For purposes of this section, the possession or transportation  
27 within this state by any person, other than a tobacco products distribu-  
28 tor appointed by the commissioner of taxation and finance, at any one  
29 time of seven hundred fifty or more cigars [~~or~~], fifteen pounds or more  
30 of tobacco, or two hundred twenty-five units or more of alternative  
31 nicotine products, shall be presumptive evidence that such tobacco  
32 products are possessed or transported for the purpose of sale and are  
33 subject to the tax imposed by section four hundred seventy-one-b of this  
34 chapter. With respect to such possession or transportation, any  
35 provisions of article twenty of this chapter providing for a time period  
36 during which the tax imposed by such article may be paid shall not  
37 apply.

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

40 (a) Whenever a police officer designated in section 1.20 of the crimi-  
41 nal procedure law or a peace officer designated in subdivision four of  
42 section 2.10 of such law, acting pursuant to [~~his~~] their special duties,  
43 shall discover any tobacco products in excess of five hundred cigars  
44 [~~or~~], ten pounds of tobacco, or one hundred fifty units of alternative  
45 nicotine products, which are [~~being imported for~~] possessed for the  
46 purpose of sale in the state [~~where the person importing or causing~~]  
47 when the excise taxes on such tobacco products [~~to be imported has not~~  
48 ~~been appointed as~~] have not been assumed or paid by a distributor  
49 appointed pursuant to section four hundred seventy-two of this chapter,  
50 such police officer or peace officer is hereby authorized and empowered  
51 forthwith to seize and take possession of such tobacco products. Such  
52 tobacco products seized by a police officer or peace officer shall be  
53 turned over to the commissioner. Such seized tobacco products shall be  
54 forfeited to the state. All tobacco products forfeited to the state  
55 shall be destroyed or used for law enforcement purposes, except that  
56 tobacco products that violate, or are suspected of violating, federal

1 trademark laws or import laws shall not be used for law enforcement  
2 purposes. If the commissioner determines the tobacco products may not be  
3 used for law enforcement purposes, the commissioner must, within a  
4 reasonable time thereafter, upon publication in the state registry of a  
5 notice to such effect before the day of destruction, destroy such  
6 forfeited tobacco products. The commissioner may, prior to any  
7 destruction of tobacco products, permit the true holder of the trademark  
8 rights in the tobacco products to inspect such forfeited products in  
9 order to assist in any investigation regarding such tobacco products.

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

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

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

29 (a) On and after April first, two thousand five, such fund shall  
30 consist of the revenues heretofore and hereafter collected or required  
31 to be deposited pursuant to paragraph (a) of subdivision eighteen of  
32 section twenty-eight hundred seven-c, and sections twenty-eight hundred  
33 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t  
34 of the public health law, [~~subdivision~~] subdivisions (b) and (c) of  
35 section four hundred eighty-two and section eleven hundred eighty-six of  
36 the tax law and required to be credited to the tobacco control and  
37 insurance initiatives pool, subparagraph (O) of paragraph four of  
38 subsection (j) of section four thousand three hundred one of the insur-  
39 ance law, section twenty-seven of part A of chapter one of the laws of  
40 two thousand two and all other moneys credited or transferred thereto  
41 from any other fund or source pursuant to law.

42 (b) The pool administrator under contract with the commissioner of  
43 health pursuant to section twenty-eight hundred seven-y of the public  
44 health law shall continue to collect moneys required to be collected or  
45 deposited pursuant to paragraph (a) of subdivision eighteen of section  
46 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,  
47 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the  
48 public health law, and shall deposit such moneys in the HCRA resources  
49 fund. The comptroller shall deposit moneys collected or required to be  
50 deposited pursuant to [~~subdivision~~] subdivisions (b) and (c) of section  
51 four hundred eighty-two of the tax law and required to be credited to  
52 the tobacco control and insurance initiatives pool, subparagraph (O) of  
53 paragraph four of subsection (j) of section four thousand three hundred  
54 one of the insurance law, section twenty-seven of part A of chapter one  
55 of the laws of two thousand two and all other moneys credited or trans-

1 ferred thereto from any other fund or source pursuant to law in the HCRA  
2 resources fund.

3 § 13. Notwithstanding any other provision of law to the contrary, the  
4 units of alternative nicotine products possessed in New York state as of  
5 11:59 pm eastern standard time on August 31, 2026, by any person for  
6 sale shall be subject to tax pursuant to section 471-b of the tax law,  
7 and shall be remitted by September 21, 2026, in the form and manner  
8 prescribed by the commissioner of taxation and finance.

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

11 PART L

12 Intentionally Omitted

13 PART M

14 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of  
15 subdivision (b) of section 1402 of the tax law, as amended by section 1  
16 of part U of chapter 59 of the laws of 2023, is amended to read as  
17 follows:

18 For purposes of this subdivision, the phrase "real estate investment  
19 trust transfer" shall mean any conveyance of real property or an inter-  
20 est therein to a REIT, or to a partnership or corporation in which a  
21 REIT owns a controlling interest immediately following the conveyance,  
22 which conveyance (I) occurs in connection with the initial formation of  
23 the REIT, provided that the conditions set forth in clauses (i) and (ii)  
24 of this subparagraph are satisfied, or (II) in the case of any real  
25 estate investment trust transfer occurring on or after July thirteenth,  
26 nineteen hundred ninety-six and before September first, two thousand  
27 [~~twenty-six~~] twenty-nine, is described in the last sentence of this  
28 subparagraph.

29 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section  
30 1201 of the tax law, as amended by section 2 of part U of chapter 59 of  
31 the laws of 2023, is amended to read as follows:

32 (2) any issuance or transfer of an interest in a REIT, or in a part-  
33 nership or corporation in which a REIT owns a controlling interest imme-  
34 diately following the issuance or transfer, in connection with a trans-  
35 action described in subparagraph one of this paragraph. Notwithstanding  
36 the foregoing, a transaction described in the preceding sentence shall  
37 not constitute a real estate investment trust transfer unless (A) it  
38 occurs in connection with the initial formation of the REIT and the  
39 conditions described in subparagraphs three and four of this paragraph  
40 are satisfied, or (B) in the case of any real estate investment trust  
41 transfer occurring on or after July thirteenth, nineteen hundred nine-  
42 ty-six and before September first, two thousand [~~twenty-six~~]  
43 twenty-nine, the transaction is described in subparagraph five of this  
44 paragraph in which case the provisions of such subparagraph shall apply.

45 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section  
46 11-2102 of the administrative code of the city of New York, as amended  
47 by section 3 of part U of chapter 59 of the laws of 2023, is amended to  
48 read as follows:

49 (B) any issuance or transfer of an interest in a REIT, or in a part-  
50 nership or corporation in which a REIT owns a controlling interest imme-  
51 diately following the issuance or transfer in connection with a trans-

1 action described in subparagraph (A) of this paragraph. Notwithstanding  
2 the foregoing, a transaction described in the preceding sentence shall  
3 not constitute a real estate investment trust transfer unless (i) it  
4 occurs in connection with the initial formation of the REIT and the  
5 conditions described in subparagraphs (C) and (D) of this paragraph are  
6 satisfied, or (ii) in the case of any real estate investment trust  
7 transfer occurring on or after July thirteenth, nineteen hundred nine-  
8 ty-six and before September first, two thousand [~~twenty-six~~]  
9 twenty-nine, the transaction is described in subparagraph (E) of this  
10 paragraph in which case the provision of such subparagraph shall apply.

11 § 4. This act shall take effect immediately.

12

#### PART N

13 Section 1. Notwithstanding any provision of law to the contrary, the  
14 commissioner of taxation and finance is hereby directed to institute a  
15 reregistration program in accordance with this section, to be completed  
16 by December 31, 2030. Such commissioner shall issue a notice of expira-  
17 tion to holders of current certificates of authority in an order and at  
18 such times that such commissioner determines necessary for the proper  
19 administration of such reregistration program and to ensure the integri-  
20 ty and qualifications of registrants pursuant to this section. Such  
21 notice of expiration shall be issued to the holder of such certificate  
22 of authority at least 180 days prior to the date of expiration indicated  
23 therein and shall be mailed by certified mail in accordance with the  
24 provisions in subdivision (a) of section 1147 of the tax law. A properly  
25 completed certificate of registration for a new certificate of authority  
26 must be filed with such commissioner at least 90 days prior to the date  
27 of expiration of the current certificate of authority. The commissioner,  
28 within 30 days of receipt of a certificate of registration for a new  
29 certificate of authority pursuant to this section, shall either: issue,  
30 without charge, to each registrant a certificate of authority empowering  
31 such person to collect sales tax for a specified term of no less than  
32 three years, and a duplicate thereof for each additional place of busi-  
33 ness of such person; or, shall propose to refuse to issue a certificate  
34 of authority for any of the circumstances described in subparagraph (B)  
35 of paragraph 4 of subdivision (a) of section 1134 of the tax law. A  
36 person who has received a notice of proposed refusal pursuant to this  
37 section may seek review of such determination in accordance with para-  
38 graph (h) of subdivision 3-a of section 170 and subdivision 2 of section  
39 2008 of the tax law; provided, however, the division of tax appeals must  
40 schedule an expedited hearing within 30 days of receipt of a petition by  
41 a person who has received a notice of proposed refusal pursuant to this  
42 section.

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

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

1 (c) For purposes of this section, an eligible tax liability is a  
2 liability for sales and use taxes imposed by article 28 of the tax law  
3 or pursuant to the authority of article 29 of such law, including any  
4 interest or penalty thereon, that is fixed and final on or before  
5 September 1, 2026, such that the taxpayer no longer has any right to an  
6 administrative or judicial review. An eligible tax liability shall not  
7 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of  
8 section 1145 of the tax law, or subdivisions (i) or (j) of such section  
9 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of  
10 the laws of 2009. An eligible tax liability shall not include any  
11 assessment that was reduced by a written agreement with the commission-  
12 er, a liability that was compromised pursuant to subdivision eigh-  
13 teenth-a of section 171 of the tax law, or a liability reduced pursuant  
14 to subdivision 3 of section 1700 of the tax law.

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

19 (e) The commissioner of taxation and finance shall identify the eligi-  
20 ble taxpayers with eligible tax liabilities for purposes of this  
21 section, shall compute the discounted amount due on such eligible tax  
22 liabilities, and shall notify eligible taxpayers of such discounted  
23 amount due. The discount authorized by this section shall not be granted  
24 to any eligible taxpayer for any eligible tax liability unless the  
25 eligible taxpayer pays the discounted amount due in full on or before  
26 December 31, 2026. Payment pursuant to this program shall be made by  
27 eligible taxpayers with eligible tax liabilities in a form and manner as  
28 prescribed by the commissioner of taxation and finance.

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

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

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

41 § 3. This act shall take effect immediately.

42 PART O

43 Intentionally Omitted

44 PART P

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

48 (B) Until May thirty-first, two thousand [~~twenty-six~~] twenty-nine, the  
49 food and drink excluded from the exemption provided by clauses (i), (ii)  
50 and (iii) of subparagraph (A) of this paragraph, and bottled water,  
51 shall be exempt under this subparagraph: (i) when sold for one dollar

1 and fifty cents or less through any vending machine that accepts coin or  
2 currency only; or (ii) when sold for two dollars or less through any  
3 vending machine that accepts any form of payment other than coin or  
4 currency, whether or not it also accepts coin or currency.  
5 § 2. This act shall take effect immediately.

6 PART Q

7 Section 1. Section 2 of part PP of chapter 58 of the laws of 2024  
8 amending the tax law relating to establishing a sales tax exemption for  
9 residential energy storage, is amended to read as follows:  
10 § 2. This act shall take effect June 1, 2024 and shall expire and be  
11 deemed repealed June 1, [~~2026~~ 2028].  
12 § 2. This act shall take effect immediately.

13 PART R

14 Section 1. Subdivision (a) of section 308 of the tax law, as amended  
15 by chapter 2 of the laws of 1995, is amended to read as follows:  
16 (a) General.--Every petroleum business subject to tax under this arti-  
17 cle shall monthly, on or before the twentieth day following the close of  
18 its taxable month, file a return which shall state (i) the number of  
19 gallons of motor fuel imported or caused to be imported into this state  
20 for use, distribution, storage or sale in the state or produced,  
21 refined, manufactured or compounded in the state during the preceding  
22 calendar month, (ii) the number of gallons of diesel motor fuel sold or  
23 used or, with respect to gallonage which prior thereto has not been  
24 included in the measure of the tax imposed by this article, delivered by  
25 the petroleum business to a filling station or into the fuel tank  
26 connecting with the engine of a motor vehicle for use in the operation  
27 thereof during the preceding calendar month, (iii) the number of gallons  
28 of, and the resultant product produced, manufactured or blended, using  
29 diesel motor fuel as a component of such resultant product and the sales  
30 of such resultant product, and (iv) the number of gallons of residual  
31 petroleum product sold or used in this state and the sales of such resi-  
32 dual petroleum product, for the period covered by such return. A resi-  
33 dual petroleum business shall include in its reports the number of  
34 gallons of residual petroleum product imported into the state or  
35 purchased in this state, the number of gallons of diesel motor fuel  
36 purchased in this state and the number of gallons of, and the resultant  
37 product produced, manufactured or blended by such petroleum business,  
38 using diesel motor fuel as a component of such resultant product. The  
39 commissioner of taxation and finance may permit the filing of a return  
40 on a quarterly basis in the case of a petroleum business which only  
41 makes sales of diesel motor fuel solely for residential heating purposes  
42 and which is registered under article twelve-A of this chapter as a  
43 diesel motor fuel distributor under a limited registration applicable  
44 only to the importation, sale and distribution of diesel motor fuel for  
45 the purposes described in subparagraph (i) of paragraph (b) of subdivi-  
46 sion three of section two hundred eighty-two-a of this chapter or in the  
47 case of a petroleum business registered as a "distributor of kero-jet  
48 fuel only" pursuant to the provisions of subdivision two of section two  
49 hundred eighty-two-a of this chapter. In the case of such returns  
50 permitted to be filed on a quarterly basis, the adjustments to the rates  
51 of tax then in effect, as provided for in sections three hundred one-a  
52 and three hundred one-e of this article, which take effect on the first

1 day of January of each year shall, with respect to such quarterly  
2 return, take effect on the first day of the next succeeding March.  
3 Returns shall be filed with the commissioner [~~in~~] on a form prescribed  
4 by the commissioner, setting forth such other information as the commis-  
5 sioner may prescribe. Every petroleum business shall also transmit such  
6 other returns and such facts and information as the commissioner may  
7 require in the administration of this article. Every petroleum business  
8 which is a corporation subject to tax under this article and which ceas-  
9 es to exercise its franchise or to be subject to the tax imposed by this  
10 article shall transmit to the commissioner a return on the date of such  
11 cessation, or at such other time as the commissioner may require, cover-  
12 ing each month or period for which no return was theretofore filed. The  
13 commissioner may, if the commissioner deems it necessary in order to  
14 insure the payment of the tax imposed by this article, require returns  
15 to be made at such times and covering such periods as the commissioner  
16 may deem necessary. Notwithstanding the foregoing provisions of this  
17 subdivision, the commissioner may require any corporation or unincorpo-  
18 rated business [~~which~~] that engages in transactions involving petroleum  
19 or similar products, including aviation fuels, to file a monthly return,  
20 which shall contain [~~any data specified by him~~] such information as the  
21 commissioner prescribes, regardless of whether such corporation or unin-  
22 corporated business is subject to tax under this article. Notwithstand-  
23 ing the provisions of this subdivision, every petroleum business that  
24 operates a "commercial vessel", as defined in subdivision (b) of section  
25 eleven hundred one of this chapter, shall annually file the returns  
26 required under this section, on a form and containing such information  
27 as the commissioner prescribes. Such "commercial vessel" returns shall  
28 be filed annually on or before March twentieth and shall cover the four  
29 sales tax quarterly periods described in subdivision (b) of section  
30 eleven hundred thirty-six of this chapter immediately preceding such  
31 date.

32 § 2. This act shall take effect on the first day of the month next  
33 commencing at least ninety days after this act shall have become a law;  
34 provided, however, that a petroleum business that is required to file an  
35 annual return pursuant to section one of this act shall be required to  
36 file monthly returns for periods ending on or before such effective  
37 date; and provided further, however, that such petroleum business shall  
38 file an annual return for the remainder of the annual period of March 1,  
39 2026 through February 28, 2027, on or before March 20, 2027, and shall  
40 be required to file annual returns thereafter.

41 PART S

42 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006  
43 amending the tax law and other laws relating to providing exemptions,  
44 reimbursements and credits from various taxes for certain alternative  
45 fuels, as amended by section 1 of part EE of chapter 59 of the laws of  
46 2021, is amended to read as follows:

47 § 19. This act shall take effect immediately; provided, however, that  
48 sections one through thirteen of this act shall take effect September 1,  
49 2006 and shall be deemed repealed on September 1, [~~2026~~] 2031 and such  
50 repeal shall apply in accordance with the applicable transitional  
51 provisions of sections 1106 and 1217 of the tax law, and shall apply to  
52 sales made, fuel compounded or manufactured, and uses occurring on or  
53 after such date, and with respect to sections seven through eleven of  
54 this act, in accordance with applicable transitional provisions of

1 sections 1106 and 1217 of the tax law; provided, however, that the  
2 commissioner of taxation and finance shall be authorized on and after  
3 the date this act shall have become a law to adopt and amend any rules  
4 or regulations and to take any steps necessary to implement the  
5 provisions of this act; provided further that sections fourteen through  
6 sixteen of this act shall take effect immediately and shall apply to  
7 taxable years beginning on or after January 1, 2006.  
8 § 2. This act shall take effect immediately.

9

## PART T

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

13 (a-2) Notwithstanding any provision of law to the contrary, [~~where an~~  
14 ~~application for the "enhanced" STAR exemption authorized by subdivision~~  
15 ~~four of this section has not been filed on or before the taxable status~~  
16 ~~date, and the owner believes that good cause existed for the failure to~~  
17 ~~file the application by that date,] when a property owner of a property  
18 with a basic STAR exemption believes they have become eligible for the  
19 enhanced STAR exemption but their basic STAR exemption has not been  
20 changed to an enhanced STAR exemption pursuant to the provisions of  
21 paragraph (b) of subdivision four-b of this section, the owner may, no  
22 later than the last day for paying school taxes without incurring inter-  
23 est or penalty, submit a [~~written~~] request to the commissioner asking  
24 [~~him or her to extend the filing deadline and~~] the commissioner to grant  
25 the exemption. Such request shall be in a form prescribed by the commis-  
26 sioner and shall contain an explanation of why the [~~deadline was missed,~~  
27 ~~and shall be accompanied by an application, reflecting the facts and~~  
28 ~~circumstances as they existed on the taxable status date~~] property owner  
29 believes they have become eligible for the enhanced STAR exemption.  
30 After consulting with the assessor, the commissioner may [~~extend the~~  
31 ~~filing deadline and~~] grant the exemption if the commissioner is satis-  
32 fied that [~~(i) good cause existed for the failure to file the applica-~~  
33 ~~tion by the taxable status date, and that (ii)~~] the applicant is [~~other-~~  
34 ~~wise~~] entitled to the exemption. The commissioner shall mail notice of  
35 [~~his or her~~] such determination to such owner and the assessor. If the  
36 determination states that the commissioner has granted the exemption,  
37 the assessor shall thereupon be authorized and directed to correct the  
38 assessment roll accordingly, or, if another person has custody or  
39 control of the assessment roll, to direct that person to make the appro-  
40 priate corrections. Provided, however, that if the assessment roll  
41 cannot be corrected in time for the exemption to appear on the appli-  
42 cant's school tax bill, the commissioner shall be authorized to remit  
43 directly to the applicant the tax savings that the STAR exemption would  
44 have yielded if it had appeared on the applicant's tax bill. The amounts  
45 so payable shall be paid from the account established for the payment of  
46 STAR benefits to late registrants pursuant to subparagraph (iii) of  
47 paragraph (a) of subdivision fourteen of this section.~~

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

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

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

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

8 § 4. Subparagraph (A) of paragraph 1 of subsection (eee) of section  
9 606 of the tax law, as amended by section 8 of part A of chapter 73 of  
10 the laws of 2016, is amended to read as follows:

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

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

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

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

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

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

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

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

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

53 § 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section  
54 606 of the tax law, as added by section 1 of part TT of chapter 59 of  
55 the laws of 2017, is amended to read as follows:

1 (C) If the commissioner determines that a taxpayer received a prelimi-  
2 nary advance payment that is above or below the advance payment to which  
3 he or she was entitled under this subsection, the commissioner shall  
4 provide notice to such taxpayer that the next advance payment due to  
5 such taxpayer under this subsection shall be adjusted to reconcile such  
6 underpayment or overpayment[, ~~provided, however, the commissioner shall~~  
7 ~~permit a taxpayer to request that such adjustment be made on an~~  
8 ~~originally filed timely income tax return for the tax year in which such~~  
9 ~~overpayment or underpayment occurred, provided such return is filed on~~  
10 ~~or before the due date for such return, determined without regard to~~  
11 ~~extensions~~].

