

STATE OF NEW YORK

11594

IN ASSEMBLY

June 5, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Palmesano)
-- read once and referred to the Committee on Ways and Means

AN ACT to amend the economic development law, the tax law and the state finance law, in relation to establishing state-facilitated investment accounts for individuals under the age of eighteen

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York State Securing Early Equity and Development (NYS SEED)
3 Program".

4 § 2. Legislative intent. This act intends to promote financial securi-
5 ty, economic mobility, and long-term wealth accumulation among New York-
6 ers by expanding access to tax-advantaged saving and investment accounts
7 for newborn children. By fostering early asset building and personal
8 investment, this act aims to strengthen financial independence, better
9 align tax incentives with long-term savings goals, and cultivate a
10 culture of financial empowerment.

11 § 3. The economic development law is amended by adding a new article
12 29 to read as follows:

ARTICLE 29

14 NEW YORK STATE SECURING EARLY EQUITY AND DEVELOPMENT (SEED) PROGRAM
15 Section 508. Program established.

16 509. Purposes.

17 510. Definitions.

18 511. Functions of the comptroller.

19 512. Powers of the comptroller.

20 513. Program requirements; NY SEED account.

21 514. Program limitations; NY SEED account.

22 515. Reporting requirements.

23 § 508. Program established. There is hereby established within New
24 York state a pilot program to be known as the "Securing Early Equity and
25 Development (SEED) Program".

26 § 509. Purposes. The purposes of the securing early equity and devel-
27 opment program shall be to authorize the establishment of NY SEED

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

LBD16001-01-6

1 accounts and to provide guidelines for the maintenance of such accounts
2 to:

3 1. provide a direct financial incentive for families to maintain New
4 York state residency and long-term investment in the state;

5 2. mitigate the high cost of living in New York state by establishing
6 a growth-oriented capital base;

7 3. incentivize consistent personal savings and private investment
8 through the use of low-cost market instruments; and

9 4. foster individual ownership and financial literacy by providing
10 young New Yorkers with a personal stake in the economy and practical
11 experience managing investment assets.

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

14 1. "Account" or "NY SEED account" shall mean an individual savings
15 account established in accordance with the provisions of this article.

16 2. "Account owner" shall mean a parent or legal guardian, who is a
17 full-year resident taxpayer in the state of New York, of a designated
18 beneficiary, who established an account under this article. Upon a
19 designated beneficiary reaching the age of eighteen, such designated
20 beneficiary shall automatically become the account owner and assume all
21 rights, responsibilities, and control over the account.

22 3. "Commissioner" shall mean the commissioner of the department of
23 taxation and finance.

24 4. "Comptroller" shall mean the comptroller of the state of New York.

25 5. "Contribution" shall mean any cash deposit of private funds into an
26 account for the benefit of a designated beneficiary.

27 6. "Contribution limit" shall mean the maximum amount of private funds
28 that may be deposited into an account during a single taxable year,
29 which shall not exceed five thousand dollars for individual or head of
30 household and ten thousand dollars for married individuals who file
31 joint tax returns, provided that the comptroller may adjust this limit
32 for inflation in increments of five hundred dollars.

33 7. "Contributor" shall mean any person or legal entity who deposits
34 private funds into an account.

35 8. "Dependent" shall have the same meaning as defined by 26 U.S.C. §
36 152.

37 9. "Designated beneficiary" shall mean any individual under the age of
38 eighteen for whom an account is established under this article. Such
39 individual must be a dependent of the account owner.

40 10. "Eligible child" shall mean an individual born in the state of New
41 York for taxable years beginning January first, two thousand twenty-six
42 and before January first, two thousand twenty-nine, who has been issued
43 a valid social security number.

44 11. "Guardian" shall have the same meaning as defined by section one
45 hundred three of the surrogate's court procedure act.

