

STATE OF NEW YORK

3009 - - B

IN ASSEMBLY

January 22, 2025

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

AN ACT to amend the tax law, in relation to the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for the two thousand twenty-five tax year (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties; and to amend the parks, recreation and historic preservation law, in relation to requiring a report on such credits (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B); and to amend the real property law, in relation to establishing an opt-out list for real estate solicitation cease and desist zones (Subpart C) (Part F); intentionally omitted (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program, the semiconductor research and development program, and the employee training incentive program (Subpart A); and to amend the economic development law, in relation to the empire state jobs retention program (Subpart B) (Part H); to amend the tax law, in relation to film production and post-production credits (Part I); to amend the economic development law, in relation to the newspaper and broadcast media jobs program (Part J); to amend the tax law, in relation to the empire state digital gaming media production credit (Part K); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establish-

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

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ing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New York city musical and theatrical production tax credit (Part L); to amend the tax law, in relation to clarifying the notices afforded protest rights (Part M); to amend the tax law, in relation to the filing of tax warrants and warrant-related records (Part N); to amend the real property tax law and the tax law, in relation to simplifying STAR income determinations; and repealing certain provisions of such laws relating thereto (Part O); intentionally omitted (Part P); intentionally omitted (Part Q); to amend the tax law, in relation to increasing the estimated tax threshold under article nine-A of the tax law (Part R); to amend the tax law, in relation to establishing a tax credit for organ donation (Part S); to amend the tax law, in relation to the estate tax three-year gift addback rule (Part T); to amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); to amend the tax law, in relation to reporting of federal partnership adjustments (Part V); to amend the tax law and the administrative code of the city of New York, in relation to establishing a credit against the tax on personal income of certain residents of a city having a population of one million or more inhabitants (Part W); intentionally omitted (Part X); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part Y); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for three years (Part Z); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part AA); to amend the labor law, in relation to extending the workers with disabilities tax credit (Part BB); to amend the tax law, in relation to extending the hire a vet credit (Part CC); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof (Part DD); to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to extending the effectiveness thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to defining the breaks for the purposes of the disposition of certain pari-mutuel pools (Subpart A); and 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; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, in relation to the effectiveness thereof; 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 (Subpart B)(Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the tax on gaming revenues in certain regions; to amend part 000 of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, in relation to the effectiveness thereof; and providing for the repeal of certain provisions relating thereto (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition

funds (Part HH); to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing the health and safety of thoroughbred horses; and providing for the repeal of such provisions upon expiration thereof (Part II); to amend the tax law, in relation to a New York works tax credit (Part JJ); to amend the tax law, in relation to establishing a credit against the tax on personal income (Part KK); to amend the tax law, in relation to the New York city renters tax relief credit (Part LL); to amend the tax law, in relation to eligibility for the farm employer overtime tax credit (Part MM); to amend the tax law, in relation to extending the current corporate tax rates (Part NN); to amend the tax law, in relation to increasing the current small business subtraction modification (Part OO); to amend the tax law, in relation to establishing small business savings accounts (Part PP); to amend the tax law, in relation to creating a work opportunity tax credit; and providing for the repeal of such provisions upon expiration thereof (Part QQ); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to extending the provisions thereof (Part RR); to amend the tax law, in relation to establishing a sales tax exemption for energy storage; 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 the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part SS); to amend the tax law, in relation to authorizing distributors of cannabis products to file annual returns electronically (Part TT); to amend the tax law, in relation to the taxation of vapor products (Part UU); to amend the tax law, in relation to residential solar tax credits (Part VV); to amend the tax law, in relation to expanding New York's manufacturing incentive to S corporations (Part WW); to amend the tax law, in relation to vendor fees paid to certain vendor tracks (Part XX); and to amend the tax law, in relation to increasing the transfer amount from the real estate transfer tax to the environmental protection fund (Part YY)

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 2025-2026
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through YY. 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. Section 606 of the tax law is amended by adding a new
14 subsection (qqq) to read as follows:

15 (qqq) Inflation refund credit. (1) A taxpayer who meets the eligibil-
16 ity standards in paragraph two of this subsection shall be allowed a

credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax year two thousand twenty-five.

(2) To be eligible for the credit, the taxpayer (or taxpayers filing joint returns)(a) must have been a full-year resident in the state of New York in tax year two thousand twenty-three, and (b) (i) must have had New York adjusted gross income of three hundred thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, or (ii) must have had New York adjusted gross income of one hundred fifty thousand dollars or less in tax year two thousand twenty-three if they filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household.

(3) Amount of credit. (a) For taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as married taxpayers filing jointly or a qualified surviving spouse, the credit amount shall be five hundred dollars, and (b) for taxpayers who meet the eligibility standards in paragraph two who filed a New York state resident income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household, the credit amount shall be three hundred dollars.

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

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

§ 3. This act shall take effect immediately.

PART B

Section 1. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law, as amended by section 1 of subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three and before two thousand ~~[twenty-eight]~~ twenty-five the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over \$17,150	4% of the New York taxable income
Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over \$17,150
Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over \$23,600

1		\$23,600
2	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
3		\$27,900
4	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
5		\$161,550
6	Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
7	\$2,155,350	\$323,200
8	Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
9	\$5,000,000	\$2,155,350
10	Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
11	\$25,000,000	\$5,000,000
12	Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
13		\$25,000,000

14 (vii) For taxable years beginning after two thousand [~~twenty-seven~~
 15 twenty-four and before two thousand thirty-three the following rates
 16 shall apply:

17	[If the New York taxable income is: The tax is:	
18	Not over \$17,150	4% of the New York taxable income
19	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
20		\$17,150
21	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
22		\$23,600
23	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
24		\$27,900
25	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
26		over \$161,550
27	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
28	\$2,155,350	over \$323,200
29	Over \$2,155,350	\$143,754 plus 8.82% of excess
30		over \$2,155,350]

31	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
32	<u>Not over \$17,150</u>	<u>3.75% of the New York taxable</u>
33		<u>income</u>
34	<u>Over \$17,150 but not over \$23,600</u>	<u>\$643 plus 4.00% of excess over</u>
35		<u>\$17,150</u>
36	<u>Over \$23,600 but not over \$27,900</u>	<u>\$901 plus 4.25% of excess over</u>
37		<u>\$23,600</u>
38	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,084 plus 4.50% of excess over</u>
39		<u>\$27,900</u>
40	<u>Over \$161,550 but not over \$323,200</u>	<u>\$7,098 plus 5.00% of excess over</u>
41		<u>\$161,550</u>
42	<u>Over \$323,200 but not over</u>	<u>\$15,181 plus 6.85% of excess</u>
43	<u>\$2,155,350</u>	<u>over \$323,200</u>
44	<u>Over \$2,155,350 but not over</u>	<u>\$140,683 plus 9.65% of excess</u>
45	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
46	<u>Over \$5,000,000 but not over</u>	<u>\$415,192 plus 10.50% of excess</u>
47	<u>\$10,000,000</u>	<u>over \$5,000</u>
48	<u>Over \$10,000,000 but not over</u>	<u>\$940,192 plus 10.75% of excess</u>
49	<u>\$25,000,000</u>	<u>over \$10,000,000</u>
50	<u>Over \$25,000,000 but not</u>	<u>\$2,552,692 plus 11.75% of excess</u>
51	<u>over \$100,000,000</u>	<u>over \$25,000,000</u>
52	<u>Over \$100,000,000</u>	<u>\$11,365,192 plus 12.00% of excess</u>
53		<u>over \$100,000,000</u>

§ 2. Subparagraph (B) of paragraph 1 of subsection (a) of section 601 of the tax law is amended by adding a new clause (viii) to read as follows:

(vii) For taxable years beginning after two thousand thirty-two the following rates shall apply:

<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$17,150</u>	<u>3.75% of the New York taxable income</u>
<u>Over \$17,150 but not over \$23,600</u>	<u>\$643 plus 4.00% of excess over \$17,150</u>
<u>Over \$23,600 but not over \$27,900</u>	<u>\$901 plus 4.25% of excess over \$23,600</u>
<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,084 plus 4.50% of excess over \$27,900</u>
<u>Over \$161,550 but not over \$323,200</u>	<u>\$7,098 plus 5.00% of excess over \$161,550</u>
<u>Over \$323,200 but not over \$2,155,350</u>	<u>\$15,181 plus 6.85% of excess over \$323,200</u>
<u>Over \$2,155,350</u>	<u>\$140,683 plus 8.82% of excess over \$2,155,350</u>

§ 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of subsection (b) of section 601 of the tax law, as amended by section 2 of subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three and before two thousand ~~[twenty-eight]~~ twenty-five the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over \$12,800	4% of the New York taxable income
Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over \$12,800
Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over \$17,650
Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over \$20,900
Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over \$107,650
Over \$269,300 but not over \$1,616,450	\$15,371 plus 6.85% of excess over \$269,300
Over \$1,616,450 but not over \$5,000,000	\$107,651 plus 9.65% of excess over \$1,616,450
Over \$5,000,000 but not over \$25,000,000	\$434,163 plus 10.30% of excess over \$5,000,000
Over \$25,000,000	\$2,494,163 plus 10.90% of excess over \$25,000,000

(vii) For taxable years beginning after two thousand ~~[twenty-seven]~~ twenty-four and before two thousand thirty-three the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over \$12,800	4% of the New York taxable income
Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over \$12,800
Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over \$17,650

1	Over \$20,900 but not over	\$901 plus 5.5% of excess over
2	\$107,650	\$20,900
3	Over \$107,650 but not over	\$5,672 plus 6.00% of excess
4	\$269,300	over \$107,650
5	Over \$269,300 but not over	\$15,371 plus 6.85% of excess
6	\$1,616,450	over \$269,300
7	Over \$1,616,450	\$107,651 plus 8.82% of excess
8		over \$1,616,450]

9	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
10	<u>Not over \$12,800</u>	<u>3.75% of the New York taxable</u>
11		<u>income</u>
12	<u>Over \$12,800 but not over</u>	<u>\$480 plus 4.00% of excess over</u>
13	<u>\$17,650</u>	<u>\$12,800</u>
14	<u>Over \$17,650 but not over</u>	<u>\$674 plus 4.25% of excess over</u>
15	<u>\$20,900</u>	<u>\$17,650</u>
16	<u>Over \$20,900 but not over</u>	<u>\$812 plus 4.50% of excess over</u>
17	<u>\$107,650</u>	<u>\$20,900</u>
18	<u>Over \$107,650 but not over</u>	<u>\$4,716 plus 5.00% of excess</u>
19	<u>\$269,300</u>	<u>over \$107,650</u>
20	<u>Over \$269,300 but not over</u>	<u>\$12,798 plus 6.85% of excess</u>
21	<u>\$1,616,450</u>	<u>over \$269,300</u>
22	<u>Over \$1,616,450 but not over</u>	<u>\$105,078 plus 9.65% of excess</u>
23	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
24	<u>Over \$5,000,000 but not over</u>	<u>\$431,591 plus 10.50% of</u>
25	<u>\$10,000,000</u>	<u>excess over \$5,000,000</u>
26	<u>Over \$10,000,000 but not over</u>	<u>\$956,591 plus 10.75% of excess</u>
27	<u>\$25,000,000</u>	<u>over \$10,000,000</u>
28	<u>Over \$25,000,000 but not over</u>	<u>\$2,569,091 plus 11.75% of excess</u>
29	<u>\$100,000,000</u>	<u>over \$25,000,000</u>
30	<u>Over \$100,000,000</u>	<u>\$11,381,591 plus 12.00% of excess</u>
31		<u>over \$100,000,000</u>

32 § 4. Subparagraph (B) of paragraph 1 of subsection (b) of section 601
 33 of the tax law is amended by adding a new clause (viii) to read as
 34 follows:

35 (viii) For taxable years beginning after two thousand thirty-two the
 36 following rates shall apply:

37	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
38	<u>Not over \$12,800</u>	<u>3.75% of the New York taxable</u>
39		<u>income</u>
40	<u>Over \$12,800 but not over</u>	<u>\$480 plus 4.00% of excess over</u>
41	<u>\$17,650</u>	<u>\$12,800</u>
42	<u>Over \$17,650 but not over</u>	<u>\$674 plus 4.25% of excess over</u>
43	<u>\$20,900</u>	<u>\$17,650</u>
44	<u>Over \$20,900 but not over</u>	<u>\$812 plus 4.50% of excess over</u>
45	<u>\$107,650</u>	<u>\$20,900</u>
46	<u>Over \$107,650 but not over</u>	<u>\$4,716 plus 5.00% of excess</u>
47	<u>\$269,300</u>	<u>over \$107,650</u>
48	<u>Over \$269,300 but not over</u>	<u>\$12,798 plus 6.85% of excess</u>
49	<u>\$1,616,450</u>	<u>over \$269,300</u>
50	<u>Over \$1,616,450</u>	<u>\$105,078 plus 8.82% of excess</u>
51		<u>over \$1,616,450</u>

52 § 5. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of
 53 subsection (c) of section 601 of the tax law, as amended by section 3 of

subpart A of part A of chapter 59 of the laws of 2022, are amended to read as follows:

(vi) For taxable years beginning in two thousand twenty-three and before two thousand ~~[twenty-eight]~~ twenty-five the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over \$8,500	4% of the New York taxable income
Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over \$8,500
Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over \$11,700
Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over \$13,900
Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over \$80,650
Over \$215,400 but not over \$1,077,550	\$12,356 plus 6.85% of excess over \$215,400
Over \$1,077,550 but not over \$5,000,000	\$71,413 plus 9.65% of excess over \$1,077,550
Over \$5,000,000 but not over \$25,000,000	\$449,929 plus 10.30% of excess over \$5,000,000
Over \$25,000,000	\$2,509,929 plus 10.90% of excess over \$25,000,000

(vii) For taxable years beginning after two thousand ~~[twenty-seven]~~ twenty-four and before two thousand thirty-three the following rates shall apply:

If the New York taxable income is:	The tax is:
Not over \$8,500	4% of the New York taxable income
Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over \$8,500
Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over \$11,700
Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over \$13,900
Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over \$80,650
Over \$215,400 but not over \$1,077,550	\$12,356 plus 6.85% of excess over \$215,400
Over \$1,077,550	\$71,413 plus 8.82% of excess over \$1,077,550]
<u>If the New York taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$8,500</u>	<u>3.75% of the New York taxable income</u>
<u>Over \$8,500 but not over \$11,700</u>	<u>\$319 plus 4.00% of excess over \$8,500</u>
<u>Over \$11,700 but not over \$13,900</u>	<u>\$447 plus 4.25% of excess over \$11,700</u>
<u>Over \$13,900 but not over \$80,650</u>	<u>\$540 plus 4.50% of excess over \$13,900</u>
<u>Over \$80,650 but not over \$215,400</u>	<u>\$3,544 plus 5.00% of excess over \$80,650</u>
<u>Over \$215,400 but not over \$1,077,550</u>	<u>\$10,282 plus 6.85% of excess over \$215,400</u>
<u>Over \$1,077,550 but not over \$5,000,000</u>	<u>\$69,339 plus 9.65% of excess over \$1,077,550</u>
<u>Over \$5,000,000 but not over \$10,000,000</u>	<u>\$447,855 plus 10.50% of excess over \$5,000,000</u>

1	<u>Over \$10,000,000 but not over</u>	<u>\$972,855 plus 10.75% of excess</u>
2	<u>\$25,000,000</u>	<u>over \$10,000,000</u>
3	<u>Over \$25,000,000 but not over</u>	<u>\$2,585,355 plus \$11.75% of excess</u>
4	<u>\$100,000,000</u>	<u>over \$25,000,000</u>
5	<u>Over \$100,000,000</u>	<u>\$11,397,855 plus 12.00% of excess</u>
6		<u>over \$100,000,000</u>

7 § 6. Subparagraph (B) of paragraph 1 of subsection (c) of section 601
 8 of the tax law is amended by adding a new clause (viii) to read as
 9 follows:

10 (viii) For taxable years beginning after two thousand thirty-two the
 11 following rates shall apply:

12 If the New York taxable income is:

13 Not over \$8,500

14 Over \$8,500 but not over \$11,700

16 Over \$11,700 but not over \$13,900

18 Over \$13,900 but not over \$80,650

20 Over \$80,650 but not over \$215,400

22 Over \$215,400 but not over

23 \$1,077,550

24 Over \$1,077,550

The tax is:

3.75% of the New York taxable income

\$319 plus 4.00% of excess over

\$8,500

\$447 plus 4.25% of excess over

\$11,700

\$540 plus 4.50% of excess over

\$13,900

\$3,544 plus 5.00% of excess

over \$80,650

\$10,282 plus 6.85% of excess

over \$215,400

\$69,339 plus 8.82% of excess

over \$1,077,550

26 § 7. The opening paragraph of subsection (d-4) of section 601 of the
 27 tax law, as added by section 3 of subpart B of part A of chapter 59 of
 28 the laws of 2022, is amended to read as follows:

29 Alternative tax table benefit recapture. Notwithstanding the
 30 provisions of subsection (d), (d-1), (d-2) or (d-3) of this section, for
 31 taxable years beginning on or after two thousand twenty-three and before
 32 two thousand ~~twenty-eight~~ twenty-five, there is hereby imposed a
 33 supplemental tax in addition to the tax imposed under subsections (a),
 34 (b) and (c) of this section for the purpose of recapturing the benefit
 35 of the tax tables contained in such subsections. During these taxable
 36 years, any reference in this chapter to subsection (d), (d-1), (d-2) or
 37 (d-3) of this section shall be read as a reference to this subsection.

38 § 8. Section 601 of the tax law is amended by adding two new
 39 subsections (d-5) and (d-6) to read as follows:

40 (d-5) Alternative tax table benefit recapture. Notwithstanding the
 41 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-6) of
 42 this section, for taxable years beginning on or after two thousand twen-
 43 ty-five and before two thousand thirty-three, there is hereby imposed a
 44 supplemental tax in addition to the tax imposed under subsections (a),
 45 (b) and (c) of this section for the purpose of recapturing the benefit
 46 of the tax tables contained in such subsections. During these taxable
 47 years, any reference in this chapter to subsection (d), (d-1), (d-2),
 48 (d-3), (d-4), or (d-6) of this section shall be read as a reference to
 49 this subsection.

50 (1) For resident married individuals filing joint returns and resident
 51 surviving spouses:

52 (A) If New York adjusted gross income is greater than \$107,650, but
 53 not over \$25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$27,900	\$161,550	\$0	\$172
\$161,550	\$323,200	\$172	\$807
\$323,200	\$2,155,350	\$979	\$5,979
\$2,155,350	\$5,000,000	\$6,959	\$60,350
\$5,000,000	\$10,000,000	\$67,308	\$42,500
\$10,000,000	\$25,000,000	\$109,808	\$25,000

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
\$27,900	\$161,550	New York adjusted gross income minus \$107,650
\$161,550	\$323,200	New York adjusted gross income minus \$161,550
\$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
\$2,155,350	\$5,000,000	New York adjusted gross income minus \$2,155,350
\$5,000,000	\$10,000,000	New York adjusted gross income minus \$5,000,000
\$10,000,000	\$25,000,000	New York adjusted gross income minus \$10,000,000

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of 4.50 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 11.75 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(C) If New York adjusted gross income is greater than one hundred million dollars, the supplemental tax due shall equal the difference between the product of 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section.

(2) For resident heads of households:

(A) If New York adjusted gross income is greater than \$107,650, but not over \$25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$107,650	\$269,300	\$0	\$667
\$269,300	\$1,616,450	\$667	\$4,982
\$1,616,450	\$5,000,000	\$5,649	\$45,261
\$5,000,000	\$10,000,000	\$50,909	\$42,500
\$10,000,000	\$25,000,000	\$93,409	\$25,500

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than Not over Applicable Amount

<u>\$107,650</u>	<u>\$269,300</u>	<u>New York adjusted gross income minus \$107,650</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>New York adjusted gross income minus \$269,300</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$1,616,450</u>
<u>\$5,000,000</u>	<u>\$10,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>
<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$10,000,000</u>

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 11.75 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(C) If New York adjusted gross income is greater than one hundred million dollars, the supplemental tax due shall equal the difference between the product of 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts:

(A) If New York adjusted gross income is greater than \$107,650, but not over \$25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$488</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$488</u>	<u>\$3,985</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$4,473</u>	<u>\$30,171</u>
<u>\$5,000,000</u>	<u>\$10,000,000</u>	<u>\$34,645</u>	<u>\$42,500</u>
<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>\$77,145</u>	<u>\$25,000</u>

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than Not over Applicable Amount

<u>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income minus \$107,650</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income minus \$215,400</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$1,077,550</u>
<u>\$5,000,000</u>	<u>\$10,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>
<u>\$10,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$10,000,000</u>

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 11.75 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section.

(C) If New York adjusted gross income is greater than one hundred million dollars, the supplemental tax due shall equal the difference between the product of 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section.

(d-6) Alternative tax table benefit recapture. Notwithstanding the provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-5) of this section, for taxable years beginning on or after two thousand thirty-three, there is hereby imposed a supplemental tax in addition to the tax imposed under subsections (a), (b) and (c) of this section for the purpose of recapturing the benefit of the tax tables contained in such subsections. During these taxable years, any reference in this chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-5) of this section shall be read as a reference to this subsection.

(1) For resident married individuals filing joint returns and resident surviving spouses:

(A) If New York adjusted gross income is greater than \$107,650:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$27,900	\$161,550	\$0	\$172
\$161,550	\$323,200	\$172	\$808
\$323,200	\$2,155,350	\$979	\$5,979
\$2,155,350		\$6,959	\$42,460

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
\$27,900	\$161,550	New York adjusted gross income minus \$107,650
\$161,550	\$323,200	New York adjusted gross income minus \$161,550
\$323,200	\$2,155,350	New York adjusted gross income minus \$323,200
\$2,155,350		New York adjusted gross income minus \$2,155,350

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than twenty-seven thousand nine hundred dollars, the supplemental tax shall equal the difference between the product of

4.50 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (a) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(2) For resident heads of households:

(A) If New York adjusted gross income is greater than \$107,650:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$107,650	\$269,300	\$0	\$667
\$269,300	\$1,616,450	\$667	\$4,982
\$1,616,450		\$5,649	\$31,844

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
\$107,650	\$269,300	New York adjusted gross income minus \$107,650
\$269,300	\$1,616,450	New York adjusted gross income minus \$269,300
\$1,616,450		New York adjusted gross income minus \$1,616,450

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts:

(A) If New York adjusted gross income is greater than \$107,650:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

Greater than	Not over	Recapture Base	Incremental Benefit
\$80,650	\$215,400	\$0	\$488
\$215,400	\$1,077,550	\$488	\$3,985
\$1,077,550		\$4,473	\$21,228

(ii) the applicable amount shall be determined by New York taxable income as follows:

Greater than	Not over	Applicable Amount
\$80,650	\$215,400	New York adjusted gross income minus \$107,650
\$215,400	\$1,077,550	New York adjusted gross income minus \$215,400
\$1,077,550		New York adjusted gross income minus \$1,077,550

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than eighty thousand six hundred fifty dollars, the

supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (c) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

§ 9. This act shall take effect immediately.

PART C

Section 1. Paragraph 1 of subsection (c-1) of section 606 of the tax law, as amended by section 1 of part HH of chapter 56 of the laws of 2023, is amended to read as follows:

(1) [A] For taxable years beginning before January first, two thousand twenty-five, a resident taxpayer shall be allowed a credit as provided herein equal to the greater of one hundred dollars times the number of qualifying children of the taxpayer or the applicable percentage of the child tax credit allowed the taxpayer under section twenty-four of the internal revenue code for the same taxable year for each qualifying child. Provided, however, in the case of a taxpayer whose federal adjusted gross income exceeds the applicable threshold amount set forth by section 24(b)(2) of the Internal Revenue Code, the credit shall only be equal to the applicable percentage of the child tax credit allowed the taxpayer under section 24 of the Internal Revenue Code for each qualifying child. For the purposes of this subsection, a qualifying child shall be a child who meets the definition of qualified child under section 24(c) of the internal revenue code. The applicable percentage shall be thirty-three percent. For purposes of this subsection, any reference to section 24 of the Internal Revenue Code shall be a reference to such section as it existed immediately prior to the enactment of Public Law 115-97.

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

(1-a) (A) For taxable years beginning on and after January first, two thousand twenty-five, and before January first, two thousand twenty-six, a resident taxpayer shall be allowed a credit as provided herein, equal to the sum of:

(i) one thousand dollars times the number of qualifying children of the taxpayer aged three or younger; and

(ii) five hundred dollars times the number of qualifying children of the taxpayer who have attained age four and not yet attained age seventeen.

(B) The amount of the credit allowable under subparagraph (A) of this paragraph shall be reduced (but not to below zero) by sixteen dollars and fifty cents for each one thousand dollars by which the taxpayer's federal adjusted gross income exceeds the threshold amount. For the purposes of this subparagraph, the term "threshold amount" shall mean:

(i) one hundred ten thousand dollars in the case of married taxpayers filing jointly; (ii) seventy-five thousand dollars in the case of a taxpayer filing as single, head of household, or qualified surviving spouse; and (iii) fifty-five thousand dollars in the case of a married taxpayer filing a separate return.

(C) For the purposes of this paragraph, a qualifying child shall be an individual who: (i) is a child, sibling, or stepsibling of the taxpayer, or a descendent of any such relative; (ii) has the same principal place

1 of abode as the taxpayer for more than one-half of the taxable year;
2 (iii) has not attained age seventeen; (iv) has not provided over one-
3 half of such individual's own support for the calendar year in which the
4 taxable year of the taxpayer begins; (v) has not filed a joint return
5 (other than only for a claim of refund) with the individual's spouse
6 under section six hundred fifty-one of this article for the taxable
7 year; and (vi) is a citizen or national of the United States, or an
8 individual with an individual taxpayer identification number issued by
9 the internal revenue service.

10 (D) For the purposes of this paragraph, the term "child" shall mean an
11 individual who is the offspring or stepchild of the taxpayer, or an
12 eligible foster child of the taxpayer, or a legally adopted individual
13 of the taxpayer, or an individual who is lawfully placed with the
14 taxpayer for legal adoption by the taxpayer.