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

15 PART U

16 Section 1. Section 4 of chapter 475 of the laws of 2013 amending the  
17 real property tax law relating to assessment ceilings for local public  
18 utility mass real property, as amended by section 1 of part Y of chapter  
19 59 of the laws of 2022, is amended to read as follows:

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

31 § 2. Paragraph (a) of subdivision 2 of section 200-a of the real prop-  
32 erty tax law, as separately amended by section 2 of part J of chapter 57  
33 and chapter 475 of the laws of 2013, is amended to read as follows:

34 (a) The power to determine the final special franchise value, special  
35 franchise assessment, railroad ceiling, state equalization rate or any  
36 other equalization product established pursuant to this chapter for  
37 which a complaint has been filed, as provided by sections four hundred  
38 eighty-nine-o, four hundred eighty-nine-ll, [~~four hundred ninety-nine-~~  
39 ~~pppp~~] six hundred fourteen, twelve hundred ten, twelve hundred fifty-  
40 three, and twelve hundred sixty-three of this chapter;

41 § 3. This act shall take effect immediately; provided, however, that  
42 the amendments to paragraph (a) of subdivision 2 of section 200-a of the  
43 real property tax law made by section two of this act shall not affect  
44 the expiration and reversion of such section pursuant to section 4 of  
45 chapter 475 of the laws of 2013, as amended.

46 PART V

47 Section 1. This Part enacts into law components of legislation relat-  
48 ing to rent exemptions and rent increase exemptions and property tax  
49 exemptions for certain persons. Each component is wholly contained with-  
50 in a Subpart identified as Subparts A through B. The effective date for  
51 each particular provision contained within such Subpart is set forth in  
52 the last section of such Subpart. Any provision in any section contained

1 within a Subpart, including the effective date of the Subpart, which  
2 makes reference to a section "of this act", when used in connection with  
3 that particular component, shall be deemed to mean and refer to the  
4 corresponding section of the Subpart in which it is found. Section three  
5 of this Part sets forth the general effective date of this Part.

6

## SUBPART A

7 Section 1. Paragraph a of subdivision 3 of section 467-b of the real  
8 property tax law, as amended by section 1 of part U of chapter 55 of the  
9 laws of 2014, is amended to read as follows:

10 a. for a dwelling unit where the head of the household is a person  
11 sixty-two years of age or older, no tax abatement shall be granted if  
12 the combined income of all members of the household for the income tax  
13 year immediately preceding the date of making application exceeds four  
14 thousand dollars, or such other sum not more than twenty-five thousand  
15 dollars beginning July first, two thousand five, twenty-six thousand  
16 dollars beginning July first, two thousand six, twenty-seven thousand  
17 dollars beginning July first, two thousand seven, twenty-eight thousand  
18 dollars beginning July first, two thousand eight, twenty-nine thousand  
19 dollars beginning July first, two thousand nine, [~~and~~] fifty thousand  
20 dollars beginning July first, two thousand fourteen, and seventy-five  
21 thousand dollars beginning July first, two thousand twenty-six, as may  
22 be provided by the local law, ordinance or resolution adopted pursuant  
23 to this section, provided that when the head of the household retires  
24 before the commencement of such income tax year and the date of filing  
25 the application, the income for such year may be adjusted by excluding  
26 salary or earnings and projecting [~~his or her~~] their retirement income  
27 over the entire period of such year.

28 § 2. Paragraph b of subdivision 3 of section 467-b of the real proper-  
29 ty tax law, as amended by section 1 of chapter 129 of the laws of 2014,  
30 is amended to read as follows:

31 b. for a dwelling unit where the head of the household qualifies as a  
32 person with a disability pursuant to subdivision five of this section,  
33 no tax abatement shall be granted if the combined income for all members  
34 of the household for the current income tax year exceeds fifty thousand  
35 dollars beginning July first, two thousand fourteen, and seventy-five  
36 thousand dollars beginning July first, two thousand twenty-six, as may  
37 be provided by the local law, ordinance or resolution adopted pursuant  
38 to this section.

39 § 3. Subparagraph 1 of paragraph d of subdivision 1 of section 467-c  
40 of the real property tax law, as amended by section 2 of part U of chap-  
41 ter 55 of the laws of 2014, is amended to read as follows:

42 (1) a person or [~~his or her~~] their spouse who is sixty-two years of  
43 age or older and is entitled to the possession or to the use and occu-  
44 pancy of a dwelling unit, provided, however, with respect to a dwelling  
45 which was subject to a mortgage insured or initially insured by the  
46 federal government pursuant to section two hundred thirteen of the  
47 National Housing Act, as amended "eligible head of the household" shall  
48 be limited to that person or [~~his or her~~] their spouse who was entitled  
49 to possession or the use and occupancy of such dwelling unit at the time  
50 of termination of such mortgage, and whose income when combined with the  
51 income of all other members of the household, does not exceed six thou-  
52 sand five hundred dollars for the taxable period, or such other sum not  
53 less than sixty-five hundred dollars nor more than twenty-five thousand  
54 dollars beginning July first, two thousand five, twenty-six thousand

1 dollars beginning July first, two thousand six, twenty-seven thousand  
2 dollars beginning July first, two thousand seven, twenty-eight thousand  
3 dollars beginning July first, two thousand eight, twenty-nine thousand  
4 dollars beginning July first, two thousand nine, [~~and~~] fifty thousand  
5 dollars beginning July first, two thousand fourteen, and seventy-five  
6 thousand dollars beginning July first, two thousand twenty-six, as may  
7 be provided by local law.

8 § 4. Paragraph m of subdivision 1 of section 467-c of the real proper-  
9 ty tax law, as amended by chapter 129 of the laws of 2014, is amended to  
10 read as follows:

11 m. "Person with a disability" means an individual who is currently  
12 receiving social security disability insurance (SSDI) or supplemental  
13 security income (SSI) benefits under the federal social security act or  
14 disability pension or disability compensation benefits provided by the  
15 United States department of veterans affairs or those previously eligi-  
16 ble by virtue of receiving disability benefits under the supplemental  
17 security income program or the social security disability program and  
18 currently receiving medical assistance benefits based on determination  
19 of disability as provided in section three hundred sixty-six of the  
20 social services law and whose income for the current income tax year,  
21 together with the income of all members of such individual's household,  
22 does not exceed fifty thousand dollars beginning July first, two thou-  
23 sand fourteen, and seventy-five thousand dollars beginning July first,  
24 two thousand twenty-six, as may be provided by local law.

25 § 5. Paragraph (a) of subdivision 1 of section 467 of the real proper-  
26 ty tax law, as amended by section 1 of part K of chapter 59 of the laws  
27 of 2023, is amended to read as follows:

28 (a) Real property owned by one or more persons, each of whom is  
29 sixty-five years of age or over, or real property owned by a married  
30 couple or by siblings, one of whom is sixty-five years of age or over,  
31 or real property owned by one or more persons, some of whom qualify  
32 under this section and the others of whom qualify under section four  
33 hundred fifty-nine-c of this title, shall be exempt from payments in  
34 lieu of taxes (PILOT) to the battery park city authority or from taxa-  
35 tion by any municipal corporation in which located to the extent of  
36 fifty per centum of the assessed valuation thereof, provided the govern-  
37 ing board of such municipality, after public hearing, adopts a local  
38 law, ordinance or resolution providing therefor, and provided further  
39 that such local law, ordinance or resolution shall be enacted or amended  
40 separately from any other local law, ordinance, or resolution authorized  
41 pursuant to a section of this article other than (i) this section or  
42 (ii) section four hundred fifty-nine-c of this title. For the purposes  
43 of this section, the term "sibling" shall include persons whose  
44 relationship as siblings has been established through either half blood,  
45 whole blood or adoption.

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

49 (i) if the income of the owner or the combined income of the owners of  
50 the property for the applicable income tax year exceeds the sum of three  
51 thousand dollars, or such other sum not less than three thousand dollars  
52 nor more than [~~fifty~~] seventy-five thousand dollars beginning July  
53 first, two thousand twenty-seven, as may be provided by the local law,  
54 ordinance or resolution adopted pursuant to this section.

1 § 7. Subparagraph (i) of paragraph (a) of subdivision 5 of section  
2 459-c of the real property tax law, as amended by section 8 of part K of  
3 chapter 59 of the laws of 2023, is amended to read as follows:

4 (i) if the income of the owner or the combined income of the owners of  
5 the property for the applicable income tax year exceeds the sum of three  
6 thousand dollars, or such other sum not less than three thousand dollars  
7 nor more than [~~fifty~~] seventy-five thousand dollars beginning July  
8 first, two thousand twenty-seven, as may be provided by the local law or  
9 resolution adopted pursuant to this section.

10 § 8. Paragraph (a) of subdivision 1 of section 459-c of the real prop-  
11 erty tax law, as amended by chapter 209 of the laws of 2024, is amended  
12 to read as follows:

13 (a) Real property owned by one or more persons with disabilities, or  
14 real property owned by a married person or a married couple, or by  
15 siblings, at least one of whom has a disability, or a person with a  
16 disability who has their primary residence in a special needs trust, or  
17 a property owner who has a tenant with a disability whose lease provides  
18 them with a life interest in the property as long as the tenant remains  
19 in residence, or real property owned by one or more persons, some of  
20 whom qualify under this section and the others of whom qualify under  
21 section four hundred sixty-seven of this title, and whose income, as  
22 hereafter defined, is limited by reason of such disability, shall be  
23 exempt from payments in lieu of taxes (PILOT) to the battery city park  
24 authority or from taxation by any municipal corporation in which located  
25 to the extent of fifty per centum of the assessed valuation thereof as  
26 hereinafter provided. After a public hearing, the governing board of a  
27 county, city, town or village may adopt a local law and a school  
28 district, other than a school district subject to article fifty-two of  
29 the education law, may adopt a resolution to grant the exemption author-  
30 ized pursuant to this section, provided that such local law or resol-  
31 ution shall be enacted or amended separately from any other local law,  
32 ordinance, or resolution authorized pursuant to a section of this arti-  
33 cle other than (i) this section or (ii) section four hundred sixty-seven  
34 of this title.

35 § 9. Section 4 of part U of chapter 55 of the laws of 2014, amending  
36 the real property tax law relating to the tax abatement and exemption  
37 for rent regulated and rent controlled property occupied by senior citi-  
38 zens, as amended by chapter 144 of the laws of 2024, is amended to read  
39 as follows:

40 § 4. This act shall take effect July 1, 2014, and sections one and two  
41 of this act shall expire and be deemed repealed June 30, [~~2026~~] 2028;  
42 provided that the amendment to section 467-b of the real property tax  
43 law made by section one of this act shall not affect the expiration of  
44 such section and shall be deemed to expire therewith.

45 § 10. Section 4 of chapter 129 of the laws of 2014, amending the real  
46 property tax law relating to the tax abatement and exemption for rent  
47 regulated and rent controlled property occupied by persons with disabili-  
48 ties, as amended by chapter 144 of the laws of 2024, is amended to read  
49 as follows:

50 § 4. This act shall take effect July 1, 2014 provided, however, that:

51 (a) the amendments to paragraph b of subdivision 3 of section 467-b of  
52 the real property tax law made by section one of this act shall be  
53 subject to the expiration and reversion of such subdivision pursuant to  
54 section 17 of chapter 576 of the laws of 1974, as amended, when upon  
55 such date the provisions of section two of this act shall take effect;  
56 and

1 (b) nothing contained in this act shall be construed so as to extend  
2 the provisions of this act beyond June 30, [~~2026~~] 2028, when upon such  
3 date this act shall expire and the provisions contained in this act  
4 shall be deemed repealed.

5 § 11. This act shall take effect immediately; provided however:

6 (a) sections one, two, three and four of this act shall expire and be  
7 deemed repealed June 30, 2028;

8 (b) the amendments to paragraphs a and b of subdivision 3 of section  
9 467-b of the real property tax law made by sections one and two of this  
10 act shall not affect the expiration of such paragraphs and shall be  
11 deemed to expire therewith;

12 (c) the amendments to subparagraph 1 of paragraph d of subdivision 1  
13 of section 467-c of the real property tax law made by section three of  
14 this act shall not affect the expiration of such subparagraph and shall  
15 be deemed to expire therewith;

16 (d) the amendments to paragraph m of subdivision 1 of section 467-c of  
17 the real property tax law made by section four of this act shall not  
18 affect the expiration of such paragraph and shall be deemed to expire  
19 therewith; and

20 (e) sections five, six, seven, and eight of this act shall take effect  
21 July 1, 2027.

22 SUBPART B

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

25 § 26-605.2 Required notice. (a) (1) A tenant residing in a dwelling  
26 unit subject to the provisions of this chapter shall be furnished a  
27 notice informing such tenant about the tenant's potential eligibility  
28 for a rent increase exemption pursuant to this chapter and sections four  
29 hundred sixty-seven-b and four hundred sixty-seven-c of the real proper-  
30 ty tax law.

31 (2) The form and content of such notice shall be promulgated as  
32 required by paragraph i of subdivision three of section four hundred  
33 sixty-seven-b of the real property tax law.

34 (3) Such notice shall clearly and conspicuously display the eligibil-  
35 ity requirements for the rent increase exemption and the website address  
36 and telephone number where tenants may obtain more information.

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

40 (1) Notwithstanding paragraph two of subdivision (a) of this section,  
41 the state commissioner of housing and community renewal shall provide  
42 such notice, in a form to be determined by such commissioner, to a  
43 tenant:

44 (i) Upon receipt of an application for a rent adjustment due to a  
45 major capital improvement; and

46 (ii) For dwelling units subject to chapter three of this title, upon a  
47 maximum base rent adjustment pursuant to paragraph one of subdivision g  
48 of section 26-405 of this title.

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

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

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

1 (3) A company, as such term is defined in subdivision two of section  
2 twelve of the private housing finance law, shall provide such notice to  
3 a tenant upon a rent increase pursuant to section thirty-one of the  
4 private housing finance law, provided that the company shall provide  
5 such notice to a tenant at least once annually.

6 § 2. Subparagraph 2 of paragraph i of subdivision 3 of section 467-b  
7 of the real property tax law, as added by chapter 424 of the laws of  
8 2015, is amended to read as follows:

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

22 (B) The state commissioner of housing and community renewal shall  
23 provide notice to a tenant, the form of which shall be determined by  
24 such commissioner, clearly and conspicuously displaying the eligibility  
25 requirements for the senior citizen rent increase exemption program and  
26 the disability rent increase exemption program and the website address  
27 and telephone number where tenants may obtain more information. Such  
28 commissioner shall provide such notice to a tenant at the same time as:

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

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

35 (C) A company, as such term is defined in subdivision two of section  
36 twelve of the private housing finance law, shall provide the notice  
37 required by clause (A) of this subparagraph to a tenant upon a rent  
38 increase pursuant to section thirty-one of the private housing finance  
39 law, provided that the company shall provide such notice to a tenant at  
40 least once annually.

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

43 e. (1) notwithstanding any provision of law to the contrary:

44 (A) A tenant residing in a dwelling unit subject to the provisions of  
45 this section shall be furnished a notice informing such tenant about the  
46 tenant's potential eligibility for a rent increase exemption pursuant to  
47 this section.

48 (B) The form and content of such notice shall be promulgated as  
49 required by paragraph i of subdivision three of section four hundred  
50 sixty-seven-b of this title.

51 (C) Such notice shall clearly and conspicuously display the eligibil-  
52 ity requirements for the rent increase exemption and the website address  
53 and telephone number where tenants may obtain more information.

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

1 (A) Notwithstanding clause (B) of subparagraph one of this paragraph,  
2 the state commissioner of housing and community renewal shall provide  
3 such notice, in a form to be determined by such commissioner, to a  
4 tenant:

5 (i) Upon receipt of an application for a rent adjustment due to a  
6 major capital improvement; and

7 (ii) For dwelling units subject to chapter three of title twenty-six  
8 of the administrative code of the city of New York, upon a maximum base  
9 rent adjustment pursuant to paragraph one of subdivision g of section  
10 26-405 of the administrative code of the city of New York.

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

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

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

17 (C) A company, as such term is defined in subdivision two of section  
18 twelve of the private housing finance law, shall provide such notice to  
19 a tenant upon a rent increase pursuant to section thirty-one of the  
20 private housing finance law, provided that the company shall provide  
21 such notice to a tenant at least once annually.

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

27 § 2. Severability. If any clause, sentence, paragraph, subdivision,  
28 section or subpart of this part shall be adjudged by any court of compe-  
29 tent jurisdiction to be invalid, such judgment shall not affect, impair,  
30 or invalidate the remainder thereof, but shall be confined in its opera-  
31 tion to the clause, sentence, paragraph, subdivision, section or subpart  
32 directly involved in the controversy in which the judgment shall have  
33 been rendered. It is hereby declared to be the intent of the legislature  
34 that this part and each subpart herein would have been enacted even if  
35 such invalid provisions had not been included herein.

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

39 PART W

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

44 2. Beginning with state fiscal year two thousand twenty-six, the  
45 aggregate amount of the pari-mutuel wagering tax paid by a harness track  
46 pursuant to [~~paragraph (b) of~~] subdivision one of this section in a  
47 state fiscal year shall not exceed the pari-mutuel wagering tax attrib-  
48 utable to live racing handle paid by such harness track in state fiscal  
49 year two thousand twenty-four.

50 4. Breaks[~~, as defined in sections two hundred thirty six, two hundred~~  
51 ~~thirty eight, three hundred eighteen, and four hundred eighteen of this~~  
52 ~~chapter~~] are not permitted, unless required by another jurisdiction  
53 pursuant to section nine hundred five of this chapter. All distributions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 hundred nineteen of this chapter. "Super exotic bets" shall have the  
2 meaning set forth in section three hundred one of this chapter. For  
3 purposes of this section, a "pick six bet" shall mean a single bet or  
4 wager on the outcomes of six races. [~~The breaks are hereby defined as~~  
5 ~~the odd cents over any multiple of five for payoffs greater than one~~  
6 ~~dollar five cents but less than five dollars, over any multiple of ten~~  
7 ~~for payoffs greater than five dollars but less than twenty five dollars,~~  
8 ~~over any multiple of twenty five for payoffs greater than twenty five~~  
9 ~~dollars but less than two hundred fifty dollars, or over any multiple of~~  
10 ~~fifty for payoffs over two hundred fifty dollars.~~] Out of the amount so  
11 retained there shall be paid by such franchised corporation to the  
12 commissioner of taxation and finance, as a reasonable tax by the state  
13 for the privilege of conducting pari-mutuel betting on the races run at  
14 the race meetings held by such franchised corporation, which tax is  
15 hereby levied, in the [~~following percentages of the total pool for regu-~~  
16 ~~lar and multiple bets five percent of regular bets and four percent of~~  
17 ~~multiple bets plus twenty percent of the breaks, for exotic wagers seven~~  
18 ~~and one half percent plus twenty percent of the breaks, and for super~~  
19 ~~exotic bets seven and one half percent plus fifty percent of the breaks.~~  
20 ~~For the period April first, two thousand one through December thirty-~~  
21 ~~first, two thousand twenty six, such tax on all wagers shall be one and~~  
22 ~~six tenths percent, plus, in each such period, twenty percent of the~~  
23 ~~breaks~~] applicable percentage set forth in subdivision one of section  
24 one hundred thirty-six of this chapter. Payment to the New York state  
25 thoroughbred breeding and development fund by such franchised corpo-  
26 ration shall be one-half of one percent of total daily on-track pari-mu-  
27 tuel pools resulting from regular, multiple and exotic bets and three  
28 percent of super exotic bets and for the period April first, two thou-  
29 sand one through December thirty-first, two thousand twenty-six, such  
30 payment shall be seven-tenths of one percent of regular, multiple and  
31 exotic pools.