46 12. "Nonqualified withdrawal" shall mean any withdrawal from an
47 account before the designated beneficiary reaches the age of eighteen,
48 the designated beneficiary has attained the age of eighteen but has
49 failed to complete the financial literacy requirements as prescribed by
50 subdivision five of section five hundred thirteen of this article, or
51 any instance where the designated beneficiary ceases to be a resident of
52 the state of New York prior to reaching such age, except in the event of
53 the beneficiary's death or permanent disability.

54 (a) For qualifying accounts, a nonqualified withdrawal shall result in
55 the immediate forfeiture and recapture of the seed money and any accrued
56 earnings thereon. Such recaptured funds shall be returned to the state.

1 Private contributions and any earnings accrued on such private contribu-
2 tions shall not be subject to state recapture.

3 (b) For any account, a nonqualified withdrawal shall be subject to:

4 (i) the recapture of any state tax deductions previously claimed,
5 pursuant to this article, as administered by the commissioner. If an
6 account owner is unable to pay such recapture in full, the comptroller,
7 in coordination with the commissioner shall provide rules for an
8 installment payment agreement plan; and

9 (ii) an administrative fee, to be determined by the comptroller, to
10 cover the costs of account maintenance and the processing of such with-
11 drawal.

12 13. "Program" shall mean the securing early equity and development
13 program established pursuant to this article.

14 14. "Qualifying account" shall mean an account established under this
15 article for an eligible child where the account owner must have had a
16 New York state adjusted gross income for the preceding taxable year not
17 exceeding:

18 (a) seventy-five thousand dollars for an account owner who filed a New
19 York state resident income tax return as a single taxpayer, married
20 taxpayer filing a separate return, or a head of household; or

21 (b) one hundred fifty thousand dollars for an account owner who filed
22 a New York state resident income tax return as a married taxpayer filing
23 jointly or a qualified surviving spouse.

24 15. "Qualified withdrawal" shall mean a withdrawal from an account on
25 or after the date the designated beneficiary reaches the age of eigh-
26 teen.

27 16. "Rollover" shall mean a transfer of assets upon attaining eighteen
28 years of age from a NY SEED account to another qualified tax-advantaged
29 savings account, including but not limited to:

30 (a) a tuition savings account established pursuant to article four-
31 teen-A of the education law;

32 (b) an individual retirement account as defined by 26 U.S.C. § 408, to
33 the extent permitted under federal law; or

34 (c) a deferred compensation plan maintained by a public or private
35 employer, to the extent permitted under federal law.

36 17. "Seed money" or "seed deposit" shall mean a one-time state
37 contribution of one thousand dollars deposited by the comptroller into a
38 qualifying account; provided, however, that no such deposit shall be
39 made without the prior approval of the director of the budget.

40 § 511. Functions of the comptroller. 1. The comptroller shall imple-
41 ment and administer the program under the terms and conditions estab-
42 lished by this article and pursuant to a memorandum of understanding
43 relating to any matters not otherwise expressly provided for in this
44 article, provided, however, that such memorandum shall not conflict with
45 any provisions of this article.

46 2. In furtherance of such implementation, the memorandum of under-
47 standing shall address the authority and responsibility of the comp-
48 troller to:

49 (a) develop, implement, and administer the program in a manner
50 consistent with the provisions of this article, including the adoption
51 of rules and regulations in accordance with the state administrative
52 procedure act;

53 (b) serve as custodian and trustee of all funds and accounts estab-
54 lished pursuant to this article, and to hold, manage, and invest such
55 funds at the direction of and for the exclusive benefit of account
56 owners and designated beneficiaries, and to discharge such duties with

1 the care, skill, and diligence under the circumstances then prevailing
2 that a prudent person acting in a like capacity would use;

3 (c) invest and reinvest program assets in accordance with applicable
4 law and a written investment policy adopted by the comptroller, provided
5 that the comptroller shall establish a menu of standardized investment
6 options and shall permit the account owner to direct the investment of
7 all funds within their individual account among such options. Such
8 options shall include, but not be limited to, age-based target date
9 funds and low-cost equity and fixed-income index funds, designed to
10 promote long-term asset growth for the designated beneficiary;

