

# STATE OF NEW YORK

10308

## IN ASSEMBLY

February 20, 2026

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

AN ACT to amend the tax law, in relation to implementing a cost-prohibitive food tax holiday that suspends state and local sales tax on certain currently taxable food items

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

- 1 Section 1. The tax law is amended by adding a new section 1124 to read  
2 as follows:
- 3 § 1124. Annual tax holiday. Beginning one year after the effective  
4 date of this section, there shall be an annual tax holiday exempting a  
5 covered item as described in subdivision (a) of this section from the  
6 taxes imposed under paragraph (a) of section eleven hundred fifteen of  
7 this part. Such tax holiday shall commence annually on a date in either  
8 November or December to be chosen by the commissioner and shall last for  
9 a total of two weeks.
- 10 (a) For the purposes of this section, "covered item" shall include:  
11 hot and cold prepared foods intended for immediate consumption, and any  
12 other ready-to-eat item sold in a grocery store, deli or food counter,  
13 meals purchased at a restaurant including takeout and delivery orders. A  
14 covered item shall not include alcoholic beverages, tobacco or cannabis  
15 products, dietary supplements, pet food, catering contracts, soft  
16 drinks, sweetened beverages, or energy drinks. The commissioner, in  
17 consultation with local governments, shall provide guidance further  
18 defining "covered items" and uniform product classification standards,  
19 as necessary.
- 20 (b) Such tax holiday shall only apply to purchases for less than, or  
21 equal to, two hundred fifty dollars.
- 22 (c) The department may limit retailer participation to retailers  
23 primarily engaged in food sales, provided, however, retailers' partic-  
24 ipation in the program is voluntary and failure to participate will not  
25 be penalized. No application is necessary for participating retailers.  
26 Qualified retailers opting into the program shall face penalties for  
27 noncompliance as determined by the department.

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

LBD14855-01-6

1 (d) The state shall reimburse participating local governments for tax  
2 holiday revenue losses. Reimbursement shall be based on the correspond-  
3 ing period's possible taxable sales from the preceding fiscal year.

4 § 2. Subdivision (a) of section 1115 of the tax law is amended by  
5 adding a new paragraph 47 to read as follows:

6 (47) Receipts from the annual tax holiday as established under section  
7 eleven hundred twenty-four of this part.

8 § 3. Subdivision (b) of section 1107 of the tax law is amended by  
9 adding a new clause 12 to read as follows:

10 (12) Except as otherwise provided by law, the exemption provided in  
11 paragraph forty-seven of subdivision (a) of section eleven hundred  
12 fifteen of this article shall be applicable pursuant to a local law,  
13 ordinance or resolution adopted by a city subject to the provisions of  
14 this section. Such city is empowered to adopt or repeal such a local  
15 law, ordinance or resolution. Such adoption or repeal shall also be  
16 deemed to amend any local law, ordinance or resolution enacted by such a  
17 city imposing taxes pursuant to the authority of subdivision (a) of  
18 section twelve hundred ten of this chapter.

19 § 4. Paragraph 1 of subdivision (a) of section 1210 of the tax law, as  
20 amended by section 5 of part J of chapter 59 of the laws of 2021, is  
21 amended to read as follows:

22 (1) Either, all of the taxes described in article twenty-eight of this  
23 chapter, at the same uniform rate, as to which taxes all provisions of  
24 the local laws, ordinances or resolutions imposing such taxes shall be  
25 identical, except as to rate and except as otherwise provided, with the  
26 corresponding provisions in such article twenty-eight, including the  
27 definition and exemption provisions of such article, so far as the  
28 provisions of such article twenty-eight can be made applicable to the  
29 taxes imposed by such city or county and with such limitations and  
30 special provisions as are set forth in this article. The taxes author-  
31 ized under this subdivision may not be imposed by a city or county  
32 unless the local law, ordinance or resolution imposes such taxes so as  
33 to include all portions and all types of receipts, charges or rents,  
34 subject to state tax under sections eleven hundred five and eleven  
35 hundred ten of this chapter, except as otherwise provided. Notwith-  
36 standing the foregoing, a tax imposed by a city or county authorized  
37 under this subdivision shall not include the tax imposed on charges for  
38 admission to race tracks and simulcast facilities under subdivision (f)  
39 of section eleven hundred five of this chapter. (i) Any local law, ordi-  
40 nance or resolution enacted by any city of less than one million or by  
41 any county or school district, imposing the taxes authorized by this  
42 subdivision, shall, notwithstanding any provision of law to the contra-  
43 ry, exclude from the operation of such local taxes all sales of tangible  
44 personal property for use or consumption directly and predominantly in  
45 the production of tangible personal property, gas, electricity, refrig-  
46 eration or steam, for sale, by manufacturing, processing, generating,  
47 assembly, refining, mining or extracting; and all sales of tangible  
48 personal property for use or consumption predominantly either in the  
49 production of tangible personal property, for sale, by farming or in a  
50 commercial horse boarding operation, or in both; and all sales of fuel  
51 sold for use in commercial aircraft and general aviation aircraft; and,  
52 unless such city, county or school district elects otherwise, shall omit  
53 the provision for credit or refund contained in clause six of subdivi-  
54 sion (a) or subdivision (d) of section eleven hundred nineteen of this  
55 chapter. (ii) Any local law, ordinance or resolution enacted by any  
56 city, county or school district, imposing the taxes authorized by this