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

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

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

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

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

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

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

39 c. An amount equal to five and ninety-four hundredths percent of the  
40 total pools resulting from on-track regular bets and an amount equal to  
41 five and ninety-four hundredths percent of the total pools resulting  
42 from on-track multiple and exotic bets, and twelve percent of the total  
43 pools resulting from super exotic bets shall be used exclusively for  
44 purses (including stakes, premiums and prizes) awarded in races  
45 conducted by such franchised corporation. Any portion of such percent  
46 not so used during any year shall be so used during the following year[~~7~~  
47 ~~failing which such portion shall be payable to the commissioner as addi-~~  
48 ~~tional tax. Such additional tax shall be payable on or before April~~  
49 ~~first in the year following the year in which such portion is not so~~  
50 ~~used and the provisions of paragraph a of this subdivision shall be~~  
51 ~~applicable thereto except as to the time of payment].~~

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

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

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

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

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

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

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

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

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

1 benefits in such plans shall not be conditioned upon membership in such  
2 organization by any employee or employer thereof, and any denial of  
3 eligibility for benefits in such plans which, upon investigation and  
4 review by the commission, is determined to have resulted from a person,  
5 firm, association, corporation or organization knowingly aiding in or  
6 permitting eligibility for benefits being conditioned upon membership in  
7 such organization shall subject such organization to the penalties  
8 imposed under sections three hundred ten and three hundred twenty-one of  
9 this article but the ratio between the amounts actually expended for  
10 such welfare and medical plans and the cost actually incurred in admin-  
11 istering such welfare and medical plans for fiscal years of such corpo-  
12 ration or association, on or after July twenty-fourth, nineteen hundred  
13 eighty-one, shall not be less than the ratio between such amounts actu-  
14 ally expended and such costs actually incurred for the fiscal year imme-  
15 diately prior to such date. Such organization shall annually on or  
16 before July first certify to the commission that it represents at least  
17 fifty-one percent of such owners and trainers and provide copies of such  
18 certification to such association or corporation. Any other organization  
19 claiming to represent at least fifty-one percent of such owners and  
20 trainers may file a challenge with the commission within fifteen days of  
21 such original certification. The commission shall examine such claim and  
22 may undertake studies and conduct hearings to determine the validity of  
23 such claim. Within sixty days of receiving such challenge and based  
24 upon the findings of such studies and hearings, the commission shall  
25 render a decision on the validity of such claim and advise such organ-  
26 izations and association or corporation of its determination. Upon  
27 receipt of such original certification by such organization, the associ-  
28 ation or corporation shall make such payments to said organization and,  
29 in the event of a challenge brought to any other organization, such  
30 payments shall continue to be made until such time as the commission  
31 renders its decision on such challenge; and

32 (iii) the balance of the retained percentage of such pools [~~and the~~  
33 ~~balance of the breaks~~] may be held by such association or corporation  
34 for its own use and purposes except as provided in paragraph c of this  
35 subdivision and in subdivision four of section three hundred one of this  
36 article, provided, however, that the commission shall report annually,  
37 on or before July first, to the director of the budget, the chair of the  
38 senate finance committee and the chair of the assembly ways and means  
39 committee the extent to which such corporations and associations used  
40 such retained percentages [~~and breakage~~] for operations, maintenance,  
41 capital improvements, advertising and promotion, administration and  
42 general overhead and evaluate the effectiveness and make recommendations  
43 with respect to the application of the [~~reduced~~] rates of taxation as  
44 provided for in subparagraph (i) of this paragraph in accomplishing the  
45 objectives stated therein. Such report shall also specify the amounts of  
46 such retained percentages [~~and breakage~~] used for investments not  
47 directly related to racing activities and such amounts used to declare  
48 dividends or other profit distributions, additions to capital stock, its  
49 sale and transfer and additions to retained earnings. Such reports shall  
50 also include an analysis of any such agreements or proposals to conduct  
51 or otherwise expand wagers authorized under article ten of this chapter  
52 and present its conclusions with respect to the conduct of such wager-  
53 ing, the nature of such proposals and agreements, and recommendations to  
54 ensure the future maintenance of the intent of this article and article  
55 ten of this chapter.

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

16 ~~Provided, however, that]~~ percentage set forth in subdivision one of  
17 section one hundred thirty-six of this chapter, as limited by subdivi-  
18 sion two of section one hundred thirty-six of this chapter. Any such  
19 racing association or corporation shall for any twelve-month period  
20 beginning on April first in nineteen hundred ninety and any year there-  
21 after, ~~[each of the applicable rates set forth above shall be increased~~  
22 ~~by one quarter of one percent on all on track bets of any such racing~~  
23 ~~association or corporation that did not]~~ expend an amount equal to at  
24 least one-half of one percent of its on-track bets during the immedi-  
25 ately preceding calendar year for enhancements consisting of capital  
26 improvements as defined by section three hundred nineteen of this arti-  
27 cle, repairs to its physical plant, structures, and equipment used in  
28 its racing or wagering operations, ~~[as certified by the commission to~~  
29 ~~the commissioner of taxation and finance no later than eighty days after~~  
30 ~~the close of such calendar year, and five special events at each track~~  
31 ~~in each calendar year,]~~ not otherwise conducted in the ordinary course  
32 of business, the purpose of which shall be to encourage, attract and  
33 promote track attendance and encourage new and continued patronage,  
34 which events shall be subject to the approval of the commission for  
35 purposes of this subdivision. In this regard, expenditures by a county  
36 agricultural society pursuant to section three hundred nineteen of this  
37 article shall be credited to the applicable harness racing association  
38 or corporation for this purpose. In the determination of the amounts  
39 expended for such enhancements, the commission may consider the imme-  
40 diately preceding twelve-month calendar period or the average of the two  
41 immediately preceding twelve-month calendar periods. ~~[Notwithstanding~~  
42 ~~the foregoing no increase shall be imposed unless such corporation or~~  
43 ~~association has been afforded a notice and opportunity to be heard. The~~  
44 ~~commission shall promulgate rules and regulations to implement the~~  
45 ~~provisions relating to notice and hearing.~~

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

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

21 (ii) Of the sums retained by such association or corporation, an  
22 amount equal to one and three-quarters percent of the total pool result-  
23 ing from on-track regular, multiple and exotic bets shall be used exclu-  
24 sively for the purpose of increasing purses awarded in overnight races  
25 conducted by such association or corporation. Such amounts shall be in  
26 addition to purse moneys otherwise provided pursuant to existing  
27 contractual obligations. In this regard an amount equal to twelve  
28 percent of the total bets in super exotic pools shall be used for purses  
29 in lieu of any such contractual obligations that might otherwise apply  
30 to purses to be awarded on super exotic bets. Any portion of such amount  
31 not so used during any year shall be so used during the following year[  
32 ~~failing which such portion shall be payable to the commissioner of taxa-~~  
33 ~~tion and finance as additional tax~~]. In addition to the amounts  
34 required in this paragraph, fifty percent of all additional sums  
35 retained, as a result of tax reductions provided in this section after  
36 September first, nineteen hundred ninety-four to qualified licensed  
37 harness racing associations, shall be used exclusively for purposes of  
38 increasing purses awarded in overnight races conducted by such associ-  
39 ation or corporation, provided that such association or corporation has  
40 entered into a written agreement with its representative horsemen's  
41 organization on and after September first, nineteen hundred ninety-four.  
42 Notwithstanding anything contained herein to the contrary, in a harness  
43 special betting district the amount to be used for purses or the method-  
44 ology for calculating the amount to be used for purses may be specified  
45 in a written contract between a harness racing association or corpo-  
46 ration and its representative horsemen's association. The balance of the  
47 retained percentage of such pool may be held by such corporation or  
48 association for its own use and purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 ~~d. For any calendar year for which the commission does not certify~~  
18 ~~pursuant to the provisions of subparagraph (ii) of paragraph b of this~~  
19 ~~subdivision with respect to an association or corporation, the tax~~  
20 ~~required to be paid hereunder for such year shall be equal to the~~  
21 ~~difference between the tax imposed pursuant to the provisions of para-~~  
22 ~~graph a of this subdivision and the tax imposed pursuant to the~~  
23 ~~provisions of paragraph a or b, whichever is applicable, of subdivision~~  
24 ~~one of this section, less one-half of such difference in recognition of~~  
25 ~~purses that were required to be paid, plus an additional amount equal to~~  
26 ~~ten percent of such tax in the event of a willful failure to comply with~~  
27 ~~the provisions of subparagraph (ii) of paragraph b of this subdivision~~  
28 ~~and such association or corporation shall pay the tax so computed to the~~  
29 ~~commissioner of taxation and finance on or before March fifteenth of the~~  
30 ~~following year. Notwithstanding the provisions of this subdivision, in~~  
31 ~~the event that upon appeal from the determination of the commission that~~  
32 ~~the certification provided in paragraph b of this subdivision will not~~  
33 ~~be made, it is finally determined that the commission erred in failing~~  
34 ~~to so certify and that any moneys received by the commissioner of tax-~~  
35 ~~ation and finance under paragraph e of this subdivision were paid in~~  
36 ~~error, the same shall be refunded at the rate of interest of six percent~~  
37 ~~per annum. Payment of such tax due, or the anticipation of such payment,~~  
38 ~~shall not affect the determination of purses in the year in which such~~  
39 ~~tax arises or in the year in which such payment is made nor shall such~~  
40 ~~payment in any other manner be considered in any statutory or contract-~~  
41 ~~ual calculation of purse obligations.~~

42 ~~e. Written notice of the certification of the commission pursuant to~~  
43 ~~the provisions of paragraph b of this subdivision shall be given by the~~  
44 ~~commission to the applicable association or corporation by the dates~~  
45 ~~therein specified. In like manner, written notice that such certif-~~  
46 ~~ication will not be made shall be given by the commission to the commis-~~  
47 ~~sioner of taxation and finance and the applicable association or corpo-~~  
48 ~~ration by such dates].~~

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

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

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

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

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

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

41 a. Regular and multiple bets:

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

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

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

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

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

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

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

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

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

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

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

1 (ii) when a thoroughbred corporation located in the thoroughbred  
2 special betting district is conducting a meet and no harness race meet-  
3 ing is being conducted by a harness association located in the harness  
4 special betting district, the full amount to such thoroughbred corpo-  
5 ration;

6 (iii) when no racing is being conducted the amount to be divided even-  
7 ly between the thoroughbred track located in such thoroughbred special  
8 betting district and the harness track located in such harness special  
9 betting district.

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

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

27 (ii) for the Capital District region and the portion of the Western  
28 region outside a special betting district: when a harness meet is in  
29 progress in such region and a thoroughbred meet is in progress outside a  
30 special betting district, the balance to whichever operator is conduct-  
31 ing the same type of meet as the out-of-state race; when no harness meet  
32 is in progress, the balance to the racing association outside a special  
33 betting district; and when no meet is in progress within such region and  
34 no thoroughbred meet is in progress outside a special betting district,  
35 fifty [~~per centum~~] percent of the balance to the racing association  
36 outside a special betting district and the remainder to the licensed  
37 harness racing corporations or associations within such region;

38 (iii) for the portion of the Western region within a thoroughbred  
39 special betting district but not within a harness special betting  
40 district: when a harness meet and a thoroughbred meet are in progress  
41 within such region and the district, the balance to the association or  
42 corporation conducting the same type of meet as the out-of-state or  
43 out-of-region race; when a harness meet is in progress in such region  
44 but no thoroughbred meet is in progress in the special betting district,  
45 the balance to the harness track operator within such region; when only  
46 a thoroughbred meet is in progress in such betting region, the balance  
47 to the thoroughbred track operator; and when no meet is in progress  
48 within such region the balance is divided, forty [~~per centum~~] percent to  
49 the thoroughbred racing corporation within the district and the remain-  
50 der divided between the harness racing associations or corporations  
51 within the region provided, however, that if no more than one harness  
52 racing association or corporation is licensed to conduct a race meeting,  
53 fifty [~~per centum~~] percent to the thoroughbred racing corporation within  
54 the district and fifty [~~per centum~~] percent to the licensed harness  
55 racing association within the region;

1 (iv) for the portions of the Capital District, Catskill, Central and  
2 Western regions included in a harness special betting district: when a  
3 harness meeting is in progress in such harness special betting district  
4 and a thoroughbred meeting is in progress outside the thoroughbred  
5 special betting district, the balance to the association or corporation  
6 holding the same kind of race; when no harness meet is in progress, the  
7 balance to the racing corporation holding a thoroughbred race meeting  
8 outside the thoroughbred special betting district; when a harness meet-  
9 ing is in progress in the harness special betting district and no  
10 thoroughbred meeting is in progress outside the thoroughbred special  
11 betting district, the balance to the harness track operating in such  
12 harness special betting district; when no harness meet is being held  
13 within such harness special betting district and no thoroughbred meet is  
14 being held outside the thoroughbred special betting district, fifty [~~per~~  
15 ~~centum~~] percent of such amount to the harness racing corporation in such  
16 harness special betting district and fifty [~~per-centum~~] percent to the  
17 thoroughbred track operator outside the thoroughbred special betting  
18 district;

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

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

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

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

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

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

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

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

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

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

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

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

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

10 b. the balance as follows:

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

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

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

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

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

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

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

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

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

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

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

1 § 8. Paragraph c of subdivision 1 of section 904 of the racing, pari-  
2 mutuel wagering and breeding law, as amended by chapter 243 of the laws  
3 of 2020, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 forth in subdivision one of section one hundred thirty-six of this chap-  
2 ter.

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

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

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

25 § 13. The opening paragraph of subdivision 3 of section 1015 of the  
26 racing, pari-mutuel wagering and breeding law, as amended by chapter 243  
27 of the laws of 2020, is amended to read as follows:

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

41 § 14. Paragraph a, the opening paragraph of paragraph b, subparagraph  
42 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b,  
43 clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B)  
44 and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of  
45 subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the  
46 racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A)  
47 and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subpar-  
48 agraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of  
49 paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as  
50 amended by chapter 18 of the laws of 2008, the opening paragraph and  
51 subparagraph 1 of paragraph b as amended by chapter 243 of the laws of  
52 2020, are amended to read as follows:

53 a. Each off-track betting branch office accepting wagers on an out-of-  
54 state track shall accept wagers on races run at all in-state thorough-  
55 bred tracks [~~which~~ that are conducting racing programs and every simul-  
56 casting facility licensed in accordance with sections one thousand eight

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

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

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

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

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

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

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

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

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
4				
5				
6				
7	<del>1.50</del>	<del>1.50</del>	<del>1.50</del>	<del>1.50</del>
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>
23				
24				
25				
26				
27				
28				
29				
30				
31				

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
19				
20				
21				
22	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>
23				
24				
25				
26				
27				
28				
29				
30				
31				

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

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

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
40				
41				
42				
43	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>	<del>1.00</del>

1	Non-franchised				
2	Thoroughbred Racing				
3	corporation payments to purses	1.00	1.00	1.00	1.25
4	Franchised corporation	0.50	0.50	0.50	0.50
5	Franchised corporation				
6	payments to purses	1.00	1.00	1.25	2.00
7	(B) Of the sums so retained on days when a franchised corporation is				
8	conducting a race meeting within the state				
9					Super-
10		Regular	Multiple	Exotic	exotic
11		bets	bets	bets	bets
12	<del>[State Tax</del>	<del>0.50</del>	<del>0.50</del>	<del>0.50</del>	<del>0.50]</del>
13	Non-franchised				
14	Thoroughbred Racing				
15	corporation	0.25	0.25	0.25	0.25
16	Non-franchised				
17	Thoroughbred Racing				
18	corporation payments to purses	0.25	0.25	0.25	0.25
19	Franchised corporation	1.25	1.25	1.00	1.25
20	Franchised corporation				
21	payments to purses	1.25	2.00	1.50	2.25

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

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

33 § 16. This act shall take effect immediately.

34

#### PART X

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

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

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

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

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

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

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

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

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

20 g. Prior to a corporation being able to utilize the funds authorized  
21 by paragraph c, d [~~e~~], e or f of this subdivision, the corporation must  
22 attest that the surcharge monies from section five hundred thirty-two of  
23 this chapter are being held separate and apart from any amounts other-  
24 wise authorized to be retained from pari-mutuel pools and all surcharge  
25 monies have been and will continue to be paid to the localities as  
26 prescribed in law. Once this condition is satisfied, the corporation  
27 must submit an expenditure plan to the gaming commission for review.  
28 Such plan shall include the corporation's outstanding liabilities,  
29 projected revenue for the upcoming year, a detailed explanation of how  
30 the funds will be used, and any other information necessary to detail  
31 such plan as determined by the commission. Upon review, the commission  
32 shall make a determination as to whether the requirements of this para-  
33 graph have been satisfied and notify the corporation of expenditure plan  
34 approval. In the event the commission determines the requirements of  
35 this paragraph have not been satisfied, the commission shall notify the  
36 corporation of all deficiencies necessary for approval. As a condition  
37 of such expenditure plan approval, the corporation shall provide a  
38 report to the commission no later than the last day of the calendar year  
39 for which the funds are requested, which shall include an accounting of  
40 the use of such funds. At such time, the commission may cause an inde-  
41 pendent audit to be conducted of the corporation's books to ensure that  
42 all moneys were spent as indicated in such approved plan. The audit  
43 shall be paid for from money in the fund established by this section. If  
44 the audit determines that a corporation used the money authorized under  
45 this section for a purpose other than one listed in their expenditure  
46 plan, then the corporation shall reimburse the capital acquisition fund  
47 for the unauthorized amount.

48 § 2. This act shall take effect immediately and shall be deemed to  
49 have been in full force and effect on and after April 1, 2026.

50

## PART Y

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

1 (a) Any racing association or corporation or regional off-track  
2 betting corporation, authorized to conduct pari-mutuel wagering under  
3 this chapter, desiring to display the simulcast of horse races on which  
4 pari-mutuel betting shall be permitted in the manner and subject to the  
5 conditions provided for in this article may apply to the commission for  
6 a license so to do. Applications for licenses shall be in such form as  
7 may be prescribed by the commission and shall contain such information  
8 or other material or evidence as the commission may require. No license  
9 shall be issued by the commission authorizing the simulcast transmission  
10 of thoroughbred races from a track located in Suffolk county. The fee  
11 for such licenses shall be five hundred dollars per simulcast facility  
12 and for account wagering licensees that do not operate either a simul-  
13 cast facility that is open to the public within the state of New York or  
14 a licensed racetrack within the state, twenty thousand dollars per year  
15 payable by the licensee to the commission for deposit into the general  
16 fund. Except as provided in this section, the commission shall not  
17 approve any application to conduct simulcasting into individual or group  
18 residences, homes or other areas for the purposes of or in connection  
19 with pari-mutuel wagering. The commission may approve simulcasting into  
20 residences, homes or other areas to be conducted jointly by one or more  
21 regional off-track betting corporations and one or more of the follow-  
22 ing: a franchised corporation, thoroughbred racing corporation or a  
23 harness racing corporation or association; provided (i) the simulcasting  
24 consists only of those races on which pari-mutuel betting is authorized  
25 by this chapter at one or more simulcast facilities for each of the  
26 contracting off-track betting corporations which shall include wagers  
27 made in accordance with ~~[section]~~ sections one thousand fifteen, one  
28 thousand sixteen and one thousand seventeen of this article; provided  
29 further that the contract provisions or other simulcast arrangements for  
30 such simulcast facility shall be no less favorable than those in effect  
31 on January first, two thousand five; (ii) that each off-track betting  
32 corporation having within its geographic boundaries such residences,  
33 homes or other areas technically capable of receiving the simulcast  
34 signal shall be a contracting party; (iii) the distribution of revenues  
35 shall be subject to contractual agreement of the parties except that  
36 statutory payments to non-contracting parties, if any, may not be  
37 reduced; provided, however, that nothing herein to the contrary shall  
38 prevent a track from televising its races on an irregular basis primari-  
39 ly for promotional or marketing purposes as found by the commission. For  
40 purposes of this paragraph, the provisions of section one thousand thir-  
41 teen of this article shall not apply. Any agreement authorizing an  
42 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
43 teen hundred ninety-five, may, and all its terms, be extended until June  
44 thirtieth, two thousand ~~[twenty-six]~~ twenty-seven; provided, however,  
45 that any party to such agreement may elect to terminate such agreement  
46 upon conveying written notice to all other parties of such agreement at  
47 least forty-five days prior to the effective date of the termination,  
48 via registered mail. Any party to an agreement receiving such notice of  
49 an intent to terminate, may request the commission to mediate between  
50 the parties new terms and conditions in a replacement agreement between  
51 the parties as will permit continuation of an in-home experiment until  
52 June thirtieth, two thousand ~~[twenty-six]~~ twenty-seven; and (iv) no  
53 in-home simulcasting in the thoroughbred special betting district shall  
54 occur without the approval of the regional thoroughbred track.

55 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
56 1007 of the racing, pari-mutuel wagering and breeding law, as amended by

1 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is  
2 amended to read as follows:

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

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

19 The provisions of this section shall govern the simulcasting of races  
20 conducted at thoroughbred tracks located in another state or country on  
21 any day during which a franchised corporation is conducting a race meet-  
22 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
23 thirtieth, two thousand [~~twenty-six~~] twenty-seven and on any day regard-  
24 less of whether or not a franchised corporation is conducting a race  
25 meeting in Saratoga county at Saratoga thoroughbred racetrack after June  
26 thirtieth, two thousand [~~twenty-six~~] twenty-seven. On any day on which a  
27 franchised corporation has not scheduled a racing program but a  
28 thoroughbred racing corporation located within the state is conducting  
29 racing, each off-track betting corporation branch office and each simul-  
30 casting facility licensed in accordance with section one thousand seven  
31 (that has entered into a written agreement with such facility's repre-  
32 sentative horsemen's organization, as approved by the commission), one  
33 thousand eight, or one thousand nine of this article shall be authorized  
34 to accept wagers and display the live simulcast signal from thoroughbred  
35 tracks located in another state or foreign country subject to the  
36 following provisions:

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

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

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

49 The provisions of this section shall govern the simulcasting of races  
50 conducted at thoroughbred tracks located in another state or country on  
51 any day during which a franchised corporation is not conducting a race  
52 meeting in Saratoga county at Saratoga thoroughbred racetrack until June  
53 thirtieth, two thousand [~~twenty-six~~] twenty-seven. Every off-track  
54 betting corporation branch office and every simulcasting facility  
55 licensed in accordance with section one thousand seven that have entered  
56 into a written agreement with such facility's representative horsemen's

1 organization as approved by the commission, one thousand eight or one  
2 thousand nine of this article shall be authorized to accept wagers and  
3 display the live full-card simulcast signal of thoroughbred tracks  
4 (which may include quarter horse or mixed meetings provided that all  
5 such wagering on such races shall be construed to be thoroughbred races)  
6 located in another state or foreign country, subject to the following  
7 provisions; provided, however, no such written agreement shall be  
8 required of a franchised corporation licensed in accordance with section  
9 one thousand seven of this article:

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

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

28 § 7. Section 54 of chapter 346 of the laws of 1990, amending the  
29 racing, pari-mutuel wagering and breeding law and other laws relating to  
30 simulcasting and the imposition of certain taxes, as amended by section  
31 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended  
32 to read as follows:

33 § 54. This act shall take effect immediately; provided, however,  
34 sections three through twelve of this act shall take effect on January  
35 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
36 ing law, as added by section thirty-eight of this act, shall expire and  
37 be deemed repealed on July 1, [~~2026~~] ~~2027~~; and section eighteen of this  
38 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
39 two of this act shall take effect as of the same date as chapter 772 of  
40 the laws of 1989 took effect.