11 (d) engage the services of consultants, investment managers, financial
12 institutions, and other professional and technical advisors on a
13 contract basis for the administration and management of the program;

14 (e) seek rulings and other guidance from the United States department
15 of the treasury, the internal revenue service, or other federal or state
16 agencies relating to the program;

17 (f) make administrative or operational changes to the program as
18 necessary to ensure compliance with applicable state law and to obtain
19 any federal income tax benefits or treatment consistent with the
20 purposes of this article;

21 (g) charge, impose, and collect reasonable administrative fees and
22 service charges in connection with any agreement, contract, or trans-
23 action relating to the program;

24 (h) establish procedures for the creation, maintenance, rollover,
25 contribution to, withdrawal from, and distribution of accounts estab-
26 lished pursuant to this article;

27 (i) establish procedures to ensure that the account owner maintains
28 the sole authority to select among the investment options provided by
29 the program for both the seed money and any private contributions, and
30 to periodically reallocate such assets as permitted by the comptroller
31 and applicable tax law. In the event that an account owner fails to
32 direct the investment of funds, the comptroller shall automatically
33 allocate such funds into the age-based target date fund most appropriate
34 for the age of the designated beneficiary;

35 (j) maintain records, accounts, and reports relating to the program,
36 and provide periodic reports to the governor and legislature as required
37 by section five hundred fifteen of this article;

38 (k) develop marketing plans, outreach strategies, and promotional
39 materials to inform eligible participants of the program;

40 (l) establish a financial literacy certification program, which may be
41 provided in a digital format, that a designated beneficiary shall
42 complete upon attaining eighteen years of age as a condition of exercis-
43 ing full control over a qualified withdrawal; provided that such program
44 shall be designed to educate the beneficiary on the fundamentals of
45 investing, compound interest, and responsible asset management;

46 (m) establish the methods by which funds held in such accounts shall
47 be disbursed, including verification of eligibility for seed money and
48 the confirmation of approval by the director of budget prior to the
49 deposit of state funds into a qualifying account, provided, however,
50 that each designated beneficiary shall be entitled to access and control
51 the full balance of such account upon attaining eighteen years of age,
52 subject only to reasonable administrative procedures as may be necessary
53 to verify identity and prevent fraud, and further provided that any
54 restrictions on use before such age shall be consistent with the long-
55 term asset building purposes of this article;

1 (n) establish the method by which program assets shall be allocated to
2 pay for administrative and operational costs;

3 (o) coordinate with the department of taxation and finance, and any
4 other relevant state agencies, including for the purposes of data shar-
5 ing, eligibility verification, and program administration, in accordance
6 with applicable law;

7 (p) audit and oversee all aspects of the program, including any
8 contractors, agents, or service providers, to ensure compliance with
9 applicable law, rules, contractual obligations, and fiduciary standards;

10 (q) receive, use, and protect data necessary to administer the
11 program, including tax and other eligibility-related data, in accordance
12 with all applicable state privacy and confidentiality laws;

13 (r) provide for the disposition of abandoned or unclaimed accounts in
14 accordance with the abandoned property law; provided that no account
15 shall be deemed abandoned prior to the beneficiary attaining the age of
16 eighteen; and

17 (s) do all things necessary and proper to carry out the purposes of
18 this article, consistent with the provisions of this article.

19 § 512. Powers of the comptroller. 1. The comptroller may implement the
20 program through the use of financial organizations as account deposito-
21 ries, custodians, and managers for accounts established on behalf of the
22 account owner pursuant to this article. Under the program, an account
23 shall be established for each child in a manner determined by the comp-
24 troller, with an approved account depository, and such accounts may be
25 maintained with one or more approved financial organizations.