15 (E) (i) Except as provided in subparagraph (B) of this paragraph, if
16 an individual may be claimed as a qualifying child by two or more
17 taxpayers for a taxable year, such individual shall be treated as the
18 qualifying child of the taxpayer who is: (I) a parent of the individual,
19 or (II) if subclause (I) does not apply, the taxpayer with the highest
20 federal adjusted gross income for such taxable year.

21 (ii) If the parents claiming any qualifying child do not file a joint
22 return together, such child shall be treated as the qualifying child of:
23 (I) the parent with whom the child resided for the longest period of
24 time during the taxable year, or (II) if the child resides with both
25 parents for the same amount of time during such taxable year, the parent
26 with the highest federal adjusted gross income who files a return pursu-
27 ant to section six hundred fifty-one of this article.

28 (iii) If the parents of an individual may claim such individual as a
29 qualifying child but no parent so claims the individual, such individual
30 may be claimed as the qualifying child of another taxpayer, but only if
31 the federal adjusted gross income of such taxpayer is higher than the
32 highest federal adjusted gross income of any parent of the individual,
33 regardless of a requirement to file a return pursuant to section six
34 hundred fifty-one of this article.

35 § 3. This act shall take effect immediately.

36 PART D

37 Section 1. Subdivision 3 of section 22 of the public housing law, as
38 added by section 1 of part CC of chapter 63 of the laws of 2000, is
39 amended to read as follows:

40 3. Amount of credit. Except as provided in subdivisions four and five
41 of this section, the amount of low-income housing credit shall be the
42 applicable percentage of the qualified basis of each eligible low-income
43 building. Buildings financed by refunded bonds using the rules of
44 section 146(i)(6) of the internal revenue code, shall be eligible for
45 credit pursuant to the rules of section 42(b)(2) of the internal revenue
46 code.

47 § 2. Subdivision 4 of section 22 of the public housing law, as amended
48 by section 4 of part J of chapter 59 of the laws of 2022, is amended to
49 read as follows:

50 4. Statewide limitation. The aggregate dollar amount of credit which
51 the commissioner may allocate to eligible low-income buildings under
52 this article shall be one hundred [~~seventy-two~~] eighty-seven million
53 dollars. The limitation provided by this subdivision applies only to
54 allocation of the aggregate dollar amount of credit by the commission-

er[7] and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 3. Subdivision 4 of section 22 of the public housing law, as amended by section two of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be ~~[one]~~ ~~two~~ hundred ~~[eighty-seven]~~ ~~seventeen~~ million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 4. Subdivision 4 of section 22 of the public housing law, as amended by section three of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be two hundred ~~[seventeen]~~ ~~forty-seven~~ million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 5. Subdivision 4 of section 22 of the public housing law, as amended by section four of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be two hundred ~~[forty-seven]~~ ~~seventy-seven~~ million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 6. Subdivision 4 of section 22 of the public housing law, as amended by section five of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be ~~[two]~~ ~~three~~ hundred ~~[seventy-seven]~~ ~~seven~~ million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 7. This act shall take effect immediately; provided, however, section two of this act shall take effect April 1, 2025; section three of this act shall take effect April 1, 2026; section four of this act shall take effect April 1, 2027; section five of this act shall take effect April 1, 2028; and section six of this act shall take effect April 1, 2029.

PART E

Section 1. Subdivision 26 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a) and (c) as amended by section 2 of part RR of chapter 59 of the laws of 2018, subparagraph (i) of paragraph (a) as amended by section 2, subparagraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1) as amended by section 3 of subpart B of part I of chapter 59 of the laws of 2023, paragraph (e) as amended by section 1 of part U of chapter 59

1 of the laws of 2019, paragraph (f) as added by section 2 of part CCC of
2 chapter 59 of the laws of 2021, is amended to read as follows:

3 26. Credit for rehabilitation of historic properties. (a) Application
4 of credit. (i) For taxable years beginning on or after January first,
5 two thousand ten, and before January first, two thousand thirty, a
6 taxpayer, or a transferee of such a taxpayer as described in paragraph
7 (g) of this subdivision, shall be allowed a credit as hereinafter
8 provided, against the tax imposed by this article, in an amount equal to
9 one hundred percent of the amount of credit allowed the taxpayer for the
10 same taxable year with respect to a certified historic structure, and
11 one hundred fifty percent of the amount of credit allowed the taxpayer
12 with respect to a certified historic structure that is a small project,
13 under internal revenue code section 47(c)(3), determined without regard
14 to ratably allocating the credit over a five year period as required by
15 subsection (a) of such section 47, with respect to a certified historic
16 structure located within the state. Provided, however, the credit shall
17 not exceed five million dollars.

18 (ii) For taxable years beginning on or after January first, two thou-
19 sand thirty, a taxpayer, or a transferee of such a taxpayer as described
20 in paragraph (g) of this subdivision, shall be allowed a credit as here-
21 inafter provided, against the tax imposed by this article, in an amount
22 equal to thirty percent of the amount of credit allowed the taxpayer for
23 the same taxable year determined without regard to ratably allocating
24 the credit over a five year period as required by subsection (a) of
25 section 47 of the internal revenue code, with respect to a certified
26 historic structure under subsection (c)(3) of section 47 of the internal
27 revenue code with respect to a certified historic structure located
28 within the state. Provided, however, the credit shall not exceed one
29 hundred thousand dollars.

30 (a-1) If the taxpayer or transferee is a partner in a partnership or a
31 shareholder in a New York S corporation, then the credit caps imposed in
32 paragraph (a) of this subdivision shall be applied at the entity level,
33 so that the aggregate credit allowed to all the partners or shareholders
34 of each such entity in the taxable year does not exceed the credit cap
35 that is applicable in that taxable year.

36 (b) Tax credits allowed pursuant to this subdivision shall be allowed
37 in the taxable year that the qualified rehabilitation is placed in
38 service under section 167 of the federal internal revenue code.

39 (c) If the taxpayer is allowed a credit pursuant to section 47 of the
40 internal revenue code with respect to a qualified rehabilitation that is
41 also the subject of the credit allowed by this subdivision and that
42 credit pursuant to such section 47 is recaptured pursuant to subsection
43 (a) of section 50 of the internal revenue code, a portion of the credit
44 allowed under this subdivision must be added back by the taxpayer or
45 transferee in the same taxable year and in the same proportion as the
46 federal credit.

47 (d) The credit allowed under this subdivision for any taxable year
48 shall not reduce the tax due for such year to less than the amount
49 prescribed in paragraph (d) of subdivision one of section two hundred
50 ten of this article. However, if the amount of the credit allowed under
51 this subdivision for any taxable year reduces the tax to such amount or
52 if the taxpayer otherwise pays tax based on the fixed dollar minimum
53 amount, any amount of credit thus not deductible in such taxable year
54 shall be treated as an overpayment of tax to be recredited or refunded
55 in accordance with the provisions of section one thousand eighty-six of
56 this chapter. Provided, however, the provisions of subsection (c) of

1 section one thousand eighty-eight of this chapter notwithstanding, no
2 interest shall be paid thereon.

3 (e) ~~Except in the case of a qualified rehabilitation project under-~~
4 ~~taken within a state park, state historic site, or other land owned by~~
5 ~~the state, that is under the jurisdiction of the office of parks, recre-~~
6 ~~ation and historic preservation, to]~~ To be eligible for the credit

7 allowable under this subdivision, the rehabilitation project shall be in
8 whole or in part located within a census tract which is identified as
9 being at or below one hundred percent of the state median family income
10 as calculated as of April first of each year using the most recent five
11 year estimate from the American community survey published by the United
12 States Census bureau. If there is a change in the most recent five year
13 estimate, a census tract that qualified for eligibility under this
14 program before information about the change was released will remain
15 eligible for a credit under this subdivision for an additional two
16 calendar years. The eligibility restrictions set forth in this paragraph
17 shall not be applicable if:

18 (i) a qualified rehabilitation project is undertaken within a state
19 park, state historic site, or other land owned by the state, that is
20 under the jurisdiction of the office of parks, recreation and historic
21 preservation; or

22 (ii) a qualified rehabilitation project is undertaken for the
23 provision of affordable housing and the taxpayer has entered into a
24 regulatory agreement with any state or federal agency or authority, or
25 any other government entity that is authorized to engage in the financ-
26 ing, construction or oversight of affordable housing within such enti-
27 ty's jurisdiction, and where such regulatory agreement sets forth
28 affordability requirements applicable for a period of not less than
29 thirty years and that is binding on all successors of the taxpayer.

30 (f) For purposes of this subdivision "small project" means qualified
31 rehabilitation expenditures totaling two million five hundred thousand
32 dollars or less.

33 (g)(i) A taxpayer allowed a credit pursuant to this subdivision may
34 transfer the credit, in whole or in part, to another person or entity,
35 who shall be referred to as the transferee, without regard to how any
36 tax credit authorized pursuant to section forty-seven of the internal
37 revenue code with respect to a qualified rehabilitation project may be
38 allocated and notwithstanding that such other person or entity owns no
39 interest in the qualified rehabilitation project or in an entity with an
40 ownership interest in the qualified rehabilitation project. A transferee
41 may not transfer any credit, or portion thereof, acquired by transfer.

42 (ii) A taxpayer seeking to transfer a credit allowed pursuant to this
43 subdivision must enter into a transfer contract with the transferee. The
44 transfer contract must specify:

45 (A) the building identification numbers for all buildings in the
46 project;

47 (B) the date each building was placed into service;

48 (C) the schedule of years for which the transfer credit may be claimed
49 and the amount of credit previously claimed;

50 (D) the amount of consideration received by the taxpayer for the
51 transfer credit; and

52 (E) the amount of credit being transferred.

53 (iii) No transfer shall be effective unless the taxpayer allowed a
54 credit pursuant to this subdivision and seeking to transfer the credit
55 files a transfer application with the commissioner of parks, recreation
56 and historic preservation prior to the transfer and such transfer appli-

1 cation is approved. The transfer application shall include the name and
2 federal identification numbers of the taxpayer and each proposed trans-
3 feree, the amount of credit proposed to be transferred to each proposed
4 transferee, a copy of the transfer contract, and such other information
5 as the commissioner or the commissioner of parks, recreation and histor-
6 ic preservation may require. The commissioner of parks, recreation and
7 historic preservation shall approve or deny each transfer application
8 and, if an application is denied, shall issue a written determination to
9 the taxpayer. If the transfer is approved, the commissioner of parks,
10 recreation and historic preservation shall issue a transfer approval
11 certificate that provides the name of the transferor and all transfer-
12 ees, the amount of credit being transferred and such other information
13 as the commissioner of parks, recreation and historic preservation and
14 the commissioner deem necessary. A copy of the transfer approval certif-
15 icate must be attached to each transferee's tax return. The commissioner
16 of parks, recreation and historic preservation, in consultation with the
17 commissioner, may establish such other procedures and standards deemed
18 necessary for the transferability of credits allowed under this subdivi-
19 sion.

20 (iv) The commissioner of parks, recreation and historic preservation
21 shall forward copies of all transfer applications and attachments there-
22 to and approval certificates to the commissioner within thirty days
23 after the transfer is approved.

24 (v) A taxpayer allowed a credit pursuant to section forty-seven of the
25 internal revenue code with respect to a qualified rehabilitation that is
26 also the subject of the credit allowed by this subdivision shall remain
27 solely liable for all obligations and liabilities imposed on the taxpay-
28 er with respect to the credit allowed by this subdivision, none of which
29 shall apply to a party to whom the credit has been subsequently trans-
30 ferred.

31 (h) The commissioner shall submit a report to the governor, the tempo-
32 rary president of the senate, the speaker of the assembly, the chair of
33 the senate finance committee, the chair of the senate housing committee,
34 the chair of the assembly ways and means committee, and the chair of the
35 assembly housing committee on or before November first, two thousand
36 twenty-five and annually thereafter. Such report shall include the
37 aggregate amount of credits claimed pursuant to this subdivision on
38 returns filed during the preceding calendar year and shall be made
39 publicly available on the department's website on the same day the
40 report is submitted.

41 § 2. Subsection (oo) of section 606 of the tax law, as amended by
42 chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472
43 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by
44 section 1 of subpart B of part I of chapter 59 of the laws of 2023,
45 paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws
46 of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of
47 the laws of 2013, paragraph 5 as amended by section 2 of part U of chap-
48 ter 59 of the laws of 2019, paragraph 6 as added by section 1 of part
49 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

50 (oo) Credit for rehabilitation of historic properties. (1) (A) For
51 taxable years beginning on or after January first, two thousand ten and
52 before January first, two thousand thirty, a taxpayer, or a transferee
53 of such a taxpayer as described in paragraph seven of this subsection,
54 shall be allowed a credit as hereinafter provided, against the tax
55 imposed by this article, in an amount equal to one hundred percent of
56 the amount of credit allowed the taxpayer with respect to a certified

1 historic structure, and one hundred fifty percent of the amount of cred-
2 it allowed the taxpayer with respect to a certified historic structure
3 that is a small project, under internal revenue code section 47(c)(3),
4 determined without regard to ratably allocating the credit over a five
5 year period as required by subsection (a) of such section 47, with
6 respect to a certified historic structure located within the state.
7 Provided, however, the credit shall not exceed five million dollars. For
8 taxable years beginning on or after January first, two thousand thirty,
9 a taxpayer, or a transferee of such a taxpayer as described in paragraph
10 seven of this subsection, shall be allowed a credit as hereinafter
11 provided, against the tax imposed by this article, in an amount equal to
12 thirty percent of the amount of credit allowed the taxpayer with respect
13 to a certified historic structure under internal revenue code section
14 47(c)(3), determined without regard to ratably allocating the credit
15 over a five year period as required by subsection (a) of such section
16 47, with respect to a certified historic structure located within the
17 state; provided, however, the credit shall not exceed one hundred thou-
18 sand dollars.