41 § 8. Paragraph (a) of subdivision 1 of section 238 of the racing,  
42 pari-mutuel wagering and breeding law, as amended by section 9 of  
43 subpart B of part FF of chapter 59 of the laws of 2025, is amended to  
44 read as follows:

45 (a) The franchised corporation authorized under this chapter to  
46 conduct pari-mutuel betting at a race meeting or races run thereat shall  
47 distribute all sums deposited in any pari-mutuel pool to the holders of  
48 winning tickets therein, provided such tickets are presented for payment  
49 before April first of the year following the year of their purchase,  
50 less an amount that shall be established and retained by such franchised  
51 corporation of between twelve to seventeen percent of the total deposits  
52 in pools resulting from on-track regular bets, and fourteen to twenty-  
53 one percent of the total deposits in pools resulting from on-track  
54 multiple bets and fifteen to twenty-five percent of the total deposits  
55 in pools resulting from on-track exotic bets and fifteen to thirty-six  
56 percent of the total deposits in pools resulting from on-track super

1 exotic bets[~~, plus the breaks~~]. The retention rate to be established is  
2 subject to the prior approval of the commission. Such rate may not be  
3 changed more than once per calendar quarter to be effective on the first  
4 day of the calendar quarter. "Exotic bets" and "multiple bets" shall  
5 have the meanings set forth in section five hundred nineteen of this  
6 chapter. "Super exotic bets" shall have the meaning set forth in section  
7 three hundred one of this chapter. For purposes of this section, a "pick  
8 six bet" shall mean a single bet or wager on the outcomes of six races.

9 [~~The breaks are hereby defined as the odd cents over any multiple of  
10 five for payoffs greater than one dollar five cents but less than five  
11 dollars, over any multiple of ten for payoffs greater than five dollars  
12 but less than twenty five dollars, over any multiple of twenty five for  
13 payoffs greater than twenty five dollars but less than two hundred fifty  
14 dollars, or over any multiple of fifty for payoffs over two hundred  
15 fifty dollars.~~] Out of the amount so retained there shall be paid by  
16 such franchised corporation to the commissioner of taxation and finance,  
17 as a reasonable tax by the state for the privilege of conducting pari-  
18 mutuel betting on the races run at the race meetings held by such fran-  
19 chised corporation, which tax is hereby levied, in the [~~following  
20 percentages of the total pool for regular and multiple bets five percent  
21 of regular bets and four percent of multiple bets plus twenty percent of  
22 the breaks, for exotic wagers seven and one half percent plus twenty  
23 percent of the breaks, and for super exotic bets seven and one half  
24 percent plus fifty percent of the breaks.~~

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

37 § 9. This act shall take effect immediately.

## 38 PART Z

39 Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel  
40 wagering and breeding law, as amended by section 2 of part NN of chapter  
41 59 of the laws of 2025, is amended to read as follows:

42 1. For the purpose of maintaining a proper control over race meetings  
43 conducted pursuant to sections two hundred five and two hundred six of  
44 this article, the commission shall license owners, which term shall be  
45 deemed to include part-owners and lessees, trainers, assistant trainers  
46 and jockeys, jockey agents, stable employees, non-publicly appointed  
47 members of the board of a franchised corporation, and such other persons  
48 as the commission may by rule prescribe at running races and at steeple-  
49 chases, provided, however, that no such license shall be required for  
50 seasonal employees hired solely to work for no longer than six weeks  
51 during the summer meet at Saratoga racetrack, and any such other times  
52 as race dates historically assigned to Belmont Park are conducted at the  
53 Saratoga racetrack in two thousand twenty-four [~~and~~], two thousand twen-  
54 ty-five and two thousand twenty-six as approved in writing by the

1 commission. In the event that a proposed licensee is other than a  
2 natural person, the commission shall require by regulation disclosure of  
3 the names and addresses of all owners of an interest in such entity. The  
4 commission may retain, employ or appoint such officers, employees and  
5 agents, as it may deem necessary to receive, examine and make recommen-  
6 dations, for the consideration of the commission, in respect of applica-  
7 tions for such licenses; prescribe their duties in connection therewith,  
8 and fix their compensation therefor within the limitations prescribed by  
9 law. Each applicant for a license shall pay to the commission an annual  
10 license fee as follows: owner's license, if a renewal, fifty dollars,  
11 and if an original application, one hundred dollars; trainer's license,  
12 thirty dollars; assistant trainer's license, thirty dollars; jockey's  
13 license, fifty dollars; jockey agent's license, twenty dollars; and  
14 stable employee's license, five dollars. Each applicant may apply for a  
15 two-year or three-year license by payment to the commission of the  
16 appropriate multiple of the annual fee. The commission may by rule fix  
17 the license fees to be paid by other persons required to be licensed by  
18 the rules of the commission, not to exceed thirty dollars per category.  
19 The application for the license shall be in writing in such form as the  
20 commission may prescribe, and contain such information as the commission  
21 may require. The commission shall henceforth cause all applicants for  
22 licenses to be photographed and fingerprinted and may issue identifica-  
23 tion cards to licensees. Such fingerprints shall be submitted to the  
24 division of criminal justice services for a state criminal history  
25 record check, as defined in subdivision one of section three thousand  
26 thirty-five of the education law, and may be submitted to the federal  
27 bureau of investigation for a national criminal history record check. A  
28 fee equal to the actual cost of issuance shall be charged for the  
29 initial issuance of such identification cards. Each such license unless  
30 revoked for cause shall be for the period of no more than one, two or  
31 three years, determined by rule of the commission, expiring on the  
32 applicant's birth date. Licenses of non-publicly appointed members of  
33 the board of a franchised corporation shall be issued without fee and  
34 remain in effect for the duration of their board service. Licenses  
35 current on the effective date of this provision shall not be reduced in  
36 duration by this provision. An applicant who applies for a license that,  
37 if issued, would take effect less than six months prior to the appli-  
38 cant's birth date may, by payment of a fifty percent higher fee, receive  
39 a license which shall not expire until the applicant's second succeeding  
40 birth date. All receipts of the commission derived from the operation of  
41 this section shall be paid by it into the state treasury on or before  
42 the tenth day of each month. All officials connected with the actual  
43 conduct of racing shall be subject to approval by the commission.

44 § 2. This act shall take effect immediately; provided, however, that  
45 the amendments to subdivision 1 of section 220 of the racing, pari-mutu-  
46 el wagering and breeding law made by section one of this act shall not  
47 affect the expiration of such subdivision and shall expire and be deemed  
48 repealed therewith.

49

## PART AA

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

52 (48) The amount of any distribution included in federal adjusted gross  
53 income pursuant to subsection (d) of section nine hundred sixty-two of  
54 the internal revenue code.

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

3 PART BB

4 Section 1. Paragraph (a) of subdivision 52 of section 210-B of the tax  
5 law, as added by section 4 of part DDD of chapter 59 of the laws of  
6 2017, is amended to read as follows:

7 (a) General. In the case of a taxpayer that is an eligible farmer,  
8 there shall be allowed a credit, to be computed as hereinafter provided  
9 against the tax imposed by this article for taxable years beginning on  
10 and after January first, two thousand eighteen. The amount of the credit  
11 shall be twenty-five percent of the fair market value of the taxpayer's  
12 qualified donations made to any eligible food pantry during the taxable  
13 year, not to exceed five thousand dollars per taxable year for taxable  
14 years ending before January first, two thousand twenty-six, and fifty  
15 percent of the fair market value of the taxpayer's qualified donations  
16 made to any eligible food pantry during the taxable year, not to exceed  
17 twenty thousand dollars per taxable year, for taxable years beginning on  
18 and after January first, two thousand twenty-six. If the taxpayer is a  
19 partner in a partnership, then the cap imposed by the preceding sentence  
20 shall be applied at the entity level, so that the aggregate credit  
21 allowed to all partners of such entity in the taxable year does not  
22 exceed five thousand dollars for taxable years ending before January  
23 first, two thousand twenty-six, and twenty thousand dollars for taxable  
24 years beginning on and after January first, two thousand twenty-six.

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

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

47 § 3. This act shall take effect immediately.

48 PART CC

49 Section 1. Subparagraph (B) of paragraph (ii) of subdivision (d) of  
50 section 1105 of the tax law, as amended by chapter 678 of the laws of  
51 2025, is amended to read as follows:

1 (B) food or drink sold to a student of a nursery school, kindergarten,  
2 elementary or secondary school at a restaurant or cafeteria located on  
3 the premises of such a school, or food or drink, other than beer, wine,  
4 or other alcoholic beverages, sold at a restaurant, tavern or other  
5 establishment located on the premises of a college, university or a  
6 school (other than a nursery school, kindergarten, elementary or second-  
7 ary school) to a student enrolled therein who purchases such food or  
8 drink under a contractual arrangement whereby the student does not pay  
9 cash at the time such student is served, [~~including food sold to a  
10 student enrolled therein purchasing a meal using an approved donation  
11 program of funds or food points,~~] provided the school, college or  
12 university described in this subparagraph is operated by an exempt  
13 organization described in subdivision (a) of section eleven hundred  
14 sixteen, or is created, incorporated, registered, or licensed by the  
15 state legislature or pursuant to the education law or the regulations of  
16 the commissioner of education, or is incorporated by the regents of the  
17 university of the State of New York or with their consent or the consent  
18 of the commissioner of education as provided in section two hundred  
19 sixteen of the education law; provided, further, that the contractual  
20 arrangement between an enrolled student and a college, university or  
21 school may include a provision permitting such enrolled student to  
22 donate unused meal funds, meals or meal points to other students  
23 enrolled in such school, college or university who are facing food inse-  
24 curity through a program operated by such school, college or university  
25 directly or through a contract with a nonprofit organization that is  
26 exempt from federal taxation pursuant to subsection (c) of section five  
27 hundred one of the internal revenue code, provided that no part of the  
28 donated funds, meals or meal points inure to the benefit of such school,  
29 college, university or nonprofit organization; and

30 § 2. Section 2 of chapter 678 of the laws of 2025 amending the tax law  
31 relating to excluding certain food donations from sales tax, as amended  
32 by chapter 35 of the laws of 2026, is amended to read as follows:

33 § 2. This act shall take effect [~~July~~] June 1, 2026.

34 § 3. This act shall take effect immediately; provided, however, that  
35 section one of this act shall take effect on the same date and in the  
36 same manner as section 1 of chapter 678 of the laws of 2025, takes  
37 effect.

38 PART DD

39 Section 1. Subdivision 1 of section 502 of the racing, pari-mutuel  
40 wagering and breeding law, as amended by chapter 710 of the laws of  
41 1990, is amended to read as follows:

42 1. a. A regional off-track betting corporation is hereby established  
43 for each region, except the New York city region for which the New York  
44 city off-track betting corporation established pursuant to and subject  
45 to article six of this chapter shall constitute the regional corporation  
46 and such article six shall govern such New York city off-track betting  
47 corporation. Each regional corporation shall be a body corporate and  
48 politic constituting a public benefit corporation. Each corporation  
49 shall be administered by a board of directors consisting of two members  
50 from each participating county containing a city of over one hundred  
51 fifty thousand in population, according to the last federal census, and  
52 one member from each other participating county. Notwithstanding any  
53 other provision of law to the contrary, the members shall be appointed  
54 by the county governing body, and may, at the discretion of such govern-

1 ing body of counties which have a population of less than two hundred  
2 thousand, include sitting members of such governing body. A member of a  
3 governing body who is appointed a director after July first, nineteen  
4 hundred ninety shall not be compensated by the regional corporation;  
5 provided, however, that the mayor of a city of over one hundred fifty  
6 thousand that has elected to participate in the management of a corpo-  
7 ration pursuant to subdivision two of this section shall, with the  
8 approval of the city's legislative body, appoint one of the members to  
9 which the county containing such city is entitled. In the case of the  
10 corporation established for the Suffolk region and Nassau region, the  
11 board of directors of each corporation shall consist of three members  
12 appointed by the governing body of each county, not more than two of  
13 whom shall be members of the same political party. Each director shall  
14 serve at the pleasure of the governing body or mayor appointing [~~him~~]  
15 such director, as the case may be. A [~~chairman~~] chair shall be elected  
16 by the members to serve a term of one year.

17 b. No person who has served as a board member or officer of the corpo-  
18 ration shall within a period of five years after such person's termi-  
19 nation of such service, regardless of the reason for termination, (i) be  
20 appointed, reappointed or qualified as a member of the corporation; (ii)  
21 appear or practice before such corporation or receive compensation for  
22 any services rendered by such former board member or officer on behalf  
23 of any person, firm, corporation or association in relation to any case,  
24 proceeding or application or other matter before such corporation; or  
25 (iii) receive compensation for any services on behalf of any person,  
26 firm, corporation or association to appear, practice or directly commu-  
27 nicate with the board of directors to promote or oppose, directly or  
28 indirectly, the passage of resolutions by such board of directors. No  
29 person who has served as a board member or officer of the corporation  
30 shall after the termination of such service appear, practice, communi-  
31 cate or otherwise render services before such corporation, or the board  
32 of directors thereof, or receive compensation for any such services  
33 rendered by such person on behalf of any person, firm, corporation or  
34 other entity in relation to any case, proceeding, application or trans-  
35 action with respect to which such person was directly concerned and in  
36 which such person personally participated during the period of such  
37 service, or which was under their active consideration.

38 c. No person who is appointed to be a member of the board of directors  
39 may attend or participate in any board meetings, including executive  
40 sessions, until that person's application for a license has been  
41 approved by the commission.

42 § 2. Subdivisions 6 and 7 of section 502-a of the racing, pari-mutuel  
43 wagering and breeding law are renumbered subdivisions 7 and 8 and a new  
44 subdivision 6 is added to read as follows:

45 6. a. No person who has served as a board member or officer of the  
46 corporation shall within a period of five years after such person's  
47 termination of such service, regardless of the reason for termination,  
48 (i) be appointed, reappointed or qualified as a member of the corpo-  
49 ration; (ii) appear or practice before such corporation or receive  
50 compensation for any services rendered by such former board member or  
51 officer on behalf of any person, firm, corporation or association in  
52 relation to any case, proceeding or application or other matter before  
53 such corporation; or (iii) receive compensation for any services on  
54 behalf of any person, firm, corporation or association to appear, prac-  
55 tice or directly communicate with the board of directors to promote or  
56 oppose, directly or indirectly, the passage of resolutions by such board

1 of directors. No person who has served as a board member or officer of  
2 the corporation shall after the termination of such service appear,  
3 practice, communicate or otherwise render services before such corpo-  
4 ration, or the board of directors thereof, or receive compensation for  
5 any such services rendered by such person on behalf of any person, firm,  
6 corporation or other entity in relation to any case, proceeding, appli-  
7 cation or transaction with respect to which such person was directly  
8 concerned and in which such person personally participated during the  
9 period of such service, or which was under their active consideration.

10 b. No person who is appointed to be a member of the board of directors  
11 may attend or participate in any board meetings, including executive  
12 sessions, until that person's application for a license has been  
13 approved by the commission.

14 § 3. Section 2 of part JJ of chapter 56 of the laws of 2023, amending  
15 the racing, pari-mutuel wagering and breeding law, relating to the  
16 membership of the board of directors of the western regional off-track  
17 betting corporation, is amended to read as follows:

18 § 2. This act shall take effect immediately; provided, however, that  
19 effective immediately, cities and counties may take any action necessary  
20 to begin the selection and appointment process for new board member  
21 terms pursuant to this act; and provided further, that upon selection of  
22 new board members, cities and counties shall notify the corporation of  
23 their respective appointments via certified mail; and provided further,  
24 that this act shall expire and be deemed repealed [~~four~~] fourteen years  
25 after such effective date.

26 § 4. This act shall take effect immediately; provided, however, that  
27 the amendments to section 502-a of the racing, pari-mutuel wagering and  
28 breeding law made by section two of this act shall not affect the repeal  
29 of such section and shall be deemed repealed therewith.

30 PART EE

31 Section 1. Subdivision 11 of section 458-a of the real property tax  
32 law, as amended by chapter 77 of the laws of 2026, is amended to read as  
33 follows:

34 11. In addition to any other exemption from taxation on real property  
35 which may be allowed to veterans pursuant to the provisions of this  
36 chapter, including subdivision three of section four hundred fifty-eight  
37 of this title, a county, city, town, village or school district may  
38 adopt a local law or resolution providing that the primary residence of  
39 any seriously disabled veteran [~~who~~] shall be fully exempt from taxation  
40 and special district charges, assessments and special ad valorem levies,  
41 provided that such veteran meets all other requirements of this section  
42 and such veteran has met at least one of the criteria set forth in  
43 paragraph (a) of this subdivision and the criterion set forth in para-  
44 graph (b) of this subdivision. To be eligible for such exemption, a  
45 veteran:

46 (a)(i) [~~was~~] must have been discharged or released [~~therefrom—under~~  
47 ~~honorable conditions~~] from active military, naval, space or air service,  
48 including army and air national guard service performed pursuant to  
49 federal orders under title 10 of the United States code, under honorable  
50 conditions; or

51 (ii) [~~has~~] must have a qualifying condition, as defined in section one  
52 of the veterans' services law, and [~~has~~] must have received a discharge  
53 other than bad conduct or dishonorable from such service; or

1 (iii) [~~is~~] must be a discharged LGBT veteran, as defined in section  
2 one of the veterans' services law, and [~~has~~] must have received a  
3 discharge other than bad conduct or dishonorable from such service; and

4 (b) [~~(i) is~~] must be considered by the United States department of  
5 veterans affairs to be permanently and totally disabled as a result of  
6 military service[~~+~~

7 ~~(ii) is rated one hundred percent disabled by the United States~~  
8 ~~department of veterans affairs;~~

9 ~~(iii) has been rated by the United States department of veterans~~  
10 ~~affairs as individually unemployable; and~~

11 ~~(iv) who is eligible for pecuniary assistance from the United States~~  
12 ~~government, or has received pecuniary assistance from the United States~~  
13 ~~government and has applied such assistance toward the acquisition or~~  
14 ~~modification of a suitable housing unit with special features or movable~~  
15 ~~facilities made necessary by the nature of the veterans' disability, and~~  
16 ~~the necessary land therefor shall be fully exempt from taxation and~~  
17 ~~special district charges, assessments and special ad valorem levies,~~  
18 ~~provided that such veteran meets all other requirements of this~~  
19 ~~section.], as evidenced by a letter, official form, or other document  
20 sent to such veteran from such department that specifically states such  
21 veteran is considered to be permanently and totally disabled as a result  
22 of such service.~~

23 (c) In no case shall the taxable assessed value of the property of a  
24 qualifying veteran be reduced below zero. Nothing contained herein shall  
25 be construed to require or authorize the discontinuance of any exemption  
26 granted pursuant to subdivision three of section four hundred fifty-  
27 eight of this title.

28 (d) Each county, city, town, village or school district that adopts a  
29 local law or resolution for the exemption authorized by this subdivision  
30 shall notify the department of veterans' services within thirty days of  
31 such adoption; provided, however, that a failure to notify the depart-  
32 ment of veterans' services within thirty days shall not render such  
33 local law or resolution ineffective. The department of veterans'  
34 services shall compile and maintain a publicly available record of each  
35 such county, city, town, village or school district that has adopted  
36 such exemption.

37 § 2. This act shall take effect immediately and shall apply to assess-  
38 ment rolls based on taxable status dates occurring on and after October  
39 1, 2026.

40 PART FF

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

43 (uuu) Protecting our wallets energy rebate (POWER) credit. (1) A  
44 taxpayer who meets the eligibility standards in paragraph two of this  
45 subsection shall be allowed a credit against the taxes imposed by this  
46 article in the amount specified in paragraph three of this subsection  
47 for tax year two thousand twenty-six.

48 (2) To be eligible for the credit, the taxpayer (or taxpayers filing  
49 joint returns) (A) must have been a full-year resident of the state of  
50 New York in tax year two thousand twenty-four, (B) must have timely  
51 filed a return for tax year two thousand twenty-four pursuant to section  
52 six hundred fifty-one of this article, determined with regard to exten-  
53 sions pursuant to section six hundred fifty-seven of this article, (C)  
54 (i) must have had New York adjusted gross income of three hundred thou-

1 sand dollars or less in tax year two thousand twenty-four if they filed  
2 a New York state resident income tax return as married taxpayers filing  
3 jointly or a qualified surviving spouse, or (ii) must have had New York  
4 adjusted gross income of one hundred fifty thousand dollars or less in  
5 tax year two thousand twenty-four if they filed a New York state resi-  
6 dent income tax return as a single taxpayer, married taxpayer filing a  
7 separate return, or head of household, and (D) must not have been  
8 claimed as a dependent by another taxpayer in tax year two thousand  
9 twenty-four.