26 2. The comptroller may solicit proposals from financial organizations
27 to act as depositories and managers of the program. Financial organiza-
28 tions submitting proposals shall describe the investment instruments or
29 options to be offered under the program, which shall be designed to
30 support long-term asset growth and wealth accumulation. The comptroller
31 shall select as program depositories and managers the financial organ-
32 ization that demonstrates the most advantageous combination, both to
33 program beneficiaries and the state, of the following factors:

34 (a) the financial stability and integrity of the financial organiza-
35 tion;

36 (b) the safety, diversification, and long-term growth potential of the
37 investment instruments being offered, including the availability of a
38 diverse menu of options for selection by the account owner;

39 (c) the ability of such investment instruments to achieve long-term
40 asset growth and wealth accumulation, including preservation of princi-
41 pal and compounding returns over time, consistent with the purposes of
42 this article;

43 (d) the ability of the financial organization to satisfy recordkeeping
44 and reporting requirements;

45 (e) the financial organization's plan for promoting the program and
46 the investment it is willing to make to promote the program, supporting
47 sustained participation;

48 (f) the fees, if any, proposed to be charged to account owners, with a
49 preference for low-cost fee structures that maximize the long-term accu-
50 mulation of wealth for the beneficiary;

51 (g) the minimum initial deposit and minimum contributions required, if
52 any;

53 (h) the ability to accept electronic contributions; and

54 (i) any other benefits to the state or its residents included in the
55 proposal, including fees payable to the state or administrative support.

1 3. The comptroller may enter contracts with one or more financial
2 organizations to serve as program managers or depositories. Such
3 contracts shall provide one or more types of investment instruments
4 sufficient to allow account owners to direct the investment of their
5 individual accounts among different risk profiles.

6 4. The comptroller may select more than one financial organization for
7 participation in the program and may allocate accounts or contributions
8 among such organizations as the comptroller deems appropriate and in the
9 best interests of account beneficiaries.

10 5. Any management contract entered pursuant to this section shall
11 include, at a minimum, terms requiring the financial organization to:

12 (a) take any action necessary to ensure that the program complies with
13 applicable state and federal law;

14 (b) keep adequate records of each account, maintain each account sepa-
15 rately, and provide the comptroller with such information as is neces-
16 sary to administer the program and prepare required reports;

17 (c) maintain distinct records for each account that clearly differen-
18 tiate between state-funded seed money, including any accrued earnings
19 thereon, and private contributions;

20 (d) compile and provide aggregate data and reports as required by the
21 comptroller;

22 (e) provide the comptroller with such information as is necessary to
23 determine compliance with this article and any applicable contract
24 provisions;

25 (f) provide the comptroller or the comptroller's designee with access
26 to the books and records of the program manager as necessary to ensure
27 compliance with the contract;

28 (g) hold all accounts in trust for the exclusive benefit of the
29 account owners;

30 (h) be subjected to an annual independent audit by a certified public
31 accountant, the results of which shall be provided to the comptroller;

32 (i) provide copies of all non-confidential regulatory filings and
33 reports and make available for review the results of any regulatory
34 examinations, to the extent permitted by law; and

35 (j) ensure that all marketing, outreach, and program materials comply
36 with applicable law and accurately reflect the long-term, wealth-build-
37 ing purpose of the program adopted pursuant to this article.

38 6. The comptroller may require, at any time, an audit or examination
39 of the operations and financial condition of any program manager or
40 depository if the comptroller has reason to be concerned about the
41 financial position, recordkeeping practices, or administration of
42 accounts.

43 7. During the term of any contract, the comptroller shall conduct
44 periodic examinations of each program manager and its handling of
45 accounts, which shall occur at least biennially unless such entity is
46 otherwise subject to substantially similar oversight by a state or
47 federal regulatory authority.

48 8. (a) If the selection of a financial organization as a program
49 manager or depository is not renewed, then, following the expiration of
50 its term:

51 (i) no new accounts shall be established with such organization;

52 (ii) additional contributions may be made to existing accounts as
53 permitted by the comptroller;

54 (iii) such accounts shall remain subject to all applicable oversight
55 and reporting requirements established by the comptroller; and

1 (iv) the comptroller shall take such actions as necessary to protect
2 account beneficiaries.