19 (B) If the taxpayer or transferee is a partner in a partnership or a
20 shareholder of a New York S corporation, then the credit cap imposed in
21 subparagraph (A) of this paragraph shall be applied at the entity level,
22 so that the aggregate credit allowed to all the partners or shareholders
23 of each such entity in the taxable year does not exceed the credit cap
24 that is applicable in that taxable year.

25 (2) Tax credits allowed pursuant to this subsection shall be allowed
26 in the taxable year that the qualified rehabilitation is placed in
27 service under section 167 of the federal internal revenue code.

28 (3) If the taxpayer is allowed a credit pursuant to section 47 of the
29 internal revenue code with respect to a qualified rehabilitation that is
30 also the subject of the credit allowed by this subsection and that cred-
31 it pursuant to such section 47 is recaptured pursuant to subsection (a)
32 of section 50 of the internal revenue code, a portion of the credit
33 allowed under this subsection must be added back by the taxpayer or
34 transferee in the same taxable year and in the same proportion as the
35 federal recapture.

36 (4) If the amount of the credit allowed under this subsection for any
37 taxable year shall exceed the taxpayer's tax for such year, the excess
38 shall be treated as an overpayment of tax to be credited or refunded in
39 accordance with the provisions of section six hundred eighty-six of this
40 article, provided, however, that no interest shall be paid thereon.

41 (5) [~~Except in the case of a qualified rehabilitation project under~~
42 ~~taken within a state park, state historic site, or other land owned by~~
43 ~~the state, that is under the jurisdiction of the office of parks, recre-~~
44 ~~ation and historic preservation, to]~~ To be eligible for the credit
45 allowable under this subsection the rehabilitation project shall be in
46 whole or in part located within a census tract which is identified as
47 being at or below one hundred percent of the state median family income
48 as calculated as of April first of each year using the most recent five
49 year estimate from the American community survey published by the United
50 States Census bureau. If there is a change in the most recent five year
51 estimate, a census tract that qualified for eligibility under this
52 program before information about the change was released will remain
53 eligible for a credit under this subsection for an additional two calen-
54 dar years. The eligibility restrictions set forth in this paragraph
55 shall not be applicable if:

1 (A) a qualified rehabilitation project is undertaken within a state
2 park, state historic site, or other land owned by the state, that is
3 under the jurisdiction of the office of parks, recreation and historic
4 preservation; or

5 (B) a qualified rehabilitation project is undertaken for the provision
6 of affordable housing and the taxpayer has entered into a regulatory
7 agreement with any state or federal agency or authority, or any other
8 government entity that is authorized to engage in the financing,
9 construction or oversight of affordable housing within such entity's
10 jurisdiction, and where such regulatory agreement sets forth affordabil-
11 ity requirements applicable for a period of not less than thirty years
12 and that is binding on all successors of the taxpayer.

13 (6) For purposes of this subsection the term "small project" means
14 qualified rehabilitation expenditures totaling two million five hundred
15 thousand dollars or less.

16 (7)(A) A taxpayer allowed a credit pursuant to this subsection may
17 transfer the credit, in whole or in part, to another person or entity,
18 who shall be referred to as the transferee, without regard to how any
19 tax credit authorized pursuant to section forty-seven of the internal
20 revenue code with respect to a qualified rehabilitation project may be
21 allocated and notwithstanding that such other person or entity owns no
22 interest in the qualified rehabilitation project or in an entity with an
23 ownership interest in the qualified rehabilitation project. A transferee
24 may not transfer any credit, or portion thereof, acquired by transfer.

25 (B) A taxpayer seeking to transfer a credit allowed pursuant to this
26 subsection must enter into a transfer contract with the transferee. The
27 transfer contract must specify:

28 (i) the building identification numbers for all buildings in the
29 project;

30 (ii) the date each building was placed into service;

31 (iii) the schedule of years for which the transfer credit may be
32 claimed and the amount of credit previously claimed;

33 (iv) the amount of consideration received by the taxpayer for the
34 transfer credit; and

35 (v) the amount of credit being transferred.

36 (C) No transfer shall be effective unless the taxpayer allowed a cred-
37 it pursuant to this subsection and seeking to transfer the credit files
38 a transfer application with the commissioner of parks, recreation and
39 historic preservation prior to the transfer and such transfer applica-
40 tion is approved. The transfer application shall include the name and
41 federal identification numbers of the taxpayer and each proposed trans-
42 feree, the amount of credit proposed to be transferred to each proposed
43 transferee, a copy of the transfer contract, and such other information
44 as the commissioner or the commissioner of parks, recreation and histor-
45 ic preservation may require. The commissioner of parks, recreation and
46 historic preservation shall approve or deny each transfer application
47 and, if an application is denied, shall issue a written determination to
48 the taxpayer. If the transfer is approved, the commissioner of parks,
49 recreation and historic preservation shall issue a transfer approval
50 certificate that provides the name of the transferor and all transfer-
51 ees, the amount of credit being transferred and such other information
52 as the commissioner of parks, recreation and historic preservation and
53 the commissioner deem necessary. A copy of the transfer approval certif-
54 icate must be attached to each transferee's tax return. The commissioner
55 of parks, recreation and historic preservation, in consultation with the
56 commissioner, may establish such other procedures and standards deemed

1 necessary for the transferability of credits allowed under this
2 subsection.

3 (D) The commissioner of parks, recreation and historic preservation
4 shall forward copies of all transfer applications and attachments there-
5 to and approval certificates to the commissioner within thirty days
6 after the transfer is approved.

7 (E) A taxpayer allowed a credit pursuant to section forty-seven of the
8 internal revenue code with respect to a qualified rehabilitation that is
9 also the subject of the credit allowed by this subsection shall remain
10 solely liable for all obligations and liabilities imposed on the taxpay-
11 er with respect to the credit allowed by this subsection, none of which
12 shall apply to a party to whom the credit has been subsequently trans-
13 ferred.

14 (8) The commissioner shall submit a report to the governor, the tempo-
15 rary president of the senate, the speaker of the assembly, the chair of
16 the senate finance committee, the chair of the senate housing committee,
17 the chair of the assembly ways and means committee, and the chair of the
18 assembly housing committee on or before November first, two thousand
19 twenty-five and annually thereafter. Such report shall include the
20 aggregate amount of credits claimed pursuant to this subsection on
21 returns filed during the preceding calendar year and shall be made
22 publicly available on the department's website on the same day the
23 report is submitted.

24 § 3. Subdivision (y) of section 1511 of the tax law, as added by chap-
25 ter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended
26 by section 5 of subpart B of part I of chapter 59 of the laws of 2023,
27 paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws
28 of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of
29 the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-
30 ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part
31 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

32 (y) Credit for rehabilitation of historic properties. (1) (A) For
33 taxable years beginning on or after January first, two thousand ten and
34 before January first, two thousand thirty, a taxpayer, or a transferee
35 of such a taxpayer as described in paragraph seven of this subdivision,
36 shall be allowed a credit as hereinafter provided, against the tax
37 imposed by this article, in an amount equal to one hundred percent of
38 the amount of credit allowed the taxpayer with respect to a certified
39 historic structure, and one hundred fifty percent of the amount of cred-
40 it allowed the taxpayer with respect to a certified historic structure
41 that is a small project, under internal revenue code section 47(c)(3),
42 determined without regard to ratably allocating the credit over a five
43 year period as required by subsection (a) of such section 47, with
44 respect to a certified historic structure located within the state.
45 Provided, however, the credit shall not exceed five million dollars. For
46 taxable years beginning on or after January first, two thousand thirty,
47 a taxpayer, or a transferee of such a taxpayer as described in paragraph
48 seven of this subdivision, shall be allowed a credit as hereinafter
49 provided, against the tax imposed by this article, in an amount equal to
50 thirty percent of the amount of credit allowed the taxpayer with respect
51 to a certified historic structure under internal revenue code section
52 47(c)(3), determined without regard to ratably allocating the credit
53 over a five year period as required by subsection (a) of such section 47
54 with respect to a certified historic structure located within the state.
55 Provided, however, the credit shall not exceed one hundred thousand
56 dollars.

(B) If the taxpayer or transferee is a partner in a partnership, then the cap imposed in subparagraph (A) of this paragraph shall be applied at the entity level, so that the aggregate credit allowed to all the partners of such partnership in the taxable year does not exceed the credit cap that is applicable in that taxable year.

(2) Tax credits allowed pursuant to this subsection shall be allowed in the taxable year that the qualified rehabilitation is placed in service under section 167 of the federal internal revenue code.

(3) If the taxpayer is allowed a credit pursuant to section 47 of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision and that credit pursuant to such section 47 is recaptured pursuant to subsection (a) of section 50 of the internal revenue code, a portion of the credit allowed under this subdivision in the taxable year the credit was claimed must be added back by the taxpayer or transferee in the same taxable year and in the same proportion as the federal recapture.

(4) The credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the minimum fixed by paragraph four of subdivision (a) of section fifteen hundred two or section fifteen hundred two-a of this article, whichever is applicable. However, if the amount of credits allowed under this subdivision for any taxable year reduces the tax to such amount, any amount of credit thus not deductible in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

(5) ~~[Except in the case of a qualified rehabilitation project undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation, to]~~ To be eligible for the credit allowable under this subdivision, the rehabilitation project shall be in whole or in part located within a census tract which is identified as being at or below one hundred percent of the state median family income as calculated as of April first of each year using the most recent five year estimate from the American community survey published by the United States Census bureau. If there is a change in the most recent five year estimate, a census tract that qualified for eligibility under this program before information about the change was released will remain eligible for a credit under this subdivision for an additional two calendar years. The eligibility restrictions set forth in this paragraph shall not be applicable if:

(A) a qualified rehabilitation project is undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the office of parks, recreation and historic preservation; or

(B) a qualified rehabilitation project is undertaken for the provision of affordable housing and the taxpayer has entered into a regulatory agreement with any state or federal agency or authority, or any other government entity that is authorized to engage in the financing, construction or oversight of affordable housing within such entity's jurisdiction, and where such regulatory agreement sets forth affordability requirements applicable for a period of not less than thirty years and that is binding on all successors of the taxpayer.

(6) For purposes of this subdivision "small project" means qualified rehabilitation expenditures totaling two million five hundred thousand dollars or less.

(7)(A) A taxpayer allowed a credit pursuant to this subdivision may transfer the credit, in whole or in part, to another person or entity, who shall be referred to as the transferee, without regard to how any tax credit authorized pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation project may be allocated and notwithstanding that such other person or entity owns no interest in the qualified rehabilitation project or in an entity with an ownership interest in the qualified rehabilitation project. A transferee may not transfer any credit, or portion thereof, acquired by transfer.

(B) A taxpayer seeking to transfer a credit allowed pursuant to this subdivision must enter into a transfer contract with the transferee. The transfer contract must specify:

(i) the building identification numbers for all buildings in the project;

(ii) the date each building was placed into service;

(iii) the schedule of years for which the transfer credit may be claimed and the amount of credit previously claimed;

(iv) the amount of consideration received by the taxpayer for the transfer credit; and

(v) the amount of credit being transferred.

(C) No transfer shall be effective unless the taxpayer allowed a credit pursuant to this subdivision and seeking to transfer the credit files a transfer application with the commissioner of parks, recreation and historic preservation prior to the transfer and such transfer application is approved. The transfer application shall include the name and federal identification numbers of the taxpayer and each proposed transferee, the amount of credit proposed to be transferred to each proposed transferee, a copy of the transfer contract, and such other information as the commissioner or the commissioner of parks, recreation and historic preservation may require. The commissioner of parks, recreation and historic preservation shall approve or deny each transfer application and, if an application is denied, shall issue a written determination to the taxpayer. If the transfer is approved, the commissioner of parks, recreation and historic preservation shall issue a transfer approval certificate that provides the name of the transferor and all transferees, the amount of credit being transferred and such other information as the commissioner of parks, recreation and historic preservation and the commissioner deem necessary. A copy of the transfer approval certificate must be attached to each transferee's tax return. The commissioner of parks, recreation and historic preservation, in consultation with the commissioner, may establish such other procedures and standards deemed necessary for the transferability of credits allowed under this subdivision.

(D) The commissioner of parks, recreation and historic preservation shall forward copies of all transfer applications and attachments thereto and approval certificates to the commissioner within thirty days after the transfer is approved.

(E) A taxpayer allowed a credit pursuant to section forty-seven of the internal revenue code with respect to a qualified rehabilitation that is also the subject of the credit allowed by this subdivision shall remain solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit allowed by this subdivision, none of which

1 shall apply to a party to whom the credit has been subsequently trans-
2 ferred.