1 subdivision, shall omit the residential solar energy systems equipment  
2 and electricity exemption provided for in subdivision (ee), the commer-  
3 cial solar energy systems equipment and electricity exemption provided  
4 for in subdivision (ii), the commercial fuel cell electricity generating  
5 systems equipment and electricity generated by such equipment exemption  
6 provided for in subdivision (kk) and the clothing and footwear exemption  
7 provided for in paragraph thirty of subdivision (a) of section eleven  
8 hundred fifteen of this chapter, unless such city, county or school  
9 district elects otherwise as to such residential solar energy systems  
10 equipment and electricity exemption, such commercial solar energy  
11 systems equipment and electricity exemption, commercial fuel cell elec-  
12 tricity generating systems equipment and electricity generated by such  
13 equipment exemption or such clothing and footwear exemption. (iii) Any  
14 local law, ordinance or resolution enacted by any city, county or school  
15 district, imposing the taxes authorized by this subdivision, shall omit  
16 the exemption provided for in paragraph forty-seven of subdivision (a)  
17 of section eleven hundred fifteen of this chapter, unless such city,  
18 county or school district elects otherwise; provided that if such a city  
19 having a population of one million or more enacts the resolution  
20 described in subdivision (p) of this section or repeals such resolution,  
21 such resolution or repeal shall also be deemed to amend any local law,  
22 ordinance or resolution enacted by such a city imposing such taxes  
23 pursuant to the authority of this subdivision, whether or not such taxes  
24 are suspended at the time such city enacts its resolution pursuant to  
25 subdivision (p) of this section or at the time of any such repeal;  
26 provided, further, that any such local law, ordinance or resolution and  
27 section eleven hundred seven of this chapter, as deemed to be amended in  
28 the event a city of one million or more enacts a resolution pursuant to  
29 the authority of subdivision (p) of this section, shall be further  
30 amended, as provided in section twelve hundred eighteen of this subpart,  
31 so that the exemption in any such local law, ordinance or resolution or  
32 in such section eleven hundred seven of this chapter is the same as the  
33 exemption in paragraph forty-seven of subdivision (a) of section eleven  
34 hundred fifteen of this chapter.

35 § 5. Subdivision (d) of section 1210 of the tax law, as amended by  
36 section 4 of part WW of chapter 60 of the laws of 2016, is amended to  
37 read as follows:

38 (d) A local law, ordinance or resolution imposing any tax pursuant to  
39 this section, increasing or decreasing the rate of such tax, repealing  
40 or suspending such tax, exempting from such tax the energy sources and  
41 services described in paragraph three of subdivision (a) or of subdivi-  
42 sion (b) of this section or changing the rate of tax imposed on such  
43 energy sources and services or providing for the credit or refund  
44 described in clause six of subdivision (a) of section eleven hundred  
45 nineteen of this chapter, or electing or repealing the exemption for  
46 residential solar equipment and electricity in subdivision (ee) of  
47 section eleven hundred fifteen of this [article] chapter, or the  
48 exemption for commercial solar equipment and electricity in subdivision  
49 (ii) of section eleven hundred fifteen of this [article] chapter, or  
50 electing or repealing the exemption for commercial fuel cell electricity  
51 generating systems equipment and electricity generated by such equipment  
52 in subdivision (kk) of section eleven hundred fifteen of this [article]  
53 chapter must go into effect only on one of the following dates: March  
54 first, June first, September first or December first; provided, that a  
55 local law, ordinance or resolution providing for the exemption described  
56 in paragraph thirty of subdivision (a) of section eleven hundred fifteen