3 (b) If the comptroller terminates a financial organization as a
4 program manager or depository, the comptroller may take custody of
5 accounts held by such organization and shall take reasonable steps to
6 transfer such accounts to another approved financial organization or
7 investment option with substantially similar characteristics, to the
8 extent practicable.

9 9. The comptroller may enter such contracts as they deem necessary and
10 proper to implement and administer the program, provided that such
11 actions are consistent with the provisions of this article.

12 § 513. Program requirements; NY SEED account. 1. NY SEED accounts
13 established pursuant to the provisions of this article shall be governed
14 by the provisions of this section.

15 2. A NY SEED account may be opened by an account owner for a desig-
16 ated beneficiary through an election made on the state resident income
17 tax return.

18 (a) The department of taxation and finance, in coordination with the
19 comptroller, shall provide a simplified opt-in mechanism on the New York
20 state resident income tax return for a resident taxpayer to establish an
21 account for a designated beneficiary.

22 (b) The department of taxation and finance shall include in the
23 instructions for the New York state resident income tax return a
24 concise, plain-language description of the program, including an opt-out
25 mechanism for receiving the state-funded seed deposit. Such description
26 shall include the program's purposes, the criteria for state-funded seed
27 deposits, residency requirements, and the potential tax consequences of
28 participation.

29 (c) An election made pursuant to this subdivision shall constitute the
30 application for the account. The department of taxation and finance
31 shall share with the comptroller only such information as is necessary
32 to verify identity, residency, and eligibility for the state-funded seed
33 deposit.

34 (d) The comptroller shall prescribe an alternative application process
35 for individuals who are not required to file a New York state resident
36 income tax return.

37 3. Only those accounts established for an eligible child shall be
38 entitled to receive the state-funded seed deposit. Such deposit shall be
39 made by the comptroller upon verification of the beneficiary's eligibil-
40 ity, and upon the approval of the director of budget.

41 4. Any contributor may make contributions to a NY SEED account after
42 such account has been established.

43 (a) The total contributions made to an account in any single taxable
44 year shall not exceed the contribution limit. The comptroller shall
45 establish safeguards to prevent contributions in excess of such limit.

46 (b) Only contributions made by an account owner shall be eligible for
47 a state income tax deduction provided under paragraph forty-eight of
48 subsection (c) of section six hundred twelve of the tax law. Contrib-
49 utions made by third parties who are not account owners shall not enti-
50 tle such third parties to a tax deduction unless otherwise provided by
51 law.

52 (c) All contributions, including the state-funded seed deposit and
53 private contributions, shall be held in a single account but shall be
54 accounted for separately by the comptroller to ensure accurate tracking
55 of state versus private funds.

1 5. (a) Upon a designated beneficiary reaching the age of eighteen,
2 such beneficiary shall automatically assume all rights, responsibil-
3 ities, and control over the account, provided that such beneficiary is a
4 resident of the state and has completed the financial literacy certifi-
5 cation program, pursuant to paragraph (1) of subdivision two of section
6 five hundred eleven of this article, or has satisfied the general school
7 requirements related to financial literacy as set forth in section 100.2
8 of the regulations of the commissioner of education.

9 (b) No withdrawal of funds from a NY SEED account shall be authorized
10 for a designated beneficiary who has attained the age of eighteen years
11 unless such beneficiary has completed the financial literacy require-
12 ments.

13 (i) In the event that a withdrawal is made without completing the
14 financial literacy requirements, the comptroller shall impose an admin-
15 istrative penalty equal to ten percent of the total amount of such with-
16 drawal. Such penalty shall be withheld from the distribution and
17 returned to the NY SEED fund established pursuant to section ninety-
18 nine-uu of the state finance law.

19 (ii) Any withdrawal made in violation of this section shall be deemed
20 a non-qualified withdrawal.