3 (8) The commissioner shall submit a report to the governor, the tempo-
4 rary president of the senate, the speaker of the assembly, the chair of
5 the senate finance committee, the chair of the senate housing committee,
6 the chair of the assembly ways and means committee, and the chair of the
7 assembly housing committee on or before November first, two thousand
8 twenty-five and annually thereafter. Such report shall include the
9 aggregate amount of credits claimed pursuant to this subdivision on
10 returns filed during the preceding calendar year and shall be made
11 publicly available on the department's website on the same day the
12 report is submitted.

13 § 3-a. Section 14.05 of the parks, recreation and historic preserva-
14 tion law is amended by adding a new subdivision 5 to read as follows:

15 5. The commissioner shall submit a report to the governor, the tempo-
16 rary president of the senate, the speaker of the assembly, the chair of
17 the senate finance committee, the chair of the senate housing committee,
18 the chair of the assembly ways and means committee, and the chair of the
19 assembly housing committee on or before November first, two thousand
20 twenty-five and annually thereafter. Such report shall be made publicly
21 available on the office's website on the same day the report is submit-
22 ted and shall include the following information related to tax credits
23 pursuant to subsection (oo) of section six hundred six of the tax law,
24 subdivision twenty-six of section two hundred ten-B of the tax law, and
25 subdivision (y) of section fifteen hundred eleven of the tax law organ-
26 ized by project size, municipality and county:

27 (a) the aggregate number and value of projects applied for during the
28 preceding calendar year;

29 (b) the aggregate number and value of the projects deemed eligible to
30 receive the tax credit as certified by the office during the preceding
31 calendar year;

32 (c) the total value of credits certified annually for each of the
33 taxable years beginning on or after January first, two thousand seven;

34 (d) the number of housing units before and after the completion of a
35 rehabilitation project during the preceding calendar year;

36 (e) the aggregate number of credits that were authorized to be trans-
37 ferred during the preceding calendar year; and

38 (f) the aggregate amount of credits claimed pursuant to this subdivi-
39 sion on returns filed during the preceding calendar year.

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

42 PART F

43 Section 1. This Part enacts into law major components of legislation
44 relating to the purchase of residential real property by certain
45 purchasers, and taxation relating thereto. Each component is wholly
46 contained within a Subpart identified as Subparts A through C. The
47 effective date for each particular provision contained within such
48 Subpart is set forth in the last section of such Subpart. Any provision
49 in any section contained within a Subpart, including the effective date
50 of the Subpart, which makes a reference to a section "of this act", when
51 used in connection with that particular component, shall be deemed to
52 mean and refer to the corresponding section of the Subpart in which it
53 is found. Section three of this Part sets forth the general effective
54 date of this Part.

SUBPART A

Section 1. The real property law is amended by adding a new article 16 to read as follows:

ARTICLE 16NINETY-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY RESIDENCES TO CERTAIN PURCHASERSSection 520. Definitions.521. Ninety-day waiting period.522. Enforcement.

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

1. "Community land trust" shall mean a nonprofit organization exempt from certain taxes pursuant to section 501 (c) (3) or section 501(c) (4) of the United States internal revenue code and/or that is incorporated under the not-for-profit corporation law whose primary purpose is to provide affordable housing by owning land and leasing or selling residential housing situated on that land to households that meet certain income requirements.

2. (a) "Covered entity" shall mean an institutional real estate investor or an entity that receives funding from an institutional real estate investor for the purchase of a single-family residence or two-family residence. A loan provided in exchange for a mortgage of the residence that is being purchased shall not be considered funding for the purposes of this subdivision, provided that such mortgage must be of a type which members of the general public can apply.

(b) "Covered entity" shall not include:

(i) an organization which is described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code;

(ii) a land bank; or

(iii) a community land trust.

3. (a) "Institutional real estate investor" shall mean an entity or combined group that:

(i) manages or receives funds from an investor or funds pooled from investors and acts as a fiduciary with respect to one or more investors; and

(ii) owns ten or more single-family residences and/or two-family residences; or

(iii) has five million dollars or more in net value and/or assets under management on any day during the taxable year.

(b) An entity is considered owning a single-family residence or two-family residence if it directly owns the single-family residence or two-family residence or indirectly owns ten percent or more of the single-family residence or two-family residence.

(c) An institutional real estate investor shall also include an individual or entity who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise:

(i) exercises substantial control over another entity; or

(ii) owns or controls not less than twenty-five percent of the ownership interests of another entity.

4. "Land bank" shall mean an entity created in accordance with article sixteen of the not-for-profit corporation law.

5. "Single-family residence" shall mean a residential property consisting of one dwelling unit; provided that such term shall not include:

1 (a) any single-family residence that is to be used as the principal
2 residence of any person who has an ownership interest in the covered
3 entity that seeks to purchase the single-family residence; or

4 (b) any single-family residence constructed, acquired, or operated
5 with federal, state, or local appropriated funding sources.

6 6. "Two-family residence" shall mean a residential property consisting
7 of two dwelling units; provided that such term shall not include:

8 (a) any two-family residence in which one of the dwelling units is to
9 be used as the principal residence of any person who has an ownership
10 interest in the covered entity that seeks to purchase the two-family
11 residence; or

12 (b) any two-family residence constructed, acquired, or operated with
13 federal, state, or local appropriated funding sources.

14 § 521. Ninety-day waiting period. 1. Notwithstanding any other
15 provision of law, on and after July first, two thousand twenty-five, it
16 shall be unlawful for a covered entity to purchase, acquire, or offer to
17 purchase or acquire any interest in a single-family residence or two-fa-
18 family residence unless the single-family residence or two-family resi-
19 dence has been listed for sale to the general public for at least ninety
20 days.

21 2. The ninety-day waiting period set forth in subdivision one of this
22 section shall restart if the seller changes the asking price for the
23 single-family residence or two-family residence, and a covered entity
24 shall be prohibited from purchasing, acquiring, or offering to purchase
25 or acquire any interest in the single-family residence or two-family
26 residence until it has been listed for sale to the general public at the
27 new asking price for at least an additional ninety days.

28 3. A covered entity that violates this section may be subject to civil
29 damages and penalties in an amount not to exceed two hundred fifty thou-
30 sand dollars.

31 4. At the time an offer is made by a covered entity purchasing such
32 residence it shall be required to submit to the seller or anyone acting
33 as an agent for such seller, a form that has been signed by the covered
34 entity purchaser, or an authorized agent thereof, and notarized, stating
35 that the purchaser is a covered entity.

36 (a) This form shall be filed with the attorney general's office upon
37 receipt by the seller or anyone acting as an agent for such seller.

38 (b) Following the closing of such property, the form must be recorded
39 in the office of clerk of the county or the office of registrar of the
40 city where such real property is situated, and such county clerk or city
41 registrar shall, upon the request of any party, on tender of the fee of
42 ten percent of the purchase price therefor, record the same in said
43 office. The recording officer shall deduct fifty percent of collected
44 fees and remit the remainder of the revenue collected to the commission-
45 er of tax and finance every month for deposit into the general fund for
46 allocation to the division of housing and community renewal for housing
47 programs to support first time homebuyers and provides closing cost
48 assistance. The amount duly deducted by the recording officer shall be
49 retained by the county or by the city of New York.

50 (c) Any covered entity or covered entity's agent that violates this
51 section may be subject to civil damages and penalties in an amount not
52 to exceed ten thousand dollars.

53 5. The following form shall be completed by a covered entity purchas-
54 ing a single-family residence or two-family residence:

55 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

Pursuant to Article 16 of the New York State Real Property Law, covered entities are required to wait at least 90 days after a single-family residence or two-family residence has been listed for sale to the general public to purchase, acquire, or offer to purchase or acquire any interest in the single-family residence or two-family residence. This form shall be filed with the attorney general's office upon receipt by the seller or anyone acting as an agent for such seller. Prior to finalizing the sale, the covered entity or its agent is required to complete this form stating that the purchaser is a covered entity and submit this form at the time of the sale with the county clerk or office of the registrar of the city where the real property is situated.

The buyer of this single-family residence or two-family residence is a covered entity as defined in New York State Real Property Law § 520. The buyer is subject to the statutory 90-day waiting period. Failure to comply with the 90-day waiting period may result in civil fines and penalties.

Any covered entity or covered entity's agent that does not complete and submit this form as required by statute, or abide by the statutory waiting period, may be liable for civil damages.

IDENTIFYING INFORMATION

BUYER OR BUYERS OF THIS RESIDENCE:

Printed Name and Mailing Address

Printed Name and Mailing Address

By signing this form, the buyer or its agent affirms that the statements herein are true under the penalties of perjury.

SIGNATURE OF BUYER(S) OR ITS AGENT OF THIS SINGLE-FAMILY RESIDENCE OR TWO-FAMILY RESIDENCE:

Signature Date

Signature Date

SIGNATURE OF WITNESSES

Signature Date

Signature Date

NOTARY ACKNOWLEDGEMENT

(insert notary acknowledgement for this form here)"

§ 522. Enforcement. Notwithstanding any other provision of law, the attorney general of the state of New York shall have the authority to enforce the provisions of section five hundred twenty-one of this article by applying, in the name of the people of the state of New York, to the supreme court of the state of New York, on notice of five days, for an order enjoining the continuance of such violative activity, including but not limited to by bringing an action for injunctive or declaratory relief if a single-family residence or two-family residence is in the process of being or has been sold in a manner that contravenes the requirements of section five hundred twenty-one of this article, and imposing civil damages and penalties pursuant to subdivisions three and four of section five hundred twenty-one of this article, as applicable.

§ 2. Severability. If any provision of this act, or any application of any provision of this act, is held to be invalid, that shall not affect

the validity or effectiveness of any other provision of this act, or of any other application of any provision of this act, which can be given effect without that provision or application; and to that end, the provisions and applications of this act are severable.

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law.

SUBPART B

Section 1. Subdivision 9 of section 208 of the tax law is amended by adding a new paragraph (c-4) to read as follows:

(c-4) Depreciation and interest deduction adjustments for covered properties owned by an institutional real estate investor. (1) Notwithstanding any other provision of this section, in the case of a corporation or combined group that is an institutional real estate investor or a partner, member or shareholder of an entity that is an institutional real estate investor, entire net income shall be computed with the adjustments for depreciation and interest related to covered properties as set forth in this paragraph.

(2) Definitions. (A) (i) "Institutional real estate investor" means an entity or combined group that (I) manages or receives funds from an investor or funds pooled from investors and acts as a fiduciary with respect to one or more investors, and (II) owns ten or more covered properties, or (III) has five million dollars or more in net value and/or assets under management on any day during the taxable year. (ii) An entity is considered owning a covered property if it directly owns the covered property or indirectly owns ten percent or more of the covered property. An institutional real estate investor shall also include an individual or entity who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise: (I) exercises substantial control over another entity; or (II) owns or controls not less than twenty-five percent of the ownership interests of another entity.

(B) "Covered property" means a residential property consisting of no more than two dwelling units located in New York state.

(3) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(4) Interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of entire net income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this subparagraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

§ 2. Section 612 of the tax law is amended by adding a new subsection (y) to read as follows:

(y) Depreciation and interest adjustments for covered properties owned by an institutional real estate investor. (1) Notwithstanding any other

provision of this section, in the case of a taxpayer that is a partner, member or shareholder of an entity that is an institutional real estate investor as defined in paragraph (c-4) of subdivision nine of section two hundred eight of this chapter, New York adjusted gross income shall be computed with adjustments for depreciation and interest related to covered properties as set forth in this subsection.

(2) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(3) Federal interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of New York adjusted gross income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this paragraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

§ 3. Subdivision (b) of section 1503 of the tax law is amended by adding a new paragraph 17 to read as follows:

(17) Depreciation and interest adjustments for covered properties owned by an institutional real estate investor. (A) Notwithstanding any other provision of this section, in the case of a taxpayer that is an institutional real estate investor or partner, member or shareholder of an entity that is an institutional real estate investor as defined in paragraph (c-4) of subdivision nine of section two hundred eight of this chapter, entire net income shall be computed with adjustments for depreciation and interest related to covered properties as set forth in this paragraph.

(B) Depreciation deductions. With respect to covered properties, no deduction for depreciation allowed under the internal revenue code or this section shall be allowed.

(C) Federal interest deductions. With respect to covered properties, the interest deduction for federal income tax purposes allowed under section one hundred sixty-three of the internal revenue code shall not be allowed and must be added back in the computation of entire net income, except with respect to interest paid or accrued in the taxable year when such covered property is sold to an individual for use as the principal residence of such individual or sold to a nonprofit organization that has as its principal purpose the creation, development, or preservation of affordable housing. For purposes of this subparagraph, any amount of interest that would have been allowed under section one hundred sixty-three of the internal revenue code in connection with a covered property but for an election to treat such interest as chargeable to capital account shall be treated as an amount allowed under section one hundred sixty-three of the internal revenue code.