10 (3) Amount of credit. (A) For taxpayers who meet the eligibility stan-  
11 dards in paragraph two who filed a New York state resident income tax  
12 return as married taxpayers filing jointly or a qualified surviving  
13 spouse, (i) with a New York adjusted gross income of greater than one  
14 hundred fifty thousand dollars but no greater than three hundred thou-  
15 sand dollars in tax year two thousand twenty-four, the credit amount  
16 shall be one hundred fifty dollars, or (ii) with a New York adjusted  
17 gross income of no greater than one hundred fifty thousand dollars in  
18 tax year two thousand twenty-four, the credit amount shall be two  
19 hundred dollars, and (B) for taxpayers who meet the eligibility stand-  
20 ards in paragraph two who filed a New York state resident income tax  
21 return as a single taxpayer, married taxpayer filing a separate return,  
22 or head of household with a New York adjusted gross income of no greater  
23 than one hundred fifty thousand dollars in tax year two thousand twen-  
24 ty-four, the credit amount shall be one hundred dollars.

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

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

42 § 3. This act shall take effect immediately.

43 PART GG

44 Section 1. Subdivision 1 of section 115-a of the racing, pari-mutuel  
45 wagering and breeding law, as added by section 1 of part A of chapter 60  
46 of the laws of 2012, is amended to read as follows:

47 1. In order to provide supplemental funding to support the operations  
48 of the commission, a fee in the amount of ten dollars shall be assessed  
49 and paid upon every horse entered in a pari-mutuel race in New York  
50 state that actually starts in the race. Beginning January first, two  
51 thousand twenty-seven, an amount as determined by the commission to  
52 support the standardbred total carbon dioxide on-track drug testing  
53 program outlined in section nine hundred two-a of this chapter shall be  
54 added to such fee upon every standardbred horse entered in a pari-mutuel

1 race in New York state that actually starts in the race. Such fee shall  
2 be refunded to the owner or credited to the owner's account in the event  
3 the horse does not actually start in the race. The commission shall, as  
4 a condition of racing, require any corporation authorized under this  
5 chapter to conduct pari-mutuel betting at a race meeting or races run  
6 thereat, to require that each owner racing a horse shall have placed on  
7 deposit at the time of entry with the horsemen's bookkeeper or similar  
8 office of such corporation the required fee in the amount of ten dollars  
9 per horse entered in a pari-mutuel race. Unless refunded or credited,  
10 the total fee amount collected during the preceding month by the  
11 horsemen's bookkeeper or similar office of such corporation shall be  
12 paid to the commission on the first business day of each month. Payment  
13 shall be accompanied by a report, under oath, showing such information  
14 as the commission may require. A penalty of five percent, and interest  
15 at the rate of one percent per month from the date the report is  
16 required to be filed to the date of the payment of the fee, shall be  
17 payable in case any fee imposed by this subdivision is not paid when  
18 due. If the commission determines that any fees received by it under  
19 this subdivision were paid in error, the commission may cause the same  
20 to be refunded without interest out of any monies collected hereunder,  
21 provided an application therefor is filed with the commission within one  
22 year from the time the erroneous payment is made.

23 § 2. The racing, pari-mutuel wagering and breeding law is amended by  
24 adding a new section 902-a to read as follows:

25 § 902-a. Standardbred total carbon dioxide (TCO2) on-track drug test-  
26 ing program. 1. Program. The commission shall establish and administer a  
27 program to conduct on-track drug testing for excess levels of TCO2 in  
28 standardbred horses entered to race at licensed harness tracks in this  
29 state. Such program shall include on-track pre-race testing done by the  
30 commission or its employees or representatives in accordance with this  
31 section and regulations promulgated by the commission. For the purposes  
32 of this section, the term "TCO2" shall mean total carbon dioxide.

33 2. Recurring annual expenses. (a) The commission shall mandate an  
34 additional amount to be added to start fees, outlined in subdivision one  
35 of section one hundred fifteen-a of this chapter, necessary to cover  
36 fifty percent of the costs to support the program established by this  
37 section for the applicable calendar year.

38 (b) The commission shall mandate corporations or associations author-  
39 ized under this chapter to conduct pari-mutuel betting at a standardbred  
40 race meeting or standardbred races run thereat to make payment, or  
41 payments, to the racing regulation account in the amount necessary to  
42 cover fifty percent of the costs to support the program established by  
43 this section for the applicable calendar year. The commission shall  
44 determine the frequency and manner of such payments.

45 (c) (i) No later than January thirty-first of the applicable year, the  
46 commission shall notice the applicable organization representing at  
47 least fifty-one percent of the owners and trainers using the facilities  
48 of the applicable corporation or association authorized under this chap-  
49 ter to conduct pari-mutuel betting at a standardbred race meeting or  
50 standardbred races run thereat of the additional amount to be included  
51 in the start fees outlined in paragraph (a) of this subdivision during  
52 the applicable calendar year.

53 (ii) No later than January thirty-first of the applicable year, the  
54 commission shall notice corporations or associations authorized under  
55 this chapter to conduct pari-mutuel betting at a standardbred race meet-  
56 ing or standardbred races run thereat of the amount, frequency and

1 manner of the payment or payments outlined in paragraph (b) of this  
2 subdivision during the applicable calendar year.

3 3. Pre-race testing. (a) Blood or other biologic samples shall be  
4 taken from at least three of the horses programmed to race or fifty  
5 percent of horses programmed to race, whichever is higher, prior to the  
6 race in which such horse is programmed, at a time and location specified  
7 by the commission. Horses selected for such samples shall be selected at  
8 random by the commission or its employees or representatives.

9 (b) The trainer or such trainer's representative shall accompany such  
10 horse at the prescribed time and location and shall manage the horse as  
11 directed. Willful failure to be present at, refusal to permit, or inter-  
12 ference with the taking of any sample pursuant to this subdivision shall  
13 constitute a violation of this section and may subject the person  
14 responsible to disciplinary action by the commission pursuant to this  
15 chapter.

16 (c) Blood samples shall be taken by a veterinarian or veterinary tech-  
17 nician authorized by the commission and licensed to practice in this  
18 state.

19 (d) Urine samples may be collected by a commission inspector or other  
20 person authorized by the commission.

21 (e) Whenever an on-track test indicates the presence of excess TCO2  
22 levels, in a sample taken from a horse, the judges shall scratch the  
23 horse from the race.

24 (f) Unless specifically permitted in writing by the presiding judge, a  
25 horse from which a pre-race sample has been taken shall not be removed  
26 from the grounds except for transport to the racecourse where such horse  
27 is scheduled to race if such racecourse is not located on the grounds  
28 where the sample was taken.

29 § 3. This act shall take effect immediately.

30 PART HH

31 Section 1. Legislative findings. The residents of New York city and  
32 many who do business here contribute daily to the health and vibrancy of  
33 the city through their economic activity and the taxes they pay. Howev-  
34 er, many of the city's most valuable homes are held as second homes,  
35 allowing the owners of those homes to reap considerable benefits from  
36 the city's broader economy, from city services, and from a vibrant real  
37 estate market. The legislature finds that it is prudent to impose a  
38 surcharge on the owners of these second homes to maintain important city  
39 services.

40 The legislature further finds that this surcharge should be applied to  
41 second homes with values of \$5 million or more when measured by the  
42 sales of comparable properties. Recognizing that many second homes in  
43 New York city have not historically been valued using comparable sales  
44 methods, the legislature finds that it is appropriate, for the initial  
45 phase of the surcharge, to impose the surcharge on such properties using  
46 current valuation methods and corresponding surcharge rates the legisla-  
47 ture deems appropriate for this transitional period.

48 § 2. The tax law is amended by adding a new article 30-C to read as  
49 follows:

50 ARTICLE 30-C

51 CITY SURCHARGE ON PROPERTY THAT DOES NOT SERVE AS A PRIMARY RESIDENCE  
52 Section 1350. Imposition of surcharge.

53 1351. Definitions.

54 1352. Primary residence.

1 1353. Surcharge rates.

2 1354. Administration of surcharge.

3 1355. Administrative and judicial review.

4 1356. Information sharing.

5 § 1350. Imposition of surcharge. In addition to any other tax or  
6 assessment imposed by this chapter or other law, there is hereby  
7 imposed, beginning on July first, two thousand twenty-six, a surcharge  
8 in accordance with this article on a covered property, or in the case of  
9 a covered property that is a residential cooperative property, a resi-  
10 dential cooperative dwelling unit, that is not a primary residence,  
11 provided that (a) for fiscal years beginning on or after July first, two  
12 thousand twenty-six, and before July first, two thousand twenty-eight,  
13 the phase one market value of such covered property that is a class one  
14 property is equal to or greater than five million dollars, the phase one  
15 market value of such covered property that is a residential condominium  
16 dwelling unit is equal to or greater than one million dollars, or, in  
17 the case of a covered property that is a residential cooperative proper-  
18 ty, the phase one market value of a residential cooperative dwelling  
19 unit within such residential cooperative property is equal to or greater  
20 than one million dollars; and (b) for fiscal years beginning on or after  
21 July first, two thousand twenty-eight, the phase two market value of  
22 such covered property or, in the case of a covered property that is a  
23 residential cooperative property, such residential cooperative dwelling  
24 unit, is equal to or greater than five million dollars.

25 § 1351. Definitions. As used in this article, the following terms  
26 shall have the following meanings:

27 (a) "Administrative code" means the administrative code of the city of  
28 New York.

29 (b) "Class one property" means class one, as such class of property is  
30 defined in section eighteen hundred two of the real property tax law,  
31 other than such property described in subparagraph (c) of such defi-  
32 nition.

33 (c) "Class two property" means class two, as such class of property is  
34 defined in section eighteen hundred two of the real property tax law.

35 (d) "Covered owner" means:

36 (1) an owner or owners of real property classified as class one prop-  
37 erty;

38 (2) a tenant-stockholder of a cooperative corporation whose interest  
39 in a portion of real property held by such corporation is represented by  
40 shares of stock in such corporation;

41 (3) an owner or owners of a residential condominium dwelling unit;

42 (4) where real property classified as class one or a residential  
43 condominium dwelling unit is held, or shares of stock in a cooperative  
44 corporation are held, in trust, a beneficial owner or owners of such  
45 trust, provided that such beneficial owner or owners are the sole bene-  
46 ficiaries of such trust; or

47 (5) where real property classified as class one or a residential  
48 condominium dwelling unit is held, or shares of stock in a cooperative  
49 corporation are held, by a partnership, corporation or limited liability  
50 company, a partner or partners, shareholder or shareholders or member or  
51 members of such partnership, corporation, or limited liability company,  
52 respectively, provided that such partner or partners, shareholder or  
53 shareholders, or member or members hold a majority interest in such  
54 partnership, corporation or limited liability company respectively.

55 (e) "Covered property" means real property, other than excluded prop-  
56 erty, classified as:

1 (1) class one property, other than vacant land;

2 (2) class two property that is a residential cooperative property in  
3 which at least one residential cooperative dwelling unit: (A) has a  
4 phase one market value equal to or greater than one million dollars or  
5 phase two market value equal to or greater than five million dollars;  
6 and (B) is not a primary residence; and

7 (3) class two property that is a residential condominium dwelling  
8 unit.

9 (f) "Department of finance" means the department of finance in a city  
10 having a population of one million or more.

11 (g) "Excluded property" means a class one or class two property:

12 (1) for which a temporary or permanent certificate of occupancy is  
13 required and has not yet been issued; or

14 (2) a residential condominium dwelling unit or residential cooperative  
15 dwelling unit that is subject to an offering plan required by section  
16 three hundred fifty-two-e of the general business law and such unit has  
17 not been sold, or an economic interest in such unit has not been trans-  
18 ferred, by the person, partnership, corporation, company, trust or asso-  
19 ciation who has filed such plan.

20 (h) "Imputed cooperative phase one market value" means the market  
21 value of a residential cooperative dwelling unit in a residential coop-  
22 erative property, calculated as the product of:

23 (1) the market value of such residential cooperative property as  
24 determined by the department of finance pursuant to chapter fifty-eight  
25 of the New York city charter for the fiscal year in which the surcharge  
26 described in this article is imposed; and

27 (2) the quotient of (A) the shares in a cooperative corporation  
28 representing an interest in such residential cooperative dwelling unit;  
29 divided by (B) the total shares of stock in such cooperative corpo-  
30 ration.

31 (i) "Notice of surcharge" means a notice issued by the department of  
32 finance to an owner indicating that a covered property, or, in the case  
33 of a residential cooperative property, a residential cooperative dwell-  
34 ing unit, is, or may be, subject to the surcharge authorized by this  
35 article, including the phase one market value or phase two market value,  
36 as applicable, of such covered property or residential cooperative  
37 dwelling unit and a determination by the department of finance that such  
38 covered property or residential cooperative dwelling unit is not a  
39 primary residence.

40 (j) "Owner" means:

41 (1) an owner or owners of real property classified as class one prop-  
42 erty;

43 (2) a tenant-stockholder of a cooperative corporation whose interest  
44 in a portion of real property held by such corporation is represented by  
45 shares of stock in such corporation, or such corporation; or

46 (3) an owner or owners of a residential condominium dwelling unit.

47 (k) "Phase one market value" means:

48 (1) for a class one property, the market value of a covered property  
49 as determined by the department of finance pursuant to chapter fifty-  
50 eight of the New York city charter for the fiscal year in which the  
51 surcharge described in this article is imposed;

52 (2) for a class two property that is a residential condominium dwell-  
53 ing unit, the market value of such residential condominium dwelling unit  
54 as determined by the department of finance pursuant to chapter fifty-  
55 eight of the New York city charter for the fiscal year in which the  
56 surcharge described in this article is imposed; and

1 (3) for a class two property that is a residential cooperative proper-  
2 ty, the imputed cooperative phase one market value for any residential  
3 cooperative dwelling unit in such residential cooperative property.

4 (1) "Phase two market value" means:

5 (1) for a class one property, the market value of a covered property  
6 as determined by the department of finance pursuant to chapter fifty-  
7 eight of the New York city charter for the fiscal year in which the  
8 surcharge described in this article is imposed;

9 (2) for a class two property that is a residential condominium dwell-  
10 ing unit, the market value of such residential condominium dwelling  
11 unit, as determined by the department of finance pursuant to chapter  
12 fifty-eight of the New York city charter for the fiscal year in which  
13 the surcharge described in this article is imposed, provided that such  
14 market value shall be determined using a method that considers sales of  
15 comparable residential condominium dwelling units or comparable residen-  
16 tial cooperative dwelling units without regard to the restrictions  
17 described in section five hundred eighty-one of the real property tax  
18 law or section three hundred thirty-nine-y of the real property law; and

19 (3) for a class two property that is a residential cooperative proper-  
20 ty, the market value of any residential cooperative dwelling unit in  
21 such residential cooperative property, as determined by the department  
22 of finance pursuant to chapter fifty-eight of the New York city charter  
23 for the fiscal year in which the surcharge described in this article is  
24 imposed, provided that such market value shall be determined using a  
25 method that considers sales of comparable residential cooperative dwell-  
26 ing units or comparable residential condominium dwelling units without  
27 regard to the restrictions found in section five hundred eighty-one of  
28 the real property tax law.

29 (m) "Primary residence" means the use of a covered property, or, in  
30 the case of a residential cooperative property, a residential cooper-  
31 ative dwelling unit, as of the taxable status date immediately preceding  
32 the fiscal year in which the surcharge described by this article is  
33 imposed, as a primary residence of (1) one or more of the covered  
34 owners, or an immediate family member of one or more of the covered  
35 owners, provided such covered owners are natural persons; or (2) one or  
36 more lessees, and any sub-lessees to which a lessee has sublet the  
37 covered property or residential cooperative dwelling unit pursuant to  
38 subdivision two of section two hundred twenty-six-b of the real property  
39 law, provided any such lessee or sub-lessee is a natural person occupy-  
40 ing such covered property or residential cooperative dwelling unit  
41 pursuant to a bona fide lease agreement negotiated in an arms-length  
42 transaction with a term of not less than one year. For purposes of this  
43 article, the phrase "immediate family member" means a spouse, child,  
44 sibling, parent, grandparent, or grandchild.

45 (n) "Residential condominium dwelling unit" means a unit, as defined  
46 in section three hundred thirty-nine-e of the real property law, held in  
47 a condominium form of ownership and used as residential real property,  
48 other than: (1) such a unit that is residential cooperative property; or  
49 (2) such a unit that includes more than three dwelling units and all  
50 such dwelling units are held by the same owner, except where the depart-  
51 ment of finance determines that a unit has been divided into more than  
52 three units to avoid application of the surcharge.

53 (o) "Residential cooperative dwelling unit" means a dwelling unit in  
54 real property held by a cooperative corporation where an owner is a  
55 tenant-stockholder of such cooperative corporation and such dwelling  
56 unit is used as residential real property.

1 (p) "Residential cooperative property" means real property owned or  
2 leased by a cooperative corporation and that contains one or more resi-  
3 dential cooperative dwelling units.

4 (q) "Taxable status date" means the January fifth immediately preced-  
5 ing the fiscal year in which the surcharge is imposed pursuant to this  
6 article.

7 § 1352. Primary residence. (a) Determination of primary residency. (1)  
8 The department of finance shall make, on an annual basis, an initial  
9 determination that a covered property, or, in the case of a covered  
10 property that is a residential cooperative property, a residential coop-  
11 erative dwelling unit, that has a phase one or phase two market value  
12 equal to, or greater than, the threshold provided in section thirteen  
13 hundred fifty of this article, is not a primary residence. The depart-  
14 ment of finance shall make a determination of primary residence based on  
15 factors identified by rules of the department of finance, including but  
16 not limited to whether such covered property or residential cooperative  
17 dwelling unit was occupied in aggregate for a majority of days during a  
18 calendar year by a covered owner of such covered property or residential  
19 cooperative dwelling unit. The department of finance shall make such  
20 initial determination based on information available to such department.

21 (2) The department of finance shall provide notice to the owner of a  
22 covered property, or, in the case of a covered property that is a resi-  
23 dential cooperative property, a residential cooperative dwelling unit,  
24 of such initial determination, provided that, for the fiscal year begin-  
25 ning July first, two thousand twenty-six, such department shall provide  
26 such notice no later than August thirtieth, two thousand twenty-six.  
27 Such notice shall include an opportunity for such owner to submit proof  
28 of primary residence, to the satisfaction of such department, in accord-  
29 ance with a time period established by rules of such department. The  
30 department of finance may require that such owner provide a certifi-  
31 cation that such covered property or residential cooperative dwelling  
32 unit is a primary residence, as well as any documentation demonstrating:

33 (A) that a covered owner provided the address of such covered property  
34 or residential cooperative dwelling unit as such covered owner's perma-  
35 nent home address on the New York state resident income tax return filed  
36 by such covered owner for the calendar year that ends immediately  
37 preceding the fiscal year in which the surcharge is imposed;

38 (B) such covered property or residential cooperative dwelling unit  
39 received a real property tax exemption pursuant to section four hundred  
40 twenty-five of the real property tax law during the fiscal year imme-  
41 diately preceding the fiscal year in which the surcharge is imposed or  
42 the owner of such covered property or residential cooperative dwelling  
43 unit received a tax credit pursuant to subsection (eee) of section six  
44 hundred six of the tax law for such covered property or residential  
45 cooperative dwelling unit for the calendar year immediately preceding  
46 the fiscal year in which the surcharge is imposed; or

47 (C) such covered property or residential cooperative dwelling unit is  
48 the primary residence of one or more lessees or sub-lessees to which a  
49 lessee has sublet such covered property or residential cooperative  
50 dwelling unit pursuant to subdivision two of section two hundred twen-  
51 ty-six-b of the real property law or an immediate family member of a  
52 covered owner.

53 (3) After consideration of a submission of proof of primary residence  
54 by a covered owner pursuant to paragraph two of this subsection, and  
55 other available information, the department of finance shall determine  
56 whether such covered property or residential cooperative dwelling unit

1 is not a primary residence. Such determination shall constitute a final  
2 determination of the department of finance.

3 (4) The department of finance may require electronic submission of any  
4 certification or documentation described in this section.

5 (5) Failure to provide the notice required by this section shall not  
6 affect the validity of the imposition of the surcharge authorized by  
7 this article.

8 (b) Promulgation of rules. The department of finance may promulgate  
9 rules to:

10 (1) specify additional factors or documentation that may assist in the  
11 initial or final determination of whether a covered property, or, in the  
12 case of a covered property that is a residential cooperative property, a  
13 residential cooperative dwelling unit, is a primary residence; and

14 (2) establish a process through which the department of finance may  
15 audit any certification or documentation of primary residency submitted  
16 pursuant to this section within six years of such submission.

17 § 1353. Surcharge rates. The surcharge shall be calculated as follows:

18 (a) For fiscal years beginning on or after July first, two thousand  
19 twenty-six, and before July first, two thousand twenty-eight, (1) for  
20 covered property that is in class one, where the phase one market value  
21 is (A) greater than or equal to five million dollars, but less than or  
22 equal to fifteen million dollars, at a rate of 0.8 percent; (B) greater  
23 than fifteen million dollars, but less than or equal to twenty-five  
24 million dollars, at a rate of 1.05 percent; (C) greater than twenty-five  
25 million dollars, at a rate of 1.3 percent; and (2) for covered property  
26 that is a residential condominium dwelling unit or, in the case of a  
27 residential cooperative property, a residential cooperative dwelling  
28 unit, where the phase one market value is (A) greater than or equal to  
29 one million dollars, but less than or equal to three million dollars, at  
30 a rate of 4.0 percent; (B) greater than three million dollars, but less  
31 than or equal to five million dollars, at a rate of 5.25 percent; (C)  
32 greater than five million dollars, at a rate of 6.5 percent.

