

STATE OF NEW YORK

10281

IN ASSEMBLY

February 20, 2026

Introduced by M. of A. ALVAREZ -- read once and referred to the Committee on Ways and Means

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

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

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

2 § 2. Legislative intent. It is the intent of the legislature to ensure
3 that every resident in the State of New York has access to modern commu-
4 nications networks and local information and media services that are
5 vital to stable, vibrant communities, promote competition among video
6 programming service providers by establishing more parity among provid-
7 ers of video programming in the State of New York, and ensure video
8 streaming service providers support the needs and interests of the
9 communities in which they do business, consistent with the State's poli-
10 cies relating to cable television companies.

11 In furtherance of these goals, the legislature seeks to establish a
12 media arts technology and education fund to facilitate investment in and
13 access to broadband and local media services that are responsive to the
14 needs and interests of New Yorkers, and to ensure video streaming
15 service providers support local media, including public, educational, or
16 governmental access facilities, and access to modern communications
17 services, which facilities and services are currently supported by cable
18 television companies pursuant to article 11 of the public service law
19 and municipal franchise agreements.

20 § 3. The tax law is amended by adding a new article 15 to read as
21 follows:
22

23 ARTICLE 15
24 VIDEO STREAMING TAX

25 Section 330. Definitions.

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

LBD14554-01-6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (b) the customer's billing address.

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

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

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

26 (ii) pay the tax due.

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

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

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

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

50 (b) In the event of an underpayment of the tax owed, the commissioner
51 shall set the underpayment rate of interest to be paid, but the under-
52 payment rate shall not be less than seven and one-half percent per
53 annum, compounded daily. If no such rate of interest is set, such under-
54 payment rate shall be deemed to be set at seven and one-half percent per
55 annum, compounded daily. Any such rate set by the commissioner shall
56 apply to taxes, or any portion thereof, which remain or become due or

1 underpaid on or after the date on which such rates become effective and
2 shall apply only with respect to interest computed or computable for
3 periods or portions of periods occurring in the period during which such
4 rates are in effect.

5 6. Every video streaming service provider subject to taxation under
6 this section shall keep such records of its business and in such form as
7 the commissioner may require, and such records shall be preserved for a
8 period of three years, except that the commissioner may consent to their
9 destruction within that period or may require that they be kept longer.

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

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

17 § 99-m. Media arts technology and education fund. 1. There is hereby
18 established in the joint custody of the comptroller and the commissioner
19 of taxation and finance a special fund to be known as the "media arts
20 technology and education fund".

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

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

25 (b) "Municipality" means any village, town, city, or county not wholly
26 contained within a city in the state of New York.

27 (c) "Population" of a municipality means the population as shown by
28 the latest preceding decennial federal census completed and published as
29 a final population count by the United States bureau of the census
30 preceding the commencement of the state fiscal year in which the moneys
31 are distributed pursuant to this section, provided that, for purposes of
32 determining the population of a town and a county, the population shall
33 not include the population located in any city or village within the
34 town or county.

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

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

45 5. (a) Moneys in the fund shall be distributed to the state, munici-
46 palities, community media organizations, and other qualified organiza-
47 tions for the purpose of:

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

49 (ii) improving digital equity and inclusion, including digital litera-
50 cy;

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

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

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

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

7 (ii) the allocation formula or criteria for eligible entities or
8 organizations to receive moneys distributed pursuant to this section,
9 which shall take into consideration the entity's or organization's abil-
10 ity to meet one or more of the goals set forth in paragraph (a) of this
11 subdivision.

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

15 (i) one-fifth of the moneys in the fund shall be distributed to the
16 general fund to be used for the purposes described in paragraph (a) of
17 this subdivision;

18 (ii) one-fifth of the moneys in the fund shall be distributed directly
19 to municipalities in the state, and further allocated proportionally
20 based upon the population of such municipalities;

21 (iii) one-fifth of the moneys in the fund shall be distributed to
22 organizations that are identified based on the regulations promulgated
23 by the commissioner of taxation and finance pursuant to this section;

24 (iv) two-fifths of the moneys in the fund shall be distributed direct-
25 ly to identified community media organizations allocated proportionally
26 based on the population of the municipality or municipalities served by
27 the community media organization.

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

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