§ 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

1 Section 1. Subdivision 3 of section 442-h of the real property law, as
2 amended by chapter 505 of the laws of 2001, is amended to read as
3 follows:

4 3. (a) If the secretary of state determines that some owners of resi-
5 dential real property within a defined geographic area are subject to
6 intense and repeated solicitation by real estate brokers and salesper-
7 sons to place their property for sale with such real estate brokers or
8 salespersons, or are subject to intense and repeated solicitation by
9 other persons regularly engaged in the trade or business of buying and
10 selling real estate to sell their real estate, the secretary of state
11 may adopt a rule establishing a cease and desist zone, which zone shall
12 be bounded or otherwise specifically defined in the rule. After the
13 secretary of state has established a cease and desist zone, the owners
14 of residential real property located within the zone may file an owner's
15 statement with the secretary of state expressing their wish ~~[not]~~ to
16 opt-out of the cease and desist and be solicited by real estate brokers,
17 salespersons or other persons regularly engaged in the trade or business
18 of buying and selling real estate. The form and content of the statement
19 shall be prescribed by the secretary of state. After a cease and desist
20 zone has been established by the secretary of state, no real estate
21 broker, salesperson or other person regularly engaged in the trade or
22 business of buying and selling real estate shall solicit a listing from
23 any owner of residential real property located in the zone, other than
24 an owner who has filed a statement with the secretary of state ~~[if such~~
25 ~~owner's name]~~ and appears on the current cease and desist opt-out list
26 prepared by the secretary of state. The prohibition on solicitation
27 shall apply to direct forms of solicitation such as the use of the tele-
28 phone, the mail, personal contact and other forms of direct solicitation
29 as may be specified by the secretary of state.

30 (b) The secretary of state shall compile a cease and desist opt-out
31 list for each zone established pursuant to paragraph (a) of this subdi-
32 vision. In addition to such other information as the secretary of state
33 may deem appropriate, each cease and desist opt-out list shall contain
34 the name of each owner who has filed an owner's statement with the
35 secretary, as well as the address of the property within the zone to
36 which the owner's statement applies. The secretary of state shall send
37 to each owner who has filed an owner's statement a written acknowledge-
38 ment of the secretary of state's receipt thereof and a pamphlet explain-
39 ing to the owner ~~[his or her]~~ their rights in connection therewith ~~[and~~
40 ~~the procedures and time limits applicable to the filing of complaints~~
41 ~~for violations]~~. The secretary of state shall allow ~~[an]~~ any owner who
42 files, or on behalf of whom is filed, a complaint or other report of a
43 violation of a cease and desist rule ninety days in which to perfect a
44 complaint by submitting such other or further information or documents
45 as the secretary of state may require. The secretary of state shall
46 print ~~[a]~~ an opt-out list for each zone. Each opt-out list shall be
47 revised and reprinted at least annually on or before December thirty-
48 first and shall be made available to the public and to real estate
49 brokers at a reasonable price to be set by the secretary of state and
50 approved by the director of the division of the budget. Additions or
51 deletions shall be made to each opt-out list only at the time the opt-
52 out list is reprinted, and the secretary of state shall not issue amend-
53 ments or addenda to any printed opt-out list.

54 (c) No rule establishing a cease and desist zone shall be effective
55 for longer than five years. However, the secretary of state may re-adopt
56 the rule to continue the cease and desist zone for additional periods

not to exceed five years each. Whenever a rule establishing a cease and desist zone shall have expired or shall have been repealed, all owner's statements filed with the secretary of state pursuant to that rule shall also expire. However, an owner may file a new statement with the secretary of state if a new rule is adopted establishing a cease and desist zone containing the owner's property. Once the boundaries of a cease and desist zone have been established by rule of the secretary of state, the boundaries may not be changed except by repeal of the existing rule and adoption of a new rule establishing the new boundaries.

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

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

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

PART G

Intentionally Omitted

PART H

Section 1. This Part enacts into law major components of legislation relating to the excelsior jobs program and the empire state jobs retention program. Each component is wholly contained within a Subpart identified as Subpart A and Subpart B. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Subpart in which it is found. Section three of this Part sets forth the general effective date of this Part.

SUBPART A

Section 1. Section 352 of the economic development law is amended by adding a new subdivision 25 to read as follows:

25. "Semiconductor supply chain project" means a project deemed by the commissioner to make products or develop technologies that: (a) are primarily aimed at supporting the growth of the semiconductor manufacturing and related equipment and material supplier sector; (b) includes sustainability measures to mitigate the project's greenhouse gas emissions impact over its lifetime; (c) provides for the payment of not

less than federal prevailing wage rates for its project construction; (d) makes commitments to worker and community investment, including through training and education benefits paid by the participant and programs to expand employment opportunity for economically disadvantaged individuals; and (e) will create at least fifty net new jobs. "Semiconductor supply chain project" shall include, but need not be limited to, semiconductor device manufacturing, producers of component parts, direct input materials and equipment necessary for the manufacture of semiconductor chips, machinery, equipment, and materials necessary for the operational efficiency of semiconductor manufacturing facilities, other such inputs directly supportive of the domestic production of semiconductor chips, and companies engaged in the assembly, testing, packaging and advanced packaging semiconductor value chain. "Semiconductor supply chain project" shall not include a project primarily composed of: (i) machinery, equipment, or materials that are inputs to manufacturing generally, but are not direct inputs to semiconductor manufacturing in specific; (ii) the production of products or development of technologies that would produce only marginal and incremental benefits to the semiconductor manufacturing sector; (iii) projects that would otherwise qualify as a Green CHIPS project as defined in section twenty-four of this section.

§ 2. Paragraphs (m) and (n) of subdivision 1 of section 353 of the economic development law, as amended by chapter 494 of the laws of 2022, are amended and a new paragraph (o) is added to read as follows:

(m) as a participant operating in one of the industries listed in paragraphs (a) through (k) of this subdivision and operating or sponsoring child care services to its employees as defined in section three hundred fifty-two of this article; ~~or~~

(n) as a Green CHIPS project~~[-]~~; or

(o) as a company operating in one of the industries listed in paragraphs (a) through (k) of this subdivision and engaging in a semiconductor supply chain project as defined in section three hundred fifty-two of this article.

§ 3. Subdivision 3 of section 353 of the economic development law, as amended by chapter 494 of the laws of 2022, is amended to read as follows:

3. For the purposes of this article, in order to participate in the excelsior jobs program, a business entity operating predominantly in manufacturing must create at least five net new jobs; a business entity operating predominately in agriculture must create at least five net new jobs; a business entity operating predominantly as a financial service data center or financial services customer back office operation must create at least twenty-five net new jobs; a business entity operating predominantly in scientific research and development must create at least five net new jobs; a business entity operating predominantly in software development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least twenty-five net new jobs; a business entity operating predominately in music production must create at least five net new jobs; a business entity operating predominantly as an entertainment company must create or obtain at least one hundred net new jobs; or a business entity operating predominantly as a distribution center in the state must create at least fifty net new jobs, notwithstanding subdivision five of this section; or a business entity operating predominately as a life sciences company must create at least five net new jobs; or a business entity must be a regionally significant project or Green CHIPS project as

1 defined in this article; or a business entity must be a semiconductor
2 supply chain project as defined by this article and that creates at
3 least fifty net new jobs.

4 § 4. Subdivisions 1, 2 and 3 of section 355 of the economic develop-
5 ment law, as amended by chapter 494 of the laws of 2022, are amended to
6 read as follows:

7 1. Excelsior jobs tax credit component. A participant in the excelsior
8 jobs program shall be eligible to claim a credit for each net new job it
9 creates in New York state. In a project that is not a green project, the
10 amount of such credit per job shall be equal to the product of the gross
11 wages paid and up to 6.85 percent. In a green project, or a Green CHIPS
12 project, the amount of such credit per job shall be equal to the product
13 of the gross wages paid and up to 7.5 percent. Provided, however, given
14 the transformational nature of Green CHIPS projects, only the first two
15 hundred thousand dollars of gross wages per job shall be eligible for
16 this credit. The maximum amount of gross wages per job for a Green CHIPS
17 project may be adjusted for inflation at an annual amount determined by
18 the commissioner in a manner substantially similar to the cost of living
19 adjustments calculated by the United States Social Security Adminis-
20 tration based on changes in consumer price indices or a rate of four
21 percent per year, whichever is higher. In a semiconductor supply chain
22 project, the amount of such credit per job shall be equal to the product
23 of the gross wages paid and up to seven percent.

24 2. Excelsior investment tax credit component. A participant in the
25 excelsior jobs program shall be eligible to claim a credit on qualified
26 investments. In a project that is not a green project, the credit shall
27 be equal to two percent of the cost or other basis for federal income
28 tax purposes of the qualified investment. In a green project, the credit
29 shall be equal to five percent of the cost or other basis for federal
30 income tax purposes of the qualified investment. In a project for child
31 care services or a Green CHIPS project, the credit shall be up to five
32 percent of the cost or other basis for federal income tax purposes of
33 the qualified investment in child care services or in the Green CHIPS
34 project as applicable. In a semiconductor supply chain project, the
35 credit shall be up to three percent of the cost or other basis for
36 federal income tax purposes of the qualified investment. A participant
37 may not claim both the excelsior investment tax credit component and the
38 investment tax credit set forth in subdivision one of section two
39 hundred ten-B, subsection (a) of section six hundred six, the former
40 subsection (i) of section fourteen hundred fifty-six, or subdivision (q)
41 of section fifteen hundred eleven of the tax law for the same property
42 in any taxable year, except that a participant may claim both the
43 excelsior investment tax credit component and the investment tax credit
44 for research and development property. In addition, a taxpayer who or
45 which is qualified to claim the excelsior investment tax credit compo-
46 nent and is also qualified to claim the brownfield tangible property
47 credit component under section twenty-one of the tax law may claim
48 either the excelsior investment tax credit component or such tangible
49 property credit component, but not both with regard to a particular
50 piece of property. A credit may not be claimed until a business enter-
51 prise has received a certificate of tax credit, provided that qualified
52 investments made on or after the issuance of the certificate of eligi-
53 bility but before the issuance of the certificate of tax credit to the
54 business enterprise, may be claimed in the first taxable year for which
55 the business enterprise is allowed to claim the credit. Expenses

incurred prior to the date the certificate of eligibility is issued are not eligible to be included in the calculation of the credit.

3. Excelsior research and development tax credit component. A participant in the excelsior jobs program shall be eligible to claim a credit equal to fifty percent of the portion of the participant's federal research and development tax credit that relates to the participant's research and development expenditures in New York state during the taxable year; provided however, if not a green project, the excelsior research and development tax credit shall not exceed six percent of the qualified research and development expenditures attributable to activities conducted in New York state, or, if a green project or a Green CHIPS project, the excelsior research and development tax credit shall not exceed eight percent of the research and development expenditures attributable to activities conducted in New York state, or if a semiconductor supply chain project, the excelsior research and development tax credit shall not exceed seven percent of the qualified research and development expenditures attributable to activities conducted in New York state. If the federal research and development credit has expired, then the research and development expenditures relating to the federal research and development credit shall be calculated as if the federal research and development credit structure and definition in effect in two thousand nine were still in effect. Notwithstanding any other provision of this chapter to the contrary, research and development expenditures in this state, including salary or wage expenses for jobs related to research and development activities in this state, may be used as the basis for the excelsior research and development tax credit component and the qualified emerging technology company facilities, operations and training credit under the tax law.

§ 5. Section 359 of the economic development law, as amended by chapter 494 of the laws of 2022, is amended to read as follows:

§ 359. Cap on tax credit. 1. Except with respect to tax credits issued to Green CHIPS projects as articulated in subdivision four of this section, the total amount of tax credits issued by the commissioner for any taxable year may not exceed the limitations set forth in this subdivision. Except with respect to tax credits issued to Green CHIPS projects as articulated in subdivision four of this section, one-half of any amount of tax credits not awarded for a particular taxable year may be used by the commissioner to award tax credits in another taxable year.

Credit components in the aggregate shall not exceed:

With respect to taxable years beginning in:

\$ 50 million	2011
\$ 100 million	2012
\$ 150 million	2013
\$ 200 million	2014
\$ 250 million	2015
\$ 183 million	2016
\$ 183 million	2017
\$ 183 million	2018
\$ 183 million	2019
\$ 183 million	2020
\$ 183 million	2021
\$ 133 million	2022
\$ 83 million	2023

1	\$ 36 million	2024
2	\$ 200 million	2025
3	\$ 200 million	2026
4	\$ 200 million	2027
5	\$ 200 million	2028
6	\$ 200 million	2029
7	<u>\$ 200 million</u>	<u>2030</u>
8	<u>\$ 200 million</u>	<u>2031</u>
9	<u>\$ 200 million</u>	<u>2032</u>
10	<u>\$ 200 million</u>	<u>2033</u>
11	<u>\$ 200 million</u>	<u>2034</u>

12 2. Twenty-five percent of tax credits shall be allocated to businesses
 13 accepted into the program under subdivision four of section three
 14 hundred fifty-three of this article and seventy-five percent of tax
 15 credits shall be allocated to businesses accepted into the program under
 16 subdivision three of section three hundred fifty-three of this article.

17 3. Provided, however, if by September thirtieth of a calendar year,
 18 the department has not allocated the full amount of credits available in
 19 that year to either: (i) businesses accepted into the program under
 20 subdivision four of section three hundred fifty-three of this article or
 21 (ii) businesses accepted into the program under subdivision three of
 22 section three hundred fifty-three of this article, the commissioner may
 23 allocate any remaining tax credits to businesses referenced in this
 24 paragraph as needed; provided, however, that under no circumstances may
 25 the aggregate statutory cap for all program years be exceeded. One
 26 hundred percent of the unawarded amounts remaining at the end of two
 27 thousand twenty-nine may be allocated in subsequent years, notwithstand-
 28 ing the fifty percent limitation on any amounts of tax credits not
 29 awarded in taxable years two thousand eleven through two thousand twen-
 30 ty-nine. Provided, however, no tax credits may be allowed for taxable
 31 years beginning on or after January first, two thousand [~~forty~~] forty-
 32 five.