33 (b) For fiscal years beginning on or after July first, two thousand  
34 twenty-eight, for covered property or, in the case of a residential  
35 cooperative property, a residential cooperative dwelling unit, where the  
36 phase two market value is (1) greater than or equal to five million  
37 dollars, but less than or equal to fifteen million dollars, at a rate of  
38 0.8 percent; (2) greater than fifteen million dollars, but less than or  
39 equal to twenty-five million dollars, at a rate of 1.05 percent; (3)  
40 greater than twenty-five million dollars, at a rate of 1.3 percent.

41 § 1354. Administration of surcharge. (a) The department of finance  
42 shall add the surcharge authorized by this article to the statement of  
43 account of a covered property. In the case of a residential cooperative  
44 property, the department of finance shall add to the statement of  
45 account of such residential cooperative property the sum of any  
46 surcharges authorized by this article for each residential cooperative  
47 dwelling unit in such residential cooperative property where such dwell-  
48 ing unit: (1) has a phase one or phase two market value equal to, or  
49 greater than, the threshold provided in section thirteen hundred fifty  
50 of this article; and (2) does not serve as a primary residence. Such  
51 surcharge shall be due and payable in the same manner as real property  
52 taxes are due and payable pursuant to section fifteen hundred nineteen-a  
53 of the New York city charter. The department of finance shall administer  
54 and enforce this surcharge, to the greatest extent practicable not  
55 inconsistent with this section, in the same manner used to administer

1 and enforce real property taxes, except that any abatement, credit or  
2 exemption authorized by law shall not apply to such surcharge.

3 (b) Notwithstanding subsection (a) of this section, any surcharge  
4 imposed on a covered property in the fiscal year commencing on July  
5 first, two thousand twenty-six, shall be due and payable on the same  
6 date as the second semi-annual installment of real property taxes is  
7 due, as described in section fifteen hundred nineteen-a of the charter  
8 of the city of New York.

9 (c) Notwithstanding any provision of law to the contrary, where the  
10 department of finance adds the sum of any surcharges authorized by this  
11 article for a residential cooperative dwelling unit pursuant to subdivi-  
12 sion (a) of this section to the statement of account of a residential  
13 cooperative property, each such surcharge shall be collected by the  
14 cooperative corporation from the tenant-stockholder of such cooperative  
15 corporation whose interest in each such residential cooperative dwelling  
16 unit is represented by shares of stock in such corporation.

17 (d) Notwithstanding any provision of law to the contrary, the  
18 surcharge imposed on a covered property pursuant to this article shall  
19 be separate and distinct from any other tax levied on real property. Any  
20 revenue collected as a result of the imposition of this surcharge shall  
21 not be included in the calculation of the tax levy for purposes of  
22 determining class shares pursuant to article eighteen of the real prop-  
23 erty tax law, shall not be subject to apportionment among classes of  
24 real property, and shall not be considered when establishing tax rates  
25 for any class of property. Such revenue shall be considered receipts  
26 other than taxes on real property for the purposes of section fifteen  
27 hundred fifteen of the New York city charter.

28 (e) The department of finance may promulgate any rules:

29 (1) necessary to implement this article, including, but not limited  
30 to, rules:

31 (A) to address a change in ownership of a covered property or a resi-  
32 dential cooperative dwelling unit, or illness or death of an owner of a  
33 covered property or residential cooperative dwelling unit;

34 (B) to authorize persons other than a covered owner to submit proof of  
35 primary residency on behalf of a covered owner;

36 (C) relating to requirements for provision of notice of surcharge; or

37 (D) to establish when a sale of a residential condominium dwelling  
38 unit, or a transfer of an economic interest in a residential cooperative  
39 dwelling unit, has occurred for purposes of paragraph two of subdivision  
40 (g) of section thirteen hundred fifty-one of this article.

41 (2) to establish penalties not exceeding fifty percent of the  
42 surcharge imposed on a covered property by this article if, after notice  
43 and a hearing, the department of finance determines that:

44 (A) any certification or documentation submitted to the department of  
45 finance contains inaccurate or misleading information that: (i) is mate-  
46 rial to the determination of the imposition of such surcharge, including  
47 a determination relating to primary residence; and (ii) was submitted  
48 negligently or in bad faith; or

49 (B) a covered property that is a residential condominium unit has been  
50 divided into more than three units to avoid application of such  
51 surcharge and the owner of such covered property has made such division  
52 in bad faith.

53 (f) The department of finance may enforce and collect any penalty  
54 imposed pursuant to the authority set forth in subsection (e) of this  
55 section in the same manner as the department of finance enforces and  
56 collects the surcharge authorized by this article.

1 (g) The commissioner of the department of finance may subpoena and  
2 require the attendance of witnesses and the production of books, papers  
3 and documents to secure information pertinent to the determination of  
4 the surcharge, including a determination relating to primary residence.

5 § 1355. Administrative and judicial review. (a) Notwithstanding any  
6 provision of law to the contrary, an owner of a covered property, or, in  
7 the case of a residential cooperative property, a residential cooper-  
8 ative dwelling unit, may seek administrative and judicial review of the  
9 imposition of the surcharge on such covered property or residential  
10 cooperative dwelling unit pursuant to the provisions of the administra-  
11 tive code imposing such surcharge.

12 (b) The remedies provided by the provisions of the administrative code  
13 imposing such surcharge shall be the exclusive remedies available to any  
14 person for the review of liability of the surcharge authorized by this  
15 article.

16 § 1356. Information sharing. A city having a population of one million  
17 or more imposing a surcharge pursuant to this article shall, upon  
18 request by the commissioner of taxation and finance, provide the depart-  
19 ment of taxation and finance with any records in its possession used or  
20 considered in determining whether a covered property, or, in the case of  
21 a residential cooperative property, a residential cooperative dwelling  
22 unit, is not a primary residence. The department of taxation and finance  
23 shall, upon request by such city, provide such city with any records in  
24 its possession contained in any return filed pursuant to article thirty  
25 of this chapter or disclosed by any investigation of tax liability under  
26 such article for the purposes of implementing such surcharge. Informa-  
27 tion shared pursuant to this subsection shall not be subject to disclo-  
28 sure pursuant to article six of the public officers law.

29 § 3. Title 11 of the administrative code of the city of New York is  
30 amended by adding a new chapter 32 to read as follows:

#### 31 CHAPTER 32

#### 32 SURCHARGE ON PROPERTY THAT DOES NOT SERVE AS A PRIMARY RESIDENCE

33 § 11-3201 Definitions. As used in this chapter, the following terms  
34 have the following meanings:

35 Class one property. The term "class one property" means class one, as  
36 such class of property is defined in section eighteen hundred two of the  
37 real property tax law, other than such property described in subpara-  
38 graph (c) of such definition.

39 Class two property. The term "class two property" means class two, as  
40 such class of property is defined in section eighteen hundred two of the  
41 real property tax law.

42 Commissioner. The term "commissioner" means the commissioner of the  
43 department of finance.

44 Covered owner. The term "covered owner" means:

45 (i) an owner or owners of real property classified as class one prop-  
46 erty;

47 (ii) a tenant-stockholder of a cooperative corporation whose interest  
48 in a portion of real property held by such corporation is represented by  
49 shares of stock in such corporation;

50 (iii) an owner or owners of a residential condominium dwelling unit;

51 (iv) where real property classified as class one or a residential  
52 condominium dwelling unit is held, or shares of stock in a cooperative  
53 corporation are held, in trust, a beneficial owner of such trust,  
54 provided that such beneficial owner or owners are the sole beneficiaries  
55 of such trust; or

1 (v) where real property classified as class one or a residential  
2 condominium dwelling unit is held, or shares of stock in a cooperative  
3 corporation are held, by a partnership, corporation or limited liability  
4 company, a partner or partners, shareholder or shareholders or member or  
5 members of such partnership, corporation, or limited liability company,  
6 respectively, provided that such partner or partners, shareholder or  
7 shareholders, or member or members hold a majority interest in such  
8 partnership, corporation or limited liability company respectively.

9 Covered property. The term "covered property" means real property,  
10 other than excluded property, classified as:

11 (i) class one property, other than vacant land;

12 (ii) class two property that is a residential cooperative property in  
13 which at least one residential cooperative dwelling unit: (A) has a  
14 phase one market value equal to or greater than one million dollars or  
15 phase two market value equal to or greater than five million dollars;  
16 and (B) is not a primary residence; and

17 (iii) class two property that is a residential condominium dwelling  
18 unit.

19 Department. The term "department" means the department of finance.

20 Excluded property. The term "excluded property" means a class one or  
21 class two property:

22 (i) for which a temporary or permanent certificate of occupancy is  
23 required and has not yet been issued; or

24 (ii) a residential condominium dwelling unit or residential cooper-  
25 ative dwelling unit that is subject to an offering plan required by  
26 section three hundred fifty-two-e of the general business law and such  
27 unit has not been sold, or an economic interest in such unit has not  
28 been transferred, by the person, partnership, corporation, company,  
29 trust or association who has filed such plan.

30 Imputed cooperative phase one market value. The term "imputed cooper-  
31 ative phase one market value" means the market value of a residential  
32 cooperative dwelling unit in a residential cooperative property, calcu-  
33 lated as the product of:

34 (i) the market value of such residential cooperative property as  
35 determined by the department pursuant to chapter fifty-eight of the New  
36 York city charter for the fiscal year in which the surcharge described  
37 in this chapter is imposed; and

38 (ii) the quotient of (A) the shares of stock in such cooperative  
39 corporation representing an interest in such residential cooperative  
40 dwelling unit; divided by (B) the total shares of stock in such cooper-  
41 ative corporation.

42 Notice of surcharge. The term "notice of surcharge" means a notice  
43 issued by the department to an owner indicating that a covered property,  
44 or, in the case of a residential cooperative property, a residential  
45 cooperative dwelling unit, is, or may be, subject to the surcharge  
46 imposed by this chapter, which includes the phase one market value or  
47 phase two market value, as applicable, of such covered property or resi-  
48 dential cooperative dwelling unit as determined by the department, and a  
49 determination by the department that such covered property or residen-  
50 tial cooperative dwelling unit is not a primary residence.

51 Owner. The term "owner" means:

52 (i) an owner or owners of real property classified as class one prop-  
53 erty;

54 (ii) a tenant-stockholder of a cooperative corporation whose interest  
55 in a portion of real property held by such corporation is represented by  
56 shares of stock in such corporation, or such corporation; or

1 (iii) an owner or owners of a residential condominium dwelling unit.

2 Phase one market value. The term "phase one market value" means:

3 (i) for a class one property, the market value of a covered property  
4 as determined by the department pursuant to chapter fifty-eight of the  
5 New York city charter for the fiscal year in which the surcharge  
6 described by this chapter is imposed; and

7 (ii) for a class two property that is a residential condominium dwell-  
8 ing unit, the market value of such residential condominium dwelling unit  
9 as determined by the department pursuant to chapter fifty-eight of the  
10 New York city charter for the fiscal year in which the surcharge  
11 described by this chapter is imposed; and

12 (iii) for a class two property that is a residential cooperative prop-  
13 erty, the imputed cooperative phase one market value of any residential  
14 cooperative dwelling in such residential cooperative property.

15 Phase two market value. The term "phase two market value" means:

16 (i) for a class one property, the market value of a covered property  
17 as determined by the department pursuant to chapter fifty-eight of the  
18 New York city charter for the fiscal year in which the surcharge  
19 described in this chapter is imposed;

20 (ii) for a class two property that is a residential condominium dwell-  
21 ing unit, the market value of such residential condominium dwelling unit  
22 as determined by the department pursuant to chapter fifty-eight of the  
23 New York city charter for the fiscal year in which the surcharge  
24 described in this chapter is imposed, provided that such market value  
25 shall be determined using a method that considers sales of comparable  
26 residential condominium dwelling units or comparable residential cooper-  
27 ative dwelling units without regard to the restrictions described in  
28 section five hundred eighty-one of the real property tax law or section  
29 three hundred thirty-nine-y of the real property law; and

30 (iii) for a class two property that is a residential cooperative prop-  
31 erty, the market value of any residential cooperative dwelling unit in  
32 such residential cooperative property, as determined by the department  
33 pursuant to chapter fifty-eight of the New York city charter for the  
34 fiscal year in which the surcharge described in this chapter is imposed,  
35 provided that such market value shall be determined using a method that  
36 considers sales of comparable residential cooperative dwelling units or  
37 comparable residential condominium dwelling units without regard to the  
38 restrictions found in section five hundred eighty-one of the real prop-  
39 erty tax law.

40 Primary residence. The term "primary residence" means the use of a  
41 covered property, or, in the case of a residential cooperative property,  
42 a residential cooperative dwelling unit, as of the taxable status date  
43 immediately preceding the fiscal year in which the surcharge described  
44 by this chapter is imposed, as a primary residence of (i) one or more of  
45 the covered owners, or an immediate family member of one or more of the  
46 covered owners, provided such covered owners are natural persons; or  
47 (ii) one or more lessees, and any sub-lessees to which a lessee has  
48 sublet the covered property or residential cooperative dwelling unit  
49 pursuant to subdivision two of section two hundred twenty-six-b of the  
50 real property law, provided any such lessee or sub-lessee is a natural  
51 person occupying such covered property or residential cooperative dwell-  
52 ing unit pursuant to a bona fide lease agreement negotiated in an arms-  
53 length transaction with a term of not less than one year. For purposes  
54 of this chapter, the phrase "immediate family member" means a spouse,  
55 child, sibling, parent, grandparent, or grandchild.

1 Residential condominium dwelling unit. The term "residential condominium dwelling unit" means a unit, as defined in section three hundred  
2 thirty-nine-y of the real property law, held in a condominium form of  
3 ownership and used as residential real property, other than: (i) such a  
4 unit that is residential cooperative property; or (ii) such a unit that  
5 includes more than three dwelling units and all such dwelling units are  
6 held by the same owner, except where the department determines that a  
7 unit has been divided into more than three units to avoid application of  
8 the surcharge.  
9

10 Residential cooperative dwelling unit. The term "residential cooperative dwelling unit" means a dwelling unit in real property held by a  
11 cooperative corporation where an owner is a tenant-stockholder of such  
12 cooperative corporation and such dwelling unit is used as residential  
13 real property.  
14

15 Residential cooperative property. The term "residential cooperative property" means real property owned or leased by a cooperative corporation and that contains one or more residential cooperative dwelling  
16 units.  
17

18 Surcharge. The term "surcharge" means the surcharge imposed pursuant  
19 to section 11-3202 of this chapter.  
20

21 Taxable status date. The term "taxable status date" has the meaning  
22 set forth in section fifteen hundred seven of the New York city charter.  
23

24 § 11-3202 Imposition of surcharge. In accordance with article thirty-C  
25 of the tax law, in addition to any other tax or assessment imposed by  
26 this chapter or other law, and notwithstanding section three hundred  
27 five of the real property tax law, a surcharge is hereby imposed on a  
28 covered property or, in the case of a covered property that is a resi-  
29 dential cooperative property, a residential cooperative dwelling unit,  
30 that is not a primary residence, provided that (a) for fiscal years  
31 beginning on or after July first, two thousand twenty-six, and before  
32 July first, two thousand twenty-eight, the phase one market value of  
33 such covered property that is in class one is equal to or greater than  
34 five million dollars, the phase one market value of such covered proper-  
35 ty that is a residential condominium dwelling unit is equal to or great-  
36 er than one million dollars, or, in the case of a covered property that  
37 is a residential cooperative property, the phase one market value of a  
38 residential cooperative dwelling unit within such residential cooper-  
39 ative property is equal to or greater than one million dollars, and (b)  
40 for fiscal years beginning on or after July first, two thousand twenty-  
41 eight, the phase two market value of such covered property or, in the  
42 case of a covered property that is a residential cooperative property,  
43 such residential cooperative dwelling unit, is equal to or greater than  
44 five million dollars.

45 § 11-3203 Primary residence. (a) Determination of primary residency.  
46 (1) The department shall make, on an annual basis, an initial determi-  
47 nation that a covered property, or, in the case of a covered property  
48 that is a residential cooperative property, a residential cooperative  
49 dwelling unit, that has a market value amount equal to or greater than  
50 the applicable phase one or phase two market value threshold established  
51 in section 11-3202 of this chapter, is not a primary residence. The  
52 department shall make a determination of primary residence based on  
53 factors identified by rules of the department, including but not limited  
54 to whether such covered property or residential cooperative dwelling  
55 unit was occupied in aggregate for a majority of days during a calendar  
year by a covered owner of such covered property or residential cooper-

1 ative dwelling unit. The department shall make such initial determi-  
2 nation based on information available to such department.

3 (2) The department shall provide notice to the owner of a covered  
4 property, or, in the case of a covered property that is a residential  
5 cooperative property, a residential cooperative dwelling unit, of such  
6 initial determination, provided that, for the fiscal year beginning July  
7 first, two thousand twenty-six, such department shall provide such  
8 notice no later than August thirtieth, two thousand twenty-six. Such  
9 notice shall include an opportunity for such owner to submit proof of  
10 primary residence to the satisfaction of such department in accordance  
11 with a time period established by rule by the department. The department  
12 may require that such owner provide a certification that such covered  
13 property or residential cooperative dwelling unit is a primary resi-  
14 dence, as well as documentation demonstrating:

15 (i) that a covered owner provided the address of such covered property  
16 or residential cooperative dwelling unit as such covered owner's perma-  
17 nent home address on the New York state resident income tax return filed  
18 by such covered owner for the calendar year that ends immediately  
19 preceding the fiscal year in which the surcharge is imposed;

20 (ii) such covered property or residential cooperative dwelling unit  
21 received a real property tax exemption pursuant to section four hundred  
22 twenty-five of the real property tax law during the fiscal year imme-  
23 diately preceding the fiscal year in which the surcharge is imposed or  
24 the owner of such covered property or residential cooperative dwelling  
25 unit received a tax credit pursuant to subsection (eee) of section six  
26 hundred six of the tax law for such covered property or residential  
27 cooperative dwelling unit for the calendar year immediately preceding  
28 the fiscal year in which the surcharge is imposed; or

29 (iii) such covered property or residential cooperative dwelling unit  
30 is the primary residence of one or more lessees or a sub-lessees to  
31 which a lessee has sublet such covered property or residential cooper-  
32 ative dwelling unit pursuant to subdivision two of section two hundred  
33 twenty-six-b of the real property law or an immediate family member of a  
34 covered owner.

35 (3) After consideration of a submission of proof of primary residence  
36 by an owner pursuant to paragraph two of this subdivision, and other  
37 available information, the department shall determine whether such  
38 covered property or residential cooperative dwelling unit is not a  
39 primary residence. Such determination shall constitute a final determi-  
40 nation of the department.

41 (4) Where an owner fails to submit proof of primary residence pursuant  
42 to paragraph two of this subdivision, the initial determination made by  
43 the department pursuant to paragraph one of this subdivision shall  
44 constitute a final determination of such department and shall not be  
45 subject to challenge pursuant to section 11-3206 of this chapter, unless  
46 such owner has challenged such initial determination of primary resi-  
47 dence pursuant to paragraph two of subdivision (b) of section 11-3206 of  
48 this chapter.

49 (5) The department shall provide any notice required by this section  
50 by electronic means and may require that an owner submit any certifi-  
51 cation or documentation by electronic means, provided that the depart-  
52 ment may promulgate rules authorizing other forms of communication for  
53 any such owner or owners for whom the department does not have an elec-  
54 tronic address available, or for whom communication by electronic means  
55 is not practicable or feasible.

1 (6) Failure to provide the notice required by this section shall not  
2 affect the validity of the imposition of the surcharge authorized by  
3 this chapter.

4 (b) The department may promulgate rules to:

5 (1) specify additional factors or documentation that may assist in the  
6 initial or final determination of whether a covered property, or, in the  
7 case of a covered property that is a residential cooperative property, a  
8 residential cooperative dwelling unit, is a primary residence; and

9 (2) establish a process through which the department may audit any  
10 certification or documentation of primary residency submitted pursuant  
11 to this section within six years of such submission.

12 § 11-3204 Surcharge rates. The department shall calculate the  
13 surcharge imposed pursuant to section 11-3202 of this chapter as  
14 follows:

15 (a) For fiscal years beginning on or after July first, two thousand  
16 twenty-six, and before July first, two thousand twenty-eight, (1) for  
17 covered property that is in class one, where the phase one market value  
18 is (i) greater than or equal to five million dollars, but less than or  
19 equal to fifteen million dollars, at a rate of 0.8 percent; (ii) greater  
20 than fifteen million dollars, but less than or equal to twenty-five  
21 million dollars, at a rate of 1.05 percent; (iii) greater than twenty-  
22 five million dollars, at a rate of 1.3 percent; and (2) for covered  
23 property that is a residential condominium dwelling unit or, in the case  
24 of a residential cooperative property, a residential cooperative dwell-  
25 ing unit, where the phase one market value is (i) greater than or equal  
26 to one million dollars, but less than or equal to three million dollars,  
27 at a rate of 4.0 percent; (ii) greater than three million dollars, but  
28 less than or equal to five million dollars, at a rate of 5.25 percent;  
29 (iii) greater than five million dollars, at a rate of 6.5 percent.