1 of this chapter or repealing any such exemption or a local law, ordi-  
2 nance or resolution providing for a refund or credit described in subdi-  
3 vision (d) of section eleven hundred nineteen of this chapter or repeal-  
4 ing such provision so provided must go into effect only on March first;  
5 provided, further, that a local law, ordinance or resolution providing  
6 for the exemption described in paragraph forty-seven of subdivision (a)  
7 of section eleven hundred fifteen of this chapter or repealing any such  
8 exemption so provided and a resolution enacted pursuant to the authority  
9 of subdivision (p) of this section providing such exemption or repealing  
10 such exemption so provided may go into effect immediately. No such local  
11 law, ordinance or resolution shall be effective unless a certified copy  
12 of such law, ordinance or resolution is mailed by registered or certi-  
13 fied mail to the commissioner at the commissioner's office in Albany at  
14 least ninety days prior to the date it is to become effective. However,  
15 the commissioner may waive and reduce such ninety-day minimum notice  
16 requirement to a mailing of such certified copy by registered or certi-  
17 fied mail within a period of not less than thirty days prior to such  
18 effective date if the commissioner deems such action to be consistent  
19 with the commissioner's duties under section twelve hundred fifty of  
20 this article and the commissioner acts by resolution. Where the  
21 restriction provided for in section twelve hundred twenty-three of this  
22 article as to the effective date of a tax and the notice requirement  
23 provided for therein are applicable and have not been waived, the  
24 restriction and notice requirement in section twelve hundred twenty-  
25 three of this article shall also apply.

26 § 6. Section 1210 of the tax law is amended by adding a new subdivi-  
27 sion (p) to read as follows:

28 (p) Notwithstanding any other provision of state or local law, ordi-  
29 nance or resolution to the contrary: (1) Any city having a population of  
30 one million or more in which the taxes imposed by section eleven hundred  
31 seven of this chapter are in effect, acting through its local legisla-  
32 tive body, is hereby authorized and empowered to elect to provide the  
33 exemption described in paragraph forty-seven of subdivision (a) of  
34 section eleven hundred fifteen of this chapter by enacting a resolution  
35 in the form set forth in paragraph two of this subdivision; whereupon,  
36 upon compliance with the provisions of subdivisions (d) and (e) of this  
37 section, such enactment of such resolution shall be deemed to be an  
38 amendment to section eleven hundred seven of this chapter and such  
39 section eleven hundred seven shall be deemed to incorporate such  
40 exemption as if it had been duly enacted by the state legislature and  
41 approved by the governor. (2) Form of Resolution: Be it enacted by the  
42 (insert proper title of local legislative body) as follows: Section one.  
43 Receipts from sales of and consideration given or contracted to be given  
44 for purchases of prepared hot and cold food at grocery store, deli and  
45 food counters, and restaurant and takeout meals, including delivery  
46 orders, during two weeks in November or December as determined by the  
47 commissioner exempt from state sales and compensating use taxes pursuant  
48 to paragraph forty-seven of subdivision (a) of section eleven hundred  
49 fifteen of the tax law shall also be exempt from sales and compensating  
50 use taxes imposed in this jurisdiction. Section two. This resolution  
51 shall take effect (insert the date) and shall apply to sales made and  
52 uses occurring on and after that date although made or occurring under a  
53 prior contract.

54 § 7. The commissioner of taxation and finance is hereby authorized to  
55 implement the provisions of this act with respect to the elimination of  
56 the imposition of sales tax, additional taxes, and supplemental taxes on

1 hot and cold food at grocery store, deli and food counters, and restau-  
2 rant and takeout meals, including delivery orders during two weeks in  
3 November or December as determined by the commissioner and all other  
4 taxes so addressed by this act.

5 § 8. Two years after the effective date of this act, the department of  
6 taxation and finance shall conduct an economic impact analysis to evalu-  
7 ate the effectiveness of the tax holiday established by this act. Such  
8 department shall report on the results of such analysis to the governor,  
9 the temporary president of the senate and the speaker of the assembly no  
10 later than three years after the effective date of this act.

11 § 9. This act shall take effect immediately.