21 6. An account owner may withdraw all or part of the balance from an
22 account.

23 (a) The comptroller shall establish rules to determine whether such
24 withdrawal is a nonqualified withdrawal.

25 (b) Any instance where the designated beneficiary ceases to be a resi-
26 dent of the state prior to reaching the age of eighteen shall result in
27 the recapture of the seed money and any accrued earnings thereon by the
28 state, except in the case of the designated beneficiary's death or
29 permanent disability.

30 7. No account owner or designated beneficiary shall be permitted to
31 direct the investment of any contributions to an account or the earnings
32 thereon more than two times in any calendar year.

33 8. Neither an account owner nor a designated beneficiary may use an
34 interest in an account as security for a loan. Any pledge of an interest
35 in an account shall be of no force and effect.

36 9. (a) If there is any distribution from an account to any individual
37 or for the benefit of any individual during a calendar year, such
38 distribution shall be reported to the internal revenue service and the
39 account owner, the designated beneficiary, or the distributee to the
40 extent required by federal law or regulation.

41 (b) Statements shall be provided to each account owner at least once
42 each year within sixty days after the end of the twelve-month period to
43 which they relate. The statement shall identify the contributions made
44 during a preceding twelve-month period, the total contributions made to
45 the account through the end of the period, the value of the account at
46 the end of such period, distributions made during such period and any
47 other information that the comptroller shall require to be reported to
48 the account owner.

49 (c) Statements and information relating to accounts shall be prepared
50 and filed to the extent required by the internal revenue code and the
51 state tax law.

52 10. (a) Notwithstanding the definition of account owner in subdivision
53 two of section five hundred ten of this article, a local government or
54 an organization described in 501 (c) (3) of the internal revenue code
55 may open and become the account owner of one or more accounts to fund

1 scholarships for one or more designated beneficiaries whose identities
2 may be determined upon disbursement.

3 (b) For accounts opened under this subdivision, the requirement to
4 designate a beneficiary at the time of opening shall be waived. The
5 institution may hold funds in a single account for the benefit of multi-
6 ple individuals, provided that the comptroller's accounting rules allow
7 for the eventual allocation of such funds to specific designated benefi-
8 ciaries.

9 (c) Each individual who receives an interest in an account pursuant to
10 this subdivision as a scholarship shall be treated as a designated bene-
11 ficiary with respect to such interest upon disbursement.

12 11. A nominal annual fee may be imposed upon the account owner for the
13 maintenance of an account.

14 (a) The amount of such fee shall be determined by the comptroller and
15 shall not exceed the actual administrative costs associated with the
16 oversight and management of the program.

17 (b) The comptroller shall have the authority to waive or reduce such
18 fee for accounts with balances below a specified threshold or based upon
19 the financial hardship of the account owner.

20 12. The comptroller shall provide each account owner with a written
21 disclosure statement within thirty days of account establishment. Such
22 statement shall clearly define the terms and conditions of the account,
23 including but not limited to withdrawal restrictions, contribution
24 limits, potential tax consequences, and any applicable fees.

25 13. NY SEED accounts shall be subject to section fourteen-c of the
26 banking law and the "truth-in-savings" regulations promulgated there-
27 under.

28 14. Nothing in this article or in any election made pursuant to this
29 article shall be construed as a guarantee by New York state of the
30 return of principal, rate of interest, or any specific investment return
31 on an account.

32 § 514. Program limitations; NY SEED account. 1. Nothing in this arti-
33 cle shall be construed to:

34 (a) give any designated beneficiary any rights or legal interest with
35 respect to an account unless and until such beneficiary assumes owner-
36 ship of the account pursuant to subdivision five of section five hundred
37 thirteen of this article;

38 (b) create state residency for an individual merely because such indi-
39 vidual is a designated beneficiary;

40 (c) guarantee that amounts saved or invested pursuant to the program
41 will be sufficient to meet any specific financial need or life expense
42 of a designated beneficiary; or

43 (d) imply state endorsement or oversight of any purchase, investment,
44 or expenditure made by an account owner using funds withdrawn from an
45 account.