30 (b) For fiscal years beginning on or after July first, two thousand  
31 twenty-eight, for covered property or, in the case of a residential  
32 cooperative property, a residential cooperative dwelling unit, where the  
33 phase two market value is (1) greater than or equal to five million  
34 dollars, but less than or equal to fifteen million dollars, at a rate of  
35 0.8 percent; (2) greater than fifteen million dollars, but less than or  
36 equal to twenty-five million dollars, at a rate of 1.05 percent; (3)  
37 greater than twenty-five million dollars, at a rate of 1.3 percent.

38 § 11-3205 Administration of surcharge. (a) The department shall add  
39 the surcharge imposed pursuant to section 11-3202 of this chapter to the  
40 statement of account required pursuant to section 11-129 of this title  
41 of a covered property. In the case of a residential cooperative proper-  
42 ty, the department shall add to the statement of account of such proper-  
43 ty the sum of any surcharges authorized by this chapter for each resi-  
44 dential cooperative dwelling unit in such residential cooperative  
45 property where such dwelling unit: (1) has a phase one or phase two  
46 market value equal to, or greater than, the threshold provided in  
47 section 11-3202 of this chapter; and (2) does not serve as a primary  
48 residence. Any abatement, credit or exemption of the real property taxes  
49 owed by such covered property shall not apply to such surcharge.

50 (b) Such surcharge shall be due and payable in the same manner as real  
51 property taxes are due and payable pursuant to section fifteen hundred  
52 nineteen-a of the New York city charter. Such surcharge and any penal-  
53 ties authorized pursuant to paragraph three of subdivision (b) of  
54 section 11-3203 of this chapter, and the interest imposed thereon in  
55 accordance with section 11-224.1 of this title, shall continue to be a  
56 lien on the covered property. Such lien shall be a tax lien within the

1 meaning of sections 11-301, 11-319 and 11-401 of this title and may be  
2 sold, enforced or foreclosed in the manner provided in chapters three or  
3 four of this title or section 11-3208 of this chapter.

4 (c) The department shall administer and enforce this surcharge, to the  
5 greatest extent practicable not inconsistent with this chapter, in the  
6 same manner used to administer and enforce real property taxes. For  
7 purposes of section fifteen hundred four of the New York city charter,  
8 the term "real property taxes" shall include the surcharge imposed  
9 pursuant to section 11-3202 of this chapter. Notwithstanding the preced-  
10 ing sentences of this subdivision, section 11-207 of this title shall  
11 not apply to this surcharge and this surcharge shall not constitute a  
12 real property tax for the purposes of section fifteen hundred twenty-  
13 seven of such charter. For the purposes of the preparation, publication,  
14 addition or adjustment of the annual record of assessed valuation or  
15 assessment rolls, or any processes required by law to produce such  
16 rolls, the department shall only be required to publish information  
17 relating to phase two market values of covered properties in relation to  
18 this surcharge.

19 (d) The books of annual records of the phase one or phase two market  
20 value, as applicable, of covered property shall be opened to the public  
21 on the same dates and in the same manner as the books of the assessed  
22 valuation of real estate pursuant to section fifteen hundred ten of the  
23 New York city charter. For the fiscal year beginning July first, two  
24 thousand twenty-six, the books of annual records of the phase one market  
25 value shall be opened to the public not later than the date on which a  
26 notice of surcharge is issued to an owner of a covered property, or, in  
27 the case of a residential cooperative property, to a cooperative corpo-  
28 ration, and remain open during the usual business hours for public  
29 inspection and examination until December thirty-first, two thousand  
30 twenty-six. The commissioner, previous to and during the time such books  
31 are open to public inspection, shall advertise such fact in the city  
32 record and in such other newspaper or newspapers published in the  
33 several boroughs as may be authorized by the director of the city record  
34 with the approval of the mayor and the comptroller. The provisions of  
35 this subdivision shall not affect any time frame in which the books of  
36 annual record are open for the purposes of inspection of annual valu-  
37 ation for the purposes of the assessment of real property taxes.

38 (e) Notwithstanding subdivision (b) of this section, any surcharge  
39 imposed on a covered property in the fiscal year commencing on July  
40 first, two thousand twenty-six, shall be due and payable on the same  
41 date as the second semi-annual installment of real property taxes is  
42 due, as described in section fifteen hundred nineteen-a of the charter  
43 of the city of New York.

44 (f) Notwithstanding any provision of law to the contrary, where the  
45 department adds the sum of any surcharges imposed pursuant to section  
46 11-3202 of this chapter for a residential cooperative dwelling unit  
47 pursuant to subdivision (a) of this section to the statement of account  
48 of a residential cooperative property, each such surcharge shall be  
49 collected by the cooperative corporation from the tenant-stockholder of  
50 such cooperative corporation whose interest in each such residential  
51 cooperative dwelling unit is represented by shares of stock in such  
52 corporation.

53 (g) Notwithstanding any provision of law to the contrary, the  
54 surcharge imposed on a covered property pursuant to section 11-3202 of  
55 this chapter shall be separate and distinct from any other tax levied on  
56 real property. Any revenue collected as a result of the imposition of

1 such surcharge shall not be included in the calculation of the tax levy  
2 for purposes of determining class shares pursuant to article eighteen of  
3 the real property tax law, shall not be subject to apportionment among  
4 classes of real property, and shall not be considered when establishing  
5 tax rates for any class of property. Such revenue shall be considered  
6 receipts other than taxes on real property for the purposes of section  
7 fifteen hundred fifteen of the New York city charter.

8 (h) Upon receipt of a notice of surcharge by a residential cooperative  
9 property, the cooperative corporation that holds such residential coop-  
10 erative property shall provide such notice to the owners of the residen-  
11 tial cooperative dwelling unit that is the subject of such notice as  
12 soon as practicable.

13 (i) The department may promulgate any rules:

14 (1) necessary to implement this chapter, including, but not limited  
15 to, rules: (i) to address a change in ownership of a covered property or  
16 a residential cooperative dwelling unit, or illness or death of an owner  
17 of a covered property or residential cooperative dwelling unit; (ii) to  
18 authorize persons other than a covered owner to submit proof of primary  
19 residency on behalf of a covered owner; (iii) relating to requirements  
20 for provision of notice of surcharge, including rules designating such  
21 notice as the statement of account required pursuant to section 11-129  
22 of this title, the assessment roll required pursuant to chapter fifty-  
23 eight of the New York city charter, or a combination including such  
24 statement and such roll; or (iv) to establish when a sale of a residen-  
25 tial condominium dwelling unit, or a transfer of an economic interest in  
26 a residential cooperative dwelling unit, has occurred for purposes of  
27 whether such residential condominium dwelling unit or residential coop-  
28 erative dwelling constitutes excluded property.

29 (2) to establish penalties not exceeding fifty percent of the  
30 surcharge imposed on a covered property by this chapter if, after notice  
31 and a hearing, the department determines that:

32 (i) any certification or documentation submitted to the department  
33 contains inaccurate or misleading information that: (A) is material to  
34 the determination of the imposition of such surcharge, including a  
35 determination relating to primary residence; and (B) was submitted  
36 negligently or in bad faith; or

37 (ii) a covered property that is a residential condominium unit has  
38 been divided into more than three units to avoid application of such  
39 surcharge and the owner of such covered property has made such division  
40 in bad faith.

41 (j) The commissioner of the department may subpoena and require the  
42 attendance of witnesses and the production of books, papers and docu-  
43 ments to secure information pertinent to the determination of the  
44 surcharge, including a determination relating to primary residence.

45 § 11-3206 Administrative and judicial review. (a) When used in this  
46 section, the following terms have the following meanings:

47 Excessive. The term "excessive" means, as it related to the value of a  
48 covered property, an assessment of the market value of a covered proper-  
49 ty, or, in the case of a residential cooperative property, a residential  
50 cooperative dwelling unit, made for the purposes of the surcharge which  
51 exceeds the full value of such covered property or residential cooper-  
52 ative dwelling unit.

53 Market value. The term "market value" means the phase one market value  
54 or phase two market value, as applicable for the fiscal year for which  
55 the surcharge is imposed.

1 Unlawful. The term "unlawful" means, as it relates to the value of a  
2 covered property an assessment of the market value of covered property,  
3 or, in the case of a residential cooperative property, a residential  
4 cooperative dwelling unit, made for the purposes of the surcharge where:

5 (i) such covered property or residential cooperative dwelling unit is  
6 not subject to the surcharge imposed by this chapter;

7 (ii) such covered property or residential cooperative dwelling unit is  
8 entirely outside the boundaries of the city of New York; or

9 (iii) such covered property or residential cooperative dwelling unit  
10 cannot be identified from the assessment roll description or tax map  
11 land parcel number on the assessment roll, provided that, in the case of  
12 residential cooperative property, the market value is not unlawful where  
13 an entry on an assessment roll identifies a residential cooperative  
14 dwelling unit by the street address and unit number of such residential  
15 cooperative dwelling unit; or

16 (iv) such assessment has been made by a person or body without author-  
17 ity to make such entry.

18 (b) During the time that the books of annual records of the phase one  
19 market value or phase two market value of a covered property are open  
20 for public inspection, an owner of covered property claiming to be  
21 aggrieved by the market value of such covered property, or, in the case  
22 of a residential cooperative property, of a residential cooperative  
23 dwelling unit within such residential cooperative property, determined  
24 for purposes of the surcharge imposed pursuant to section 11-3202 of  
25 this chapter may apply to the tax commission for correction of such  
26 market value. Such application shall be duly verified by a person having  
27 personal knowledge of the facts stated therein, provided that if the  
28 application is signed by someone other than the person or an officer of  
29 the corporation claiming to be aggrieved, the application must be accom-  
30 panied by a duly executed power of attorney and any other documentation  
31 as prescribed by the rules of the tax commission. An owner may chal-  
32 lenge, pursuant to this section, the following:

33 (1) the market value of such covered property or residential cooper-  
34 ative dwelling unit, as determined by the department;

35 (2) an initial determination by the department that such covered prop-  
36 erty or residential cooperative dwelling unit is not a primary resi-  
37 dence, provided that such owner or cooperative corporation challenges  
38 the market value of such covered property or residential cooperative  
39 dwelling unit pursuant to paragraph one of this subdivision at the same  
40 time as such initial determination; and

41 (3) a final determination by the department that such covered property  
42 or residential cooperative dwelling unit is not a primary residence.

43 (c) The grounds for review shall be that the market value determined  
44 by the department is excessive or unlawful, or that the covered proper-  
45 ty, or, in the case of a residential cooperative property, the residen-  
46 tial cooperative dwelling unit, is a primary residence.

47 (d) The application shall be on a form prescribed by the tax commis-  
48 sion and shall contain a statement specifying the respect in which the  
49 market value is excessive or unlawful, or the respect in which the  
50 covered property, or, in the case of a residential cooperative property,  
51 the residential cooperative dwelling unit, is a primary residence, and  
52 the reduction in market value or determination of primary residency  
53 sought.

54 (e) The filing of an application in the manner and form hereinabove  
55 described shall be prerequisite to the review of a final determination  
56 of the tax commission as provided in section one hundred sixty-six of

1 the New York city charter. Such application shall be filed in the office  
2 of the tax commission in the borough in which such covered property is  
3 situated. Employees of the commission assigned by the president for the  
4 purpose of receiving such applications are hereby authorized to adminis-  
5 ter oaths between the first day of November, two thousand twenty-six,  
6 and the first day of March, two thousand twenty-seven, and between the  
7 fifteenth day of January and the first day of March in any year there-  
8 after.

9 (f) Except as otherwise provided in this section, an application shall  
10 be filed, and the tax commission shall review an application in the same  
11 manner and between the same dates as an application for review of an  
12 assessment pursuant to sections one hundred sixty-four, one hundred  
13 sixty-four-a, one hundred sixty-four-b, one hundred sixty-five, one  
14 hundred sixty-six, and fifteen hundred twelve of the New York city char-  
15 ter and subchapter one of chapter two of this title. Notwithstanding any  
16 other provision of law to the contrary, where an application is filed  
17 for review of the market value of real estate for the fiscal year begin-  
18 ning July first, two thousand twenty-six, such application may be filed  
19 between the date on which a notice of surcharge is issued to an owner of  
20 a covered property, or, in the case of a residential cooperative proper-  
21 ty, to a cooperative corporation, and the last date on which an applica-  
22 tion may be filed pursuant to this section for review of the market  
23 value of a covered property for the fiscal year beginning July first,  
24 two thousand twenty-seven, and the tax commission shall review an appli-  
25 cation filed pursuant to this section for review of the market value of  
26 a covered property for the fiscal year beginning July first, two thou-  
27 sand twenty-eight, in the same manner and between the same dates as an  
28 application filed pursuant to this section for review of the market  
29 value of real estate for the fiscal year beginning July first, two thou-  
30 sand twenty-seven.

31 (g) An application filed with the tax commission pursuant to this  
32 section or a determination by the tax commission pursuant to this  
33 section shall not be given any force or effect in any other administra-  
34 tive proceeding before the tax commission or in any subsequent judicial  
35 proceeding brought to review any other determination by the tax commis-  
36 sion, provided that, where the tax commission makes a determination with  
37 regard to a residential cooperative dwelling unit in a residential coop-  
38 erative property, the tax commission shall consider such determination  
39 in any proceeding relating to any other residential cooperative dwelling  
40 unit in such residential cooperative property for the same fiscal year.

41 (h) An owner of a covered property may challenge, in accordance with  
42 title one of article seven of the real property tax law, and notwith-  
43 standing any provision of such article seven to the contrary, a final  
44 determination by the tax commission pursuant to this section on the  
45 grounds for review described in subdivision (c) of this section. A chal-  
46 lenge pursuant to this subdivision must be commenced within the time  
47 specified by section one hundred sixty-six of the New York city charter.

48 § 11-3207 Information sharing. The city shall, upon request by the  
49 commissioner of taxation and finance, provide the department of taxation  
50 and finance with any records in its possession used or considered in  
51 determining whether a covered property, or, in the case of a residential  
52 cooperative property, a residential cooperative dwelling unit, is not a  
53 primary residence. The department of taxation and finance shall, upon  
54 request by such city provide such city with any records in its  
55 possession contained in any return filed pursuant to article thirty of  
56 the tax law or disclosed by any investigation of tax liability under

1 such article for the purposes of implementing the surcharge. Information  
2 shared pursuant to this subdivision shall not be subject to disclosure  
3 pursuant to article six of the public officers law.

4 § 11-3208 Proceedings to recover surcharge. (a) Whenever any owner,  
5 or, in the case of a residential cooperative property, a cooperative  
6 corporation, subject to the surcharge imposed pursuant to section  
7 11-3202 of this chapter shall fail to pay such surcharge or any interest,  
8 as herein provided, the corporation counsel shall, upon the request  
9 of the commissioner, bring or cause to be brought an action to enforce  
10 the payment of the same on behalf of the city of New York in any court  
11 of the state of New York or of any other state or of the United States.

12 (b) As an additional or alternate remedy, the commissioner may issue a  
13 warrant, directed to the city sheriff commanding such sheriff to levy  
14 upon and sell the real and personal property of such owner or cooper-  
15 ative corporation that may be found within the city, for the payment of  
16 the amount thereof, with any interest, and the cost of executing the  
17 warrant, and to return such warrant to the commissioner and to pay to  
18 such sheriff the money collected by virtue thereof within sixty days  
19 after the receipt of such warrant. The city sheriff shall within five  
20 days after the receipt of the warrant file with the county clerk a copy  
21 thereof, and thereupon such clerk shall enter in the judgment docket the  
22 name of the such owner or cooperative corporation mentioned in the  
23 warrant and the amount of the surcharge and interest for which the  
24 warrant is issued and the date when such copy is filed. Thereupon the  
25 amount of such warrant so docketed shall become a lien upon the title to  
26 and the interest in real and personal property of such owner or cooper-  
27 ative corporation against whom the warrant is issued. The city sheriff  
28 shall then proceed upon the warrant in the same manner, and with like  
29 effect, as that provided by law in respect to executions issued against  
30 property upon judgments of a court of record and for services in execut-  
31 ing the warrant such sheriff shall be entitled to the same fees, which  
32 such sheriff may collect in the same manner. In the discretion of the  
33 commissioner, a warrant of like terms, force and effect may be issued  
34 and directed to an officer or employee of the department, and in the  
35 execution thereof such officer or employee shall have all the powers  
36 conferred by law upon sheriffs, but shall be entitled to any fee or  
37 compensation in excess of the actual expenses paid in the performance of  
38 such duty. If a warrant is returned not satisfied in full, the commis-  
39 sioner may from time to time issue new warrants and shall also have the  
40 same remedies to enforce the amount due thereunder as if the city had  
41 recovered judgment therefor and execution thereon had been returned  
42 unsatisfied.

43 (c) The commissioner, if such commissioner finds that the interests of  
44 the city will not thereby be jeopardized, and upon such conditions as  
45 the commissioner may require, may release any property from the lien of  
46 any warrant or vacate such warrant for unpaid taxes, additions to tax,  
47 penalties and interest filed pursuant to subdivision (b) of this  
48 section, and such release or vacating of the warrant may be recorded in  
49 the office of any recording officer in which such warrant has been  
50 filed. The clerk shall thereupon cancel and discharge as of the original  
51 date of docketing the vacated warrant.

52 (d) The procedures provided in this section for the enforcement of the  
53 surcharge against any such owner or cooperative corporation shall be in  
54 addition to any other methods provided under any other provision of law  
55 for the enforcement such surcharge.

1 § 4. Subdivision b of section 153 of the New York city charter, as  
2 amended by local law number 76 of the city of New York for the year  
3 1984, is amended to read as follows:

4 b. The tax commission shall be charged with the duty of reviewing and  
5 correcting all assessments of real property made pursuant to the  
6 provisions of section fifteen hundred six and all determinations of  
7 market values of real property made pursuant to chapter thirty-two of  
8 title eleven of the administrative code of the city of New York.

9 § 5. Severability. The provisions of this act shall be severable, and  
10 if the application of any clause, sentence, paragraph, subdivision,  
11 section or part of this act to any person or circumstance shall be  
12 adjudged by any court of competent jurisdiction to be invalid, such  
13 judgment shall not necessarily affect, impair or invalidate the applica-  
14 tion of any such clause, sentence, paragraph, subdivision, section, or  
15 part of this act or remainder thereof, as the case may be, to any other  
16 person or circumstance, but shall be confined in its operation to the  
17 clause, sentence, paragraph, subdivision, section or part thereof  
18 directly involved in the controversy in which such judgment shall have  
19 been rendered.

20 § 6. This act shall take effect immediately; provided, however, that  
21 article 30-C of the tax law, as added by section two of this act, and  
22 chapter 32 of title 11 of the administrative code of the city of New  
23 York, as added by section three of this act, shall apply to fiscal years  
24 commencing on or after July 1, 2026; and provided further that this act  
25 shall expire and be deemed repealed on June 30, 2031.

26 PART II

27 Section 1. Subparagraph (iii) of paragraph 1 of subdivision b of  
28 section 1612 of the tax law, as added by section 1 of part EE of chapter  
29 59 of the laws of 2019, the opening paragraph of clause (A) as amended  
30 by section 1-a of part S of chapter 39 of the laws of 2019 and clause  
31 (B) as amended by chapter 528 of the laws of 2023, is amended to read as  
32 follows:

33 (iii) less any additional vendor's fees. Additional vendor's fees  
34 shall be calculated as follows:

35 (A) when a vendor track is located within region one and is located  
36 within Orange county or region two of development zone two, as such zone  
37 is defined in section thirteen hundred ten of the racing, pari-mutuel  
38 wagering and breeding law, or is located within region six of such  
39 development zone two and is located within Ontario county, the addi-  
40 tional vendor fee received by the vendor track shall be calculated  
41 pursuant to subclause one of this clause; provided, however, such addi-  
42 tional vendor fee shall not exceed ten percent.

43 (1) The additional vendor fee is a percentage of the total revenue  
44 wagered at the vendor track after payout for prizes pursuant to this  
45 chapter. That percentage is calculated by subtracting the effective tax  
46 rate on all taxable gross gaming revenue paid by a gaming facility with-  
47 in the same region as the vendor track from the percentage that is nine-  
48 ty percent less ~~[than]~~ the ~~[percentage of the]~~ vendor track's vendor fee  
49 percentage and less the additional vendor fee percentage authorized  
50 pursuant to clause (D) of this subparagraph. For purposes of this  
51 clause, Seneca and Wayne counties shall be deemed to be located within  
52 region six of development zone two.

53 (2) The additional vendor fee paid pursuant to this clause shall  
54 commence with the state fiscal year beginning on April first, two thou-

1 sand nineteen and shall be paid to a vendor track no later than ninety  
2 days after the close of the fiscal year. The additional vendor fee  
3 authorized by this clause shall only be applied to revenue wagered at a  
4 vendor track while a gaming facility in the same region as that vendor  
5 track is open and operating pursuant to an operation certificate issued  
6 pursuant to section thirteen hundred thirty-one of the racing, pari-mu-  
7 tuel wagering and breeding law.