33 4. The total amount of tax credits issued by the commissioner for the
 34 taxable years two thousand twenty-two to two thousand forty-one for
 35 Green CHIPS projects shall not exceed five hundred million per year. One
 36 hundred percent of any amount of tax credits not awarded for a partic-
 37 ular taxable year may be used by the commissioner to award tax credits
 38 in another taxable year. Notwithstanding the foregoing, Green CHIPS
 39 projects may be allowed to claim credits for taxable years up to January
 40 first, two thousand fifty.

41 § 6. Article 22 of the economic development law, as added by section 1
 42 of part 0 of chapter 59 of the laws of 2015, sections 441 and 442 as
 43 amended by section 1 of part L of chapter 59 of the laws of 2017, subdi-
 44 vision 3 of section 441 as amended by section 1, paragraph (b) of subdi-
 45 vision 1 of section 442 as amended by section 2, and paragraph (a) of
 46 subdivision 2 of section 443 as amended by section 3 of part B of chap-
 47 ter 59 of the laws of 2019, is amended to read as follows:

ARTICLE 22

EMPLOYEE TRAINING INCENTIVE PROGRAM

50 Section 441. Definitions.

51 442. Eligibility criteria.

52 443. Application and approval process.

53 444. Powers and duties of the commissioner.

54 445. Recordkeeping requirements.

55 446. Cap on tax credit.

447. Reporting.

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

1. "Approved provider" means an entity meeting such criteria as shall be established by the commissioner in rules and regulations promulgated pursuant to this article, that may provide eligible training to employees of a business entity participating in the employee training incentive program; provided that, for internship programs, the business entity shall be an approved provider or an approved provider in contract with such business entity. Such criteria shall ensure that any approved provider possess adequate credentials to provide the training described in an application by a business entity to the commissioner to participate in the employee training incentive program.

2. "Commissioner" means the commissioner of economic development.

3. "Eligible training" means (a) training provided by the business entity or an approved provider that is:

(i) to upgrade, retrain or improve the productivity of employees;

(ii) provided to employees in connection with a significant capital investment by a participating business entity;

(iii) determined by the commissioner to satisfy a business need on the part of a participating business entity;

(iv) not designed to train or upgrade skills as required by a federal or state entity;

(v) not training the completion of which may result in the awarding of a license or certificate required by law in order to perform a job function; and

(vi) not culturally focused training; or

(b) an internship program in advanced technology, life sciences, software development or clean energy approved by the commissioner and provided by the business entity or an approved provider, on or after August first, two thousand fifteen, to provide employment and experience opportunities for current students, recent graduates, and recent members of the armed forces.

4. "Life sciences" means agricultural biotechnology, biogenetics, bioinformatics, biomedical engineering, biopharmaceuticals, academic medical centers, biotechnology, chemical synthesis, chemistry technology, medical diagnostics, genomics, medical image analysis, marine biology, medical devices, medical nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, medical and neurological clinical trials, health robotics and veterinary science. "Life sciences company" is a business entity or an organization or institution that devotes the majority of its efforts in the various stages of research, development, technology transfer and commercialization related to any life sciences field.

5. "Manufacturing business" means a business that is engaged in the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, that the assembly of motor vehicles or other high value-added products shall be considered manufacturing.

6. "Significant capital investment" means a capital investment in new business processes or equipment, the cost of which is equal to or exceeds ten dollars for every one dollar of tax credit allowed to an eligible business entity under this program pursuant to subdivision

1 fifty of section two hundred ten-B or subsection (ddd) of section six
2 hundred six of the tax law.

3 ~~[6-]~~ 7. "Semiconductor manufacturing business" means a business deemed
4 by the commissioner to make products or develop technologies that are
5 primarily aimed at supporting the growth of the semiconductor manufac-
6 turing and related equipment and material supplier sector. This shall
7 include, but need not be limited to, semiconductor device manufacturing,
8 producers of component parts, direct input materials and equipment
9 necessary for the manufacture of semiconductor chips, machinery, equip-
10 ment, and materials necessary for the operational efficiency of semicon-
11 ductor manufacturing facilities, other such inputs directly supportive
12 of the domestic production of semiconductor chips, and companies engaged
13 in the assembly, testing, packaging and advanced packaging semiconductor
14 value chain. The "semiconductor and supply chain" tier shall not include
15 a project primarily composed of: (a) machinery, equipment, or materials
16 that are inputs to manufacturing generally, but are not direct inputs to
17 semiconductor manufacturing in specific; or (b) the production of
18 products or development of technologies that would produce only marginal
19 and incremental benefits to the semiconductor manufacturing sector.

20 8. "Strategic industry" means an industry in this state, as
21 established by the commissioner in regulations promulgated pursuant to
22 this article, based upon the following criteria:

- 23 (a) shortages of workers trained to work within the industry;
24 (b) technological disruption in the industry, requiring significant
25 capital investment for existing businesses to remain competitive;
26 (c) the ability of businesses in the industry to relocate outside of
27 the state in order to attract talent;
28 (d) the potential to recruit minorities and women to be trained to
29 work in the industry in which they are traditionally underrepresented;
30 (e) the potential to create jobs in economically distressed areas,
31 which shall be based on criteria indicative of economic distress,
32 including poverty rates, numbers of persons receiving public assistance,
33 and unemployment rates; or
34 (f) such other criteria as shall be developed by the commissioner in
35 consultation with the commissioner of labor.

36 9. "Wrap around services" means transportation, childcare, case
37 management and other services designed to maximize the economic impact
38 of workforce development training for participants, and to provide the
39 support services necessary to ensure trainees can access training.

40 § 442. Eligibility criteria. In order to participate in the employee
41 training incentive program, a business entity must satisfy the following
42 criteria:

- 43 1. (a) The business entity must operate in the state predominantly in
44 a strategic industry;
45 (b) The business entity must demonstrate that it is conducting eligi-
46 ble training or obtaining eligible training from an approved provider;
47 (c) The business entity must make a significant capital investment in
48 connection with the eligible training; and
49 (d) The business entity must be in compliance with all worker
50 protection and environmental laws and regulations. In addition, the
51 business entity may not owe past due state taxes or local property
52 taxes; or

- 53 2. (a) The business entity, or an approved provider in contract with
54 such business entity, must be approved by the commissioner to provide
55 eligible training in the form of an internship program in advanced tech-

nology or at a life sciences company pursuant to paragraph (b) of subdivision three of section four hundred forty-one of this article;

(b) The business entity must be located in the state;

(c) The business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, the business entity must not have past due state taxes or local property taxes;

(d) The internship program shall not displace regular employees;

(e) The business entity must have less than one hundred employees, provided, however, that this restriction shall not apply to business entities defined in subdivision seven of section four hundred forty-one of this article; [and]

(f) The business entity must agree to allow the department and the department of taxation and finance to share and exchange information contained in or derived from the applications or admission into the employee training incentive program, the credit claim forms submitted to the department of taxation and finance. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and

(g) Participation of an individual in an internship program shall not last more than a total of twelve months.

§ 443. Application and approval process. 1. A business entity must submit a completed application in such form and with such information as prescribed by the commissioner.

2. As part of such application, each business entity must:

(a) provide such documentation as the commissioner may require in order for the commissioner to determine that the business entity intends to conduct eligible training or procure eligible training for its employees from an approved provider;

(b) agree to allow the department of taxation and finance to share its tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(c) agree to allow the department of labor to share its tax and employer information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;

(d) allow the department and its agents access to any and all books and records the department may require to monitor compliance;

(e) provide a clear and detailed presentation of all related persons to the applicant to assure the department that jobs are not being shifted within the state; and

(f) certify, under penalty of perjury, that it is in substantial compliance with all environmental, worker protection, and local, state, and federal tax laws.

3. The commissioner may approve an application from a business entity upon determining that such business entity meets the eligibility criteria established in section four hundred forty-two of this article. Following approval by the commissioner of an application by a business entity to participate in the employee training incentive program, the commissioner shall issue a certificate of tax credit to the business entity upon its demonstrating successful completion of such eligible training to the satisfaction of the commissioner.

(a) For eligible training as defined by paragraph (a) of subdivision three of section four hundred forty-one of this article the amount of the credit shall be equal to fifty percent of eligible training costs,

1 up to a credit of ten thousand dollars per employee receiving eligible
2 training. For eligible training as defined by paragraph (b) of subdivi-
3 sion three of section four hundred forty-one of this article, the amount
4 of the credit shall be equal to fifty percent of the stipend paid to an
5 intern, up to a credit of three thousand dollars per intern. The tax
6 credits shall be claimed by the qualified employer as specified in
7 subdivision fifty of section two hundred ten-B and subsection (ddd) of
8 section six hundred six of the tax law.

9 (b) For eligible training for businesses defined in subdivisions five
10 and seven of section four hundred forty-one of this article, the amount
11 of the credit shall be equal to seventy-five percent of wages, salaries
12 or other compensation, training costs, and wrap around services, up to a
13 credit of twenty-five thousand dollars per employee receiving eligible
14 training, up to one million dollars per eligible non-semiconductor manu-
15 facturing business and up to five million dollars per eligible semicon-
16 ductor manufacturing business. The tax credits shall be claimed by the
17 qualified employer as specified in subdivision sixty-two of section two
18 hundred ten-B and subsection (sss) of section six hundred six of the
19 tax law. For the purposes of this paragraph "wrap around services" means
20 transportation, childcare, case management and other services designed
21 to maximize the economic impact of workforce development training for
22 participants, and to provide the support services necessary to ensure
23 trainees can access training.

24 § 444. Powers and duties of the commissioner. 1. The commissioner
25 shall, in consultation with the commissioner of labor, promulgate regu-
26 lations consistent with the purposes of this article that, notwithstand-
27 ing any provisions to the contrary in the state administrative procedure
28 act, may be adopted on an emergency basis. Such regulations shall
29 include, but not be limited to, eligibility criteria for business enti-
30 ties desiring to participate in the employee training incentive program,
31 procedures for the receipt and evaluation of applications from business
32 entities to participate in the program, and such other provisions as the
33 commissioner deems to be appropriate in order to implement the
34 provisions of this article.

35 2. The commissioner shall, in consultation with the department of
36 taxation and finance, develop a certificate of tax credit that shall be
37 issued by the commissioner to participating business entities. Partic-
38 ipants may be required by the commissioner of taxation and finance to
39 include the certificate of tax credit with their tax return to receive
40 any tax benefits under this article.

41 3. The commissioner shall solely determine the eligibility of any
42 applicant applying for entry into the program and shall remove any
43 participant from the program for failing to meet any of the requirements
44 set forth in subdivision one of section four hundred forty-two of this
45 article or for making a material misrepresentation with respect to its
46 participation in the employee training incentive program.

47 § 445. Recordkeeping requirements. Each business entity participating
48 in the employee training incentive program shall maintain all relevant
49 records for the duration of its program participation plus three years.

50 § 446. Cap on tax credit. ~~[The]~~ 1. Except as provided in subdivision
51 two of this section, the total amount of tax credits listed on certifi-
52 cates of tax credit issued by the commissioner for any taxable year may
53 not exceed five million dollars, and shall be allotted from the funds
54 available for tax credits under the excelsior jobs program act pursuant
55 to section three hundred fifty-nine of this chapter, provided however,
56 that the portion of this tax credit cap allocated to internship programs

1 in advanced technology shall be not less than two hundred fifty thousand
2 dollars nor more than one million dollars.

3 2. For business entities defined in subdivision seven of section four
4 hundred forty-one of this article, the total amount of tax credits list-
5 ed on certificates of tax credit issued by the commissioner for any
6 taxable year may not exceed twenty million dollars, and shall be allot-
7 ted from the funds available for tax credits under the excelsior jobs
8 program act pursuant to section three hundred fifty-nine of this chap-
9 ter.

10 § 447. Reporting. The commissioner shall prepare an annual employee
11 incentive training program report that shall be posted on the depart-
12 ment's website. Such report shall also be sent to the governor, the
13 temporary president of the senate, and the speaker of the assembly. The
14 first report shall be due February first, two thousand twenty-six, and
15 annually thereafter. In preparing the report, the department shall
16 coordinate with the urban development corporation and its subsidiaries,
17 the department of taxation and finance and other relevant agencies or
18 entities. Such report shall include, but need not be limited to: a list-
19 ing of approved providers; the number of business participants by
20 sector; the number of internships made available and filled by partic-
21 ipating business entities; the total tax credits awarded; and the total
22 number of trainees and interns assisted.

23 § 7. The economic development law is amended by adding a new article
24 17-A to read as follows:

ARTICLE 17-A

SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

Section 359-a. Short title.

359-b. Statement of legislative findings and declaration.

359-c. Definitions.

359-d. Eligibility criteria.

359-e. Application and approval process.

359-f. Powers and duties of the commissioner.

359-g. Semiconductor research and development tax credit.

359-h. Reporting.

35 § 359-a. Short title. This article shall be known and may be cited as
36 the "semiconductor research and development project act".

37 § 359-b. Statement of legislative findings and declaration. It is
38 hereby found and declared that New York state needs, as a matter of
39 public policy, to create competitive financial incentives to attract
40 large scale semiconductor research and development projects to New York
41 state, and to position New York state to be at the center of cutting
42 edge innovations in the semiconductor industry.

43 § 359-c. Definitions. For the purposes of this article:

44 1. "Certificate of eligibility" means the document issued by the
45 department to an applicant that has completed an application to be
46 admitted into the semiconductor research and development project program
47 and has been accepted into the program by the department. Possession of
48 a certificate of eligibility does not by itself guarantee the eligibil-
49 ity to claim the tax credit.

50 2. "Certificate of tax credit" means the document issued to a partic-
51 ipant by the department, after the department has verified that the
52 participant has met all applicable eligibility criteria in this article.
53 The certificate shall be issued annually if such criteria are satisfied
54 and shall specify the exact amount of the tax credit under this article

1 that a participant may claim and shall specify the taxable year in which
2 such credit may be claimed.

3 3. "Participant" means a business entity that:

4 (a) has completed an application prescribed by the department to be
5 admitted into the program;

6 (b) has been issued a certificate of eligibility by the department;

7 (c) has demonstrated that it meets the eligibility criteria in section
8 three hundred fifty-nine-d and subdivision two of section three hundred
9 fifty-nine-e of this article; and

10 (d) has been certified as a participant by the commissioner.

11 4. "Preliminary schedule of benefits" means the aggregate amount of
12 the tax credit that a participant in the semiconductor research and
13 development project program may be eligible to receive pursuant to this
14 article. The schedule shall indicate the annual amount of the credit a
15 participant may claim in each of its ten years of eligibility. The
16 preliminary schedule of benefits shall be issued by the department when
17 the department approves the application for admission into the program.

18 5. "Qualified investment" means an investment in tangible property
19 (including a building or a structural component of a building) owned by
20 a business enterprise which:

21 (a) is depreciable pursuant to section one hundred sixty-seven of the
22 internal revenue code;

23 (b) has a useful life of four years or more;

24 (c) is acquired by purchase as defined in section one hundred seven-
25 ty-nine (d) of the internal revenue code;

26 (d) has a situs in this state; and

27 (e) is placed in service in the state on or after the date the certif-
28 icate of eligibility is issued to the business enterprise.

29 6. "Semiconductor research and development project" means a project
30 for a physical research and development facility, deemed by the commis-
31 sioner as being primarily aimed at supporting research and development
32 within the semiconductor manufacturing and related equipment and materi-
33 al supplier sector. Such project shall: (a) incur at least one hundred
34 million dollars in qualified investment in New York state; (b) include
35 sustainability measures to mitigate the project's greenhouse gas emis-
36 sions impact over its lifetime; (c) provide for the payment of not less
37 than federal prevailing wage rates for its project construction; (d)
38 make commitments to worker and community investment, including through
39 training and education benefits paid by the participant and programs to
40 expand employment opportunity for economically disadvantaged individ-
41 uals; (e) create at least two hundred fifty net new jobs; and (f) main-
42 tain a benefit-cost ratio of at least fifteen to one. Such project must
43 lead to the establishment and operation of a research and development
44 facility separate and apart from new or existing semiconductor or semi-
45 conductor supply chain manufacturing facilities.

46 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-
47 ductor research and development project program, a business entity shall
48 operate in New York state and be undertaking a semiconductor research
49 and development project as defined in section three hundred fifty-nine-c
50 of this article.

51 2. A business entity must be in compliance with all worker protection
52 and environmental laws and regulations. In addition, a business entity
53 may not owe past due state taxes or local property taxes unless the
54 business entity is making payments and complying with an approved bind-
55 ing payment agreement entered into with the taxing authority.

1 § 359-e. Application and approval process. 1. A business enterprise
2 must submit a completed application as prescribed by the commissioner.

3 2. As part of such application, each business enterprise must:

4 (a) Agree to allow the department of taxation and finance to share the
5 business enterprise's tax information with the department. However, any
6 information shared as a result of this agreement shall not be available
7 for disclosure or inspection under the state freedom of information law;

8 (b) Agree to allow the department of labor to share its employer
9 information with the department. However, any information shared as a
10 result of this agreement shall not be available for disclosure or
11 inspection under the state freedom of information law;

12 (c) Allow the department and its agents access to any and all books
13 and records the department may require to monitor compliance;

14 (d) Provide to the department, upon request, a plan outlining the
15 schedule for meeting the investment requirements as set forth in subdivi-
16 sion six of section three hundred fifty-nine-c of this article. Such
17 plan must include the amount and description of projected qualified
18 investments for which it plans to claim the semiconductor research and
19 development tax credit;

20 (e) Agree to allow the department and the department of taxation and
21 finance to share and exchange information contained in or derived from
22 the applications for admission into the semiconductor research and
23 development project program and the credit claim forms submitted to the
24 department of taxation and finance. However, any information shared as a
25 result of this agreement shall not be available for disclosure or
26 inspection under the state freedom of information law.

27 (f) Certify, under penalty of perjury, that it is in substantial
28 compliance with all environmental, worker protection, and local, state,
29 and federal tax laws.

30 3. After reviewing a business enterprise's completed application and
31 determining that the business enterprise will meet the condition set
32 forth in subdivision six of section three hundred fifty-nine-c of this
33 article, the department may admit the applicant into the program and
34 provide the applicant with a certificate of eligibility and a prelimi-
35 nary schedule of benefits by year based on the applicant's projections
36 as set forth in its application. This preliminary schedule of benefits
37 delineates the maximum possible benefits an applicant may receive.

38 4. In order to become a participant in the program, an applicant must
39 submit evidence that it satisfies the eligibility criteria specified in
40 section three hundred fifty-nine-d of this article and subdivision two
41 of this section in such form as the commissioner may prescribe. After
42 reviewing such evidence and finding it sufficient, the department shall
43 certify the applicant as a participant and issue to that participant a
44 certificate of tax credit for one taxable year. To receive a certificate
45 of tax credit for subsequent taxable years, the participant must submit
46 to the department a performance report demonstrating that the partic-
47 ipant continues to satisfy the eligibility criteria specified in this
48 article.

49 5. A participant may claim tax benefits commencing in the first taxa-
50 ble year that the business enterprise receives a certificate of tax
51 credit. A participant may claim such benefits for the next nine consec-
52 utive taxable years, provided that the participant demonstrates to the
53 department that it continues to satisfy the eligibility criteria speci-
54 fied in section three hundred fifty-nine-d of this article and subdivi-
55 sion two of this section in each of those taxable years.

1 § 359-f. Powers and duties of the commissioner. 1. The commissioner
2 may promulgate regulations establishing an application process and
3 eligibility criteria, that will be applied consistent with the purposes
4 of this article, so as not to exceed the annual cap on tax credits set
5 forth in section three hundred fifty-nine-g of this article which,
6 notwithstanding any provisions to the contrary in the state administra-
7 tive procedure act, may be adopted on an emergency basis.

8 2. The commissioner shall, in consultation with the department of
9 taxation and finance, develop a certificate of tax credit that shall be
10 issued by the commissioner to participants. Participants must include
11 the certificate of tax credit with their tax return to receive any tax
12 benefits under this article.

13 3. The commissioner shall solely determine the eligibility of any
14 applicant applying for entry into the program and shall remove any
15 participant from the program for failing to meet any of the requirements
16 set forth in subdivision six of section three hundred fifty-nine-c of
17 this article and section three hundred fifty-nine-d of this article.

18 § 359-g. Semiconductor research and development tax credit. 1. A
19 participant in the semiconductor research and development project
20 program shall be eligible to claim a credit on qualified investments in
21 semiconductor research and development projects in New York state. The
22 amount of such credit shall be equal to fifteen percent of the cost or
23 other basis for federal income tax purposes of the qualified investment.

24 2. The total amount of tax credits listed on certificates of tax cred-
25 it issued by the commissioner shall be allotted from the funds available
26 for Green CHIPS tax credits as provided under subdivision four of
27 section three hundred fifty-nine of this chapter.

28 § 359-h. Reporting. The commissioner shall prepare an annual semicon-
29 ductor research and development project program report that shall be
30 posted on the department's website. Such report shall also be sent to
31 the governor, the temporary president of the senate, and the speaker of
32 the assembly. The first report will be due February first, two thousand
33 twenty-six, and annually thereafter. Such report shall include informa-
34 tion on the utilization of the semiconductor research and development
35 project program, including but not be limited to, the following: number
36 of applicants; number of participants approved; names of business enti-
37 ties; total amount of benefits certified; benefits received per business
38 entity; total number of net new jobs created; number of net new jobs
39 created per business entity; estimate on direct and indirect returns on
40 the investment; and such other information as the commissioner deter-
41 mines is necessary and appropriate.

42 § 8. Section 210-B of the tax law is amended by adding a new subdivi-
43 sion 61 to read as follows:

44 61. Semiconductor research and development tax credit. (a) Allowance
45 of credit. A taxpayer that has been approved by the commissioner of
46 economic development to participate in the semiconductor research and
47 development program and has been issued a certificate of tax credit
48 pursuant to section three hundred fifty-nine-e of the economic develop-
49 ment law shall be allowed to claim a credit against the tax imposed by
50 this article. The credit shall equal up to fifteen percent of the cost
51 or other basis for federal income tax purposes of the qualified invest-
52 ment and shall be allowable in each taxable year for which the commis-
53 sioner of economic development has issued a certificate of tax credit,
54 for up to ten consecutive taxable years. In no event shall a taxpayer be
55 allowed a credit greater than the amount of credit listed on the certif-
56 icate of tax credit issued by the commissioner of economic development.

No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

(b) Application of credit. The credit allowed under this subdivision for any taxable year may not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount, or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in that taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

(c) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to section three hundred fifty-nine-e of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed on the certificate of tax credit.

(d) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article seventeen-A of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in subdivision six of section three hundred fifty-nine-c of the economic development law, the amount of credit described in this subdivision and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 9. Section 606 of the tax law is amended by adding a new subsection (rrr) to read as follows:

(rrr) Semiconductor research and development tax credit. (1) Allowance of credit. A taxpayer that has been approved by the commissioner of economic development to participate in the semiconductor research and development tax credit program and has been issued a certificate of tax credit pursuant to section three hundred fifty-nine-e of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal up to fifteen percent of the cost or other basis for federal income tax purposes of the qualified investment and shall be allowable in each taxable year for which the commissioner of economic development has issued a certificate of tax credit, for up to ten consecutive taxable years. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic development. In the case of a taxpayer who is a partner in a partnership, member of a limited liability company or shareholder in an S corporation, the taxpayer shall be allowed its pro rata share of the credit earned by the partnership, limited liability company or S corporation. No cost or expense paid or incurred by the taxpayer that is the basis for this credit shall be the basis for any other tax credit provided by this chapter.

1 (2) Application of credit. If the amount of the credit allowed under
2 this subsection for any taxable year exceeds the taxpayer's tax for the
3 taxable year, the excess shall be treated as an overpayment of tax to be
4 credited or refunded in accordance with the provisions of section six
5 hundred eighty-six of this article, provided, however, no interest will
6 be paid thereon.

7 (3) Reporting. The taxpayer shall attach to its tax return its certif-
8 icate of tax credit issued by the commissioner of economic development
9 pursuant to section three hundred fifty-nine-e of the economic develop-
10 ment law. In no event shall the taxpayer be allowed a credit greater
11 than the amount of the credit listed on the certificate of tax credit,
12 or in the case of a taxpayer who is a partner in a partnership, a member
13 of a limited liability company, or shareholder in an S corporation, its
14 pro rata share of the amount of credit listed on the certificate of tax
15 credit.

16 (4) Credit recapture. If a certificate of eligibility or a certificate
17 of tax credit issued by the department of economic development under
18 article seventeen-A of the economic development law is revoked by such
19 department because the taxpayer does not meet the eligibility require-
20 ment set forth in subdivision six of section three hundred fifty-nine-c
21 of economic development law, the amount of credit described in this
22 subdivision and claimed by the taxpayer prior to that revocation shall
23 be added back to tax in the taxable year in which any such revocation
24 becomes final.

25 § 10. Section 210-B of the tax law is amended by adding a new subdivi-
26 sion 62 to read as follows:

27 62. Employee training incentive program for semiconductor manufactur-
28 ing workforce tax credit. (a) Allowance of tax credit. A taxpayer that
29 has been approved by the commissioner of economic development to partic-
30 ipate in the employee training incentive program and has been issued a
31 certificate of tax credit pursuant to paragraph (b) of subdivision three
32 of section four hundred forty-three of the economic development law
33 shall be allowed to claim a credit against the tax imposed by this arti-
34 cle. The credit shall equal seventy-five percent of wages, salaries or
35 other compensation, training costs, and wrap around services, up to a
36 credit of twenty-five thousand dollars per employee receiving eligible
37 training, up to one million dollars per eligible non-semiconductor manu-
38 facturing business and up to five million dollars per eligible semicon-
39 ductor manufacturing business pursuant to paragraph (b) of subdivision
40 three of section four hundred forty