46 2. (a) Nothing in this article shall create or be construed to create
47 any obligation of the comptroller, the state, or any agency or instru-
48 mentality of the state to guarantee for the benefit of any account owner
49 or designated beneficiary with respect to:

50 (i) the rate of interest or other return on any account;

51 (ii) the payment of interest or other return on any account; and

52 (iii) the preservation of the principal deposited in any account.

53 (b) The comptroller shall ensure that every disclosure statement,
54 application, or similar document in connection with the program clearly
55 indicates that the account is not insured by the state and that neither
56 the principal nor the investment return is guaranteed by the state.

1 § 515. Reporting requirements. The comptroller shall, in coordination
2 with the commissioner of taxation and finance, submit an annual report
3 to the governor, the temporary president of the senate, the minority
4 leader of the senate, the speaker of the assembly, and the minority
5 leader of the assembly on or before September first of each year. Such
6 report shall include, but not be limited to:

7 1. The total number of NY SEED accounts established, categorized by
8 county of residence and income bracket of account owners, and, to the
9 extent practicable, demographic data of beneficiaries;

10 2. The total amount of seed money deposited by the state and the total
11 volume of private contributions made to such accounts;

12 3. The aggregate rate of return for each investment option offered
13 under the program;

14 4. An estimate of the total state tax deductions claimed by account
15 owners, as provided by the commissioner;

16 5. A summary of program utilization in high-outmigration regions and
17 an assessment of the program's impact on family retention and long-term
18 financial planning relative to statewide trends;

19 6. A breakdown of administrative fees charged and the operational
20 costs of the pilot program;

21 7. In the third year of the program, a comprehensive evaluation and
22 formal recommendation as to whether the state-funded seed money contrib-
23 ution should be continued, modified, or terminated, based on the
24 program's demonstrated impact on human capital and state fiscal health;
25 and

26 8. Any other information or data the comptroller deems necessary.

27 § 4. Subsection (c) of section 612 of the tax law is amended by adding
28 a new paragraph 48 to read as follows:

29 (48) Contributions made during the taxable year by an account owner to
30 one or more NY SEED accounts established under the New York state secur-
31 ing early equity and development program provided for under article
32 twenty-nine of the economic development law, to the extent not deduct-
33 ible or eligible for credit for federal income tax purposes; provided,
34 however, the deduction provided for in this paragraph shall not exceed
35 an aggregate of five thousand dollars for an individual filing as single
36 or head of household, and an aggregate of ten thousand dollars for
37 taxpayers who are married filing jointly; provided, further that such
38 deduction shall be available only to the account owner and not to any
39 other person.

40 § 5. The state finance law is amended by adding a new section 99-uu to
41 read as follows:

42 § 99-uu. New York SEED account fund. 1. There is hereby established
43 in the joint custody of the comptroller and the commissioner of taxation
44 and finance, a special fund to be known as the "New York SEED account
45 fund".

46 2. Such fund shall consist of all moneys appropriated for the purpose
47 of the fund, all moneys required by this section or any other law to be
48 paid into or credited to the fund, and all other moneys that may be
49 received by the fund from any other source.

50 3. The comptroller shall establish two distinct sub-accounts within
51 the fund:

52 (a) the seed deposit sub-account. Such sub-account shall hold all
53 state-funded seed deposits and any interest or earnings accrued thereon;
54 and

1 (b) the private contribution sub-account. Such sub-account shall hold
2 all private contributions made by account owners or contributors and any
3 interest or earnings accrued thereon.

4 § 6. This act shall take effect on the one hundred eightieth day after
5 it shall have become a law and shall apply to taxable years commencing
6 on or after January 1, 2026. Effective immediately, the addition, amend-
7 ment and/or repeal of any rule or regulation necessary for the implemen-
8 tation of this act on its effective date are authorized to be made and
9 completed on or before such effective date.