8 (B) for a vendor track that is located within Oneida county, within  
9 fifteen miles of a Native American class III gaming facility, such addi-  
10 tional vendor fee shall be six and four-tenths percent of the total  
11 revenue wagered at the vendor after payout for prizes pursuant to this  
12 chapter. The vendor track shall forfeit this additional vendor fee for  
13 any time period that the vendor track does not maintain at least seventy  
14 percent of full-time equivalent employees as they employed in the year  
15 two thousand sixteen.

16 (C) (1) for a vendor track that is located within development zone one  
17 as defined by section thirteen hundred ten of the racing, pari-mutuel  
18 wagering and breeding law, such additional vendor fee shall be six and  
19 five-tenths percent of the total revenue wagered at the vendor track  
20 after payout for prizes pursuant to this chapter. At the conclusion of  
21 each fiscal year, if the effective tax rate on all taxable gross gaming  
22 revenue paid by a gaming facility that is licensed under title two-A of  
23 article thirteen of the racing, pari-mutuel wagering and breeding law,  
24 and located within New York city is below forty-four percent, the vendor  
25 track shall receive an additional calculated amount no later than ninety  
26 days after the close of the fiscal year. For the purposes of this  
27 clause, an additional calculated amount shall be the differential  
28 between forty-four percent and the effective tax rate on all taxable  
29 gross gaming revenue paid by the applicable gaming facility applied to  
30 revenue wagered at such vendor track after payout for prizes pursuant to  
31 this chapter. The vendor track must maintain at least ninety percent of  
32 full-time equivalent gaming employees as they employed in the year two  
33 thousand twenty-five to receive the additional vendor fee and additional  
34 calculated amount. The additional vendor fee and additional calculated  
35 amount authorized by this clause shall only be applied to revenue  
36 wagered at a vendor track while the applicable gaming facility refer-  
37 enced pursuant to this clause is open and operating pursuant to an oper-  
38 ation certificate issued pursuant to section thirteen hundred thirty-one  
39 of the racing, pari-mutuel wagering and breeding law.

40 (2) To be eligible to receive the additional vendor fee authorized  
41 pursuant to this clause, a vendor track must submit an application to  
42 the gaming commission. Such application shall identify the number of  
43 full-time equivalent gaming employees employed at the facility in calen-  
44 dar year two thousand twenty-five.

45 (3) The additional vendor fee authorized by this clause shall be  
46 applicable commencing on the date that an eligible facility submits  
47 their application under subclause two of this clause to the gaming  
48 commission.

49 (D) (1) five percent for the following:

50 (I) any video lottery gaming facility located in either Nassau or  
51 Suffolk county that is operated by a corporation established pursuant to  
52 section five hundred two of the racing, pari-mutuel wagering and breed-  
53 ing law;

54 (II) a vendor track located within region one and located within  
55 Orange county;

1 (III) any vendor track located within fifteen miles of a Native Ameri-  
2 can class III gaming facility as defined in 25 U.S.C §2703(8); and

3 (IV) a vendor track located more than fifteen miles but less than  
4 fifty miles from a destination resort gaming facility authorized pursu-  
5 ant to article thirteen of the racing, pari-mutuel wagering and breeding  
6 law.

7 (2) To be eligible to receive the additional vendor fee authorized  
8 pursuant to this clause, a vendor track or video lottery gaming facility  
9 must submit an application to the gaming commission. Such application  
10 shall identify the number of full-time equivalent gaming employees  
11 employed at the facility in calendar year two thousand twenty-five.

12 (3) On July first of each year beginning on July first, two thousand  
13 twenty-seven, each track or facility shall certify to the gaming commis-  
14 sion the number of full-time equivalent gaming employees employed by the  
15 facility for the preceding calendar year. If the number of full-time  
16 equivalent gaming employees certified to the gaming commission is less  
17 than the number of full-time equivalent gaming employees employed by the  
18 facility in the year two thousand twenty-five, the gaming commission may  
19 reduce the additional vendor fee received by such track or facility  
20 pursuant to this clause by the following amount:

21 (I) if the number of certified full-time equivalent gaming employees  
22 is less than one hundred percent but more than or equal to ninety-five  
23 percent of the original amount, one percent;

24 (II) if the number of certified full-time equivalent gaming employees  
25 is less than ninety-five percent but more than or equal to ninety  
26 percent of the original amount, two percent;

27 (III) if the number of certified full-time equivalent gaming employees  
28 is less than ninety percent but more than or equal to eighty-five  
29 percent of the original amount, three percent;

30 (IV) if the number of certified full-time equivalent gaming employees  
31 is less than eighty-five percent but more than or equal to eighty  
32 percent of the original amount, four percent; and

33 (V) if the number of certified full-time equivalent gaming employees  
34 is less than eighty percent of the original amount, the full five  
35 percent.

36 (4) The additional vendor fee authorized by this clause shall be  
37 applicable commencing on the date that an eligible facility submits its  
38 application under subclause two of this clause to the gaming commission.

39 § 2. 1. The gaming commission shall undertake a study to (a) analyze  
40 the effects of potential changes in commercial casino tax rates and  
41 video lottery gaming vendor fees on the growth or limitation of each  
42 component of the gaming industry, state and local revenues, and educa-  
43 tion aid; (b) determine factors that should be considered when estab-  
44 lishing a tax rate and vendor fee for licensed gaming facilities; and  
45 (c) propose options regarding vendor fees and tax rates using the infor-  
46 mation gathered as part of the study.

47 2. The study conducted pursuant to this section shall not be subject  
48 to section 163 of the state finance law.

49 § 3. To ensure public disclosure of the additional vendor fee, each  
50 vendor track or video lottery gaming facility receiving an additional  
51 vendor fee pursuant to this act shall submit a report to the gaming  
52 commission by September 30, 2029, detailing how each such vendor track  
53 or video lottery gaming facility used the additional vendor fees author-  
54 ized by clauses (C) and (D) of subparagraph (iii) of paragraph 1 of  
55 subdivision b of section 1612 of the tax law, including information on

1 compensation, capital investment costs, and other expenditures. The  
2 gaming commission shall post each report on its website.

3 § 4. This act shall take effect immediately; provided, however, that  
4 sections one and two of this act shall expire and be deemed repealed 3  
5 years after such date; provided further, however, that section three of  
6 this act shall expire and be deemed repealed on December 31, 2029; and  
7 provided further, however, that the amendments to clause (B) of subpara-  
8 graph (iii) of paragraph 1 of subdivision b of section 1612 of the tax  
9 law made by section one of this act shall not affect the repeal of such  
10 clause and shall expire and be deemed repealed therewith.

11 PART JJ

12 Section 1. (a) Notwithstanding any provision of law, rule or regu-  
13 lation to the contrary, any site for which (i) a brownfield cleanup  
14 agreement with the department of environmental conservation was entered  
15 into prior to December 20, 2013 with respect to a site located at the  
16 corner of Broadway and Spencer Street in downtown Albany, approximately  
17 900 feet west of the Hudson River, Albany county, and (ii) which  
18 received a certificate of completion on or before December 31, 2017,  
19 shall be a qualified site for purposes of the brownfield redevelopment  
20 tax credits available to such a site pursuant to section 21 of the tax  
21 law as in effect for such a site as of the effective date of this act  
22 provided that both the site preparation credit component and the on-site  
23 groundwater remediation credit component shall be allowed for all eligi-  
24 ble costs incurred on such a site prior to and within the tax year in  
25 which qualified tangible property on such a site is placed in service,  
26 and for a five year period (60 months) following the year such property  
27 is first placed in service upon such a site, provided, such a date  
28 occurs prior to the 2031 tax year, and the tangible property credit  
29 component shall be allowed for all eligible costs incurred on such a  
30 site prior to and within the tax year in which qualified tangible prop-  
31 erty on such a site is placed in service, and for a ten year period (120  
32 months) following the year such property is first placed in service upon  
33 such a site, provided such a date occurs prior to the 2031 tax year.

34 (b) In addition, any site for which (i) a brownfield cleanup agreement  
35 with the department of environmental conservation was entered into prior  
36 to December 20, 2013 with respect to a site located at the corner of  
37 Broadway and Spencer Street in downtown Albany, approximately 900 feet  
38 west of the Hudson River, Albany county, and (ii) which received a  
39 certificate of completion on or before December 31, 2017, shall be  
40 eligible to claim the tax credit for remediated brownfields available to  
41 such a site pursuant to section 22 of the tax law as in effect for such  
42 a site as of the effective date of this act provided the benefit period  
43 as applicable thereto shall be deemed to be a ten-consecutive-tax-year  
44 period beginning with the tax year in which qualified tangible property  
45 on such a site is placed in service where said benefit period shall  
46 begin no later than the 2031 tax year.

47 (c) Further, any site for which (i) a brownfield cleanup agreement  
48 with the department of environmental conservation was entered into prior  
49 to December 20, 2013 with respect to a site located at the corner of  
50 Broadway and Spencer Street in downtown Albany, approximately 900 feet  
51 west of the Hudson River, Albany county, and (ii) which received a  
52 certificate of completion on or before December 31, 2017, shall be a  
53 qualified site for purposes of claiming the tax credit for remediated  
54 brownfields available to such a site pursuant to section 22 of the tax

1 law, provided that such developer as defined under section 22 of the tax  
2 law has purchased or in any other way has been conveyed all or any  
3 portion of such a site from any other party who or which has been issued  
4 a certificate of completion with respect to such site and further  
5 provided that such purchase or conveyance occurs no later than the 2031  
6 tax year.

7 § 2. (a) Notwithstanding any provision of law, rule or regulation to  
8 the contrary, any site for which (i) a brownfield cleanup agreement with  
9 the department of environmental conservation was entered into prior to  
10 December 22, 2007 with respect to a site located at 555 West 34th  
11 Street, also known as 400 Eleventh Avenue, between 10th and 11th Avenues  
12 in Manhattan, New York County, and (ii) which received a certificate of  
13 completion on or before December 19, 2012, shall be a qualified site for  
14 purposes of the brownfield redevelopment tax credits available to such a  
15 site pursuant to section 21 of the tax law as in effect for such a site  
16 as of the effective date of this act provided that both the site prepa-  
17 ration credit component and the on-site groundwater remediation credit  
18 component shall be allowed for all eligible costs incurred on such a  
19 site prior to and within the tax year in which qualified tangible prop-  
20 erty on such a site is placed in service, and for a five year period (60  
21 months) following the year such property is first placed in service upon  
22 such a site, provided, such a date occurs prior to the 2033 tax year,  
23 and the tangible property credit component shall be allowed for all  
24 eligible costs incurred on such a site prior to and within the tax year  
25 in which qualified tangible property on such a site is placed in  
26 service, and for a ten year period (120 months) following the year such  
27 property is first placed in service upon such a site, provided such a  
28 date occurs prior to the 2033 tax year.

29 (b) In addition, any site for which (i) a brownfield cleanup agreement  
30 with the department of environmental conservation was entered into prior  
31 to December 22, 2007 with respect to a site located at 555 West 34th  
32 Street, also known as 400 Eleventh Avenue, between 10th and 11th Avenues  
33 in Manhattan, New York County, and (ii) which received a certificate of  
34 completion on or before December 19, 2012, shall be eligible to claim  
35 the tax credit for remediated brownfields available to such a site  
36 pursuant to section 22 of the tax law as in effect for such a site as of  
37 the effective date of this act provided the benefit period as applicable  
38 thereto shall be deemed to be a ten-consecutive-tax-year period begin-  
39 ning with the tax year in which qualified tangible property on such a  
40 site is placed in service where said benefit period shall begin no later  
41 than the 2033 tax year.

42 (c) Further, any site for which (i) a brownfield cleanup agreement  
43 with the department of environmental conservation was entered into prior  
44 to December 22, 2007 with respect to a site located at 555 West 34th  
45 Street, also known as 400 Eleventh Avenue, between 10th and 11th Avenues  
46 in Manhattan, New York County, and (ii) which received a certificate of  
47 completion on or before December 19, 2012, shall be a qualified site for  
48 purposes of claiming the tax credit for remediated brownfields available  
49 to such a site pursuant to section 22 of the tax law, provided that such  
50 developer as defined under section 22 of the tax law has purchased or in  
51 any other way has been conveyed all or any portion of such a site from  
52 any other party who or which has been issued a certificate of completion  
53 with respect to such site and further provided that such purchase or  
54 conveyance occurs no later than the 2033 tax year.

55 § 3. (a) Notwithstanding any provision of law, rule or regulation to  
56 the contrary, any site for which (i) a brownfield cleanup agreement with

1 the department of environmental conservation was entered into prior to  
2 February 1, 2013 with respect to a site located at 125 Bath Street, in  
3 the Town of Milton, Village of Ballston Spa, Saratoga County, and (ii)  
4 which received a certificate of completion on or before December 31,  
5 2019, shall be a qualified site for purposes of the brownfield redevelop-  
6 ment tax credits available to such a site pursuant to section 21 of  
7 the tax law as in effect for such a site as of the effective date of  
8 this act provided that both the site preparation credit component and  
9 the on-site groundwater remediation credit component shall be allowed  
10 for all eligible costs incurred on such a site prior to and within the  
11 tax year in which qualified tangible property on such a site is placed  
12 in service, and for a five year period (60 months) following the year  
13 such property is first placed in service upon such a site, provided,  
14 such a date occurs prior to the 2031 tax year, and the tangible property  
15 credit component shall be allowed for all eligible costs incurred on  
16 such a site prior to and within the tax year in which qualified tangible  
17 property on such a site is placed in service, and for a ten year period  
18 (120 months) following the year such property is first placed in service  
19 upon such a site, provided such a date occurs prior to the 2031 tax  
20 year.

21 (b) In addition, any site for which (i) a brownfield cleanup agreement  
22 with the department of environmental conservation was entered into prior  
23 to February 1, 2013 with respect to a site located at 125 Bath Street,  
24 in the Town of Milton, Village of Ballston Spa, Saratoga County, and  
25 (ii) which received a certificate of completion on or before December  
26 31, 2019, shall be eligible to claim the tax credit for remediated  
27 brownfields available to such a site pursuant to section 22 of the tax  
28 law as in effect for such a site as of the effective date of this act  
29 provided the benefit period as applicable thereto shall be deemed to be  
30 a ten-consecutive-tax-year period beginning with the tax year in which  
31 qualified tangible property on such a site is placed in service where  
32 said benefit period shall begin no later than the 2031 tax year.

33 (c) Further, any site for which (i) a brownfield cleanup agreement  
34 with the department of environmental conservation was entered into prior  
35 to February 1, 2013 with respect to a site located at 125 Bath Street,  
36 in the Town of Milton, Village of Ballston Spa, Saratoga County, and  
37 (ii) which received a certificate of completion on or before December  
38 31, 2019, shall be a qualified site for purposes of claiming the tax  
39 credit for remediated brownfields available to such a site pursuant to  
40 section 22 of the tax law, provided that such developer as defined under  
41 section 22 of the tax law has purchased or in any other way has been  
42 conveyed all or any portion of such a site from any other party who or  
43 which has been issued a certificate of completion with respect to such  
44 site and further provided that such purchase or conveyance occurs no  
45 later than the 2031 tax year.

46 § 4. (a) Notwithstanding any provision of law, rule or regulation to  
47 the contrary, any site for which (i) a brownfield cleanup agreement with  
48 the department of environmental conservation was entered into prior to  
49 July 31, 2014 with respect to a site located at 4630 River Road, bounded  
50 by the Niagara River to the north, vacant industrial property and a  
51 County park to the east, a paved bike path and River Road to the south,  
52 and United Refining Company property to the west, in the Town of Tona-  
53 wanda, Erie County, and (ii) which received a certificate of completion  
54 on or before December 16, 2016, shall be a qualified site for purposes  
55 of the brownfield redevelopment tax credits available to such a site  
56 pursuant to section 21 of the tax law as in effect for such a site as of

1 the effective date of this act provided that both the site preparation  
2 credit component and the on-site groundwater remediation credit compo-  
3 nent shall be allowed for all eligible costs incurred on such a site  
4 prior to and within the tax year in which qualified tangible property on  
5 such a site is placed in service, and for a five year period (60 months)  
6 following the year such property is first placed in service upon such a  
7 site, provided, such a date occurs prior to the 2031 tax year, and the  
8 tangible property credit component shall be allowed for all eligible  
9 costs incurred on such a site prior to and within the tax year in which  
10 qualified tangible property on such a site is placed in service, and for  
11 a ten year period (120 months) following the year such property is first  
12 placed in service upon such a site, provided such a date occurs prior to  
13 the 2031 tax year.

14 (b) In addition, any site for which (i) a brownfield cleanup agreement  
15 with the department of environmental conservation was entered into prior  
16 to July 31, 2014 with respect to a site located at 4630 River Road,  
17 bounded by the Niagara River to the north, vacant industrial property  
18 and a County park to the east, a paved bike path and River Road to the  
19 south, and United Refining Company property to the west, in the Town of  
20 Tonawanda, Erie County, and (ii) which received a certificate of  
21 completion on or before December 16, 2016, shall be eligible to claim  
22 the tax credit for remediated brownfields available to such a site  
23 pursuant to section 22 of the tax law as in effect for such a site as of  
24 the effective date of this act provided the benefit period as applicable  
25 thereto shall be deemed to be a ten-consecutive-tax-year period begin-  
26 ning with the tax year in which qualified tangible property on such a  
27 site is placed in service where said benefit period shall begin no later  
28 than the 2031 tax year.

29 (c) Further, any site for which (i) a brownfield cleanup agreement  
30 with the department of environmental conservation was entered into prior  
31 to July 31, 2014 with respect to a site located at 4630 River Road,  
32 bounded by the Niagara River to the north, vacant industrial property  
33 and a County park to the east, a paved bike path and River Road to the  
34 south, and United Refining Company property to the west, in the Town of  
35 Tonawanda, Erie County, and (ii) which received a certificate of  
36 completion on or before December 16, 2016, shall be a qualified site for  
37 purposes of claiming the tax credit for remediated brownfields available  
38 to such a site pursuant to section 22 of the tax law, provided that such  
39 developer as defined under section 22 of the tax law has purchased or in  
40 any other way has been conveyed all or any portion of such a site from  
41 any other party who or which has been issued a certificate of completion  
42 with respect to such site and further provided that such purchase or  
43 conveyance occurs no later than the 2031 tax year.

44 § 5. (a) Notwithstanding any provision of law, rule or regulation to  
45 the contrary, any site for which (i) a brownfield cleanup agreement with  
46 the department of environmental conservation was entered into prior to  
47 June 16, 2005 with respect to a site located at 18 Ambrose Street and on  
48 the rear parcel of 214 Lake Avenue, including Haidt Place in Rochester,  
49 Monroe County, and (ii) which received a certificate of completion on or  
50 before December 31, 2017, shall be a qualified site for purposes of the  
51 brownfield redevelopment tax credits available to such a site pursuant  
52 to section 21 of the tax law as in effect for such a site as of the  
53 effective date of this act provided that both the site preparation cred-  
54 it component and the on-site groundwater remediation credit component  
55 shall be allowed for all eligible costs incurred on such a site prior to  
56 and within the tax year in which qualified tangible property on such a

1 site is placed in service, and for a five year period (60 months)  
2 following the year such property is first placed in service upon such a  
3 site, provided, such a date occurs prior to the 2031 tax year, and the  
4 tangible property credit component shall be allowed for all eligible  
5 costs incurred on such a site prior to and within the tax year in which  
6 qualified tangible property on such a site is placed in service, and for  
7 a ten year period (120 months) following the year such property is first  
8 placed in service upon such a site, provided such a date occurs prior to  
9 the 2031 tax year.

10 (b) In addition, any site for which (i) a brownfield cleanup agreement  
11 with the department of environmental conservation was entered into prior  
12 to June 16, 2005 with respect to a site located at 18 Ambrose Street and  
13 on the rear parcel of 214 Lake Avenue, including Haidt Place in Roches-  
14 ter, Monroe County, and (ii) which received a certificate of completion  
15 on or before December 31, 2017, shall be eligible to claim the tax cred-  
16 it for remediated brownfields available to such a site pursuant to  
17 section 22 of the tax law as in effect for such a site as of the effec-  
18 tive date of this act provided the benefit period as applicable thereto  
19 shall be deemed to be a ten-consecutive-tax-year period beginning with  
20 the tax year in which qualified tangible property on such a site is  
21 placed in service where said benefit period shall begin no later than  
22 the 2031 tax year.

23 (c) Further, any site for which (i) a brownfield cleanup agreement  
24 with the department of environmental conservation was entered into prior  
25 to June 16, 2005 with respect to a site located at 18 Ambrose Street and  
26 on the rear parcel of 214 Lake Avenue, including Haidt Place in Roches-  
27 ter, Monroe County, and (ii) which received a certificate of completion  
28 on or before December 31, 2017, shall be a qualified site for purposes  
29 of claiming the tax credit for remediated brownfields available to such  
30 a site pursuant to section 22 of the tax law, provided that such devel-  
31 oper as defined under section 22 of the tax law has purchased or in any  
32 other way has been conveyed all or any portion of such a site from any  
33 other party who or which has been issued a certificate of completion  
34 with respect to such site and further provided that such purchase or  
35 conveyance occurs no later than the 2031 tax year.

36 § 6. This act shall take effect immediately.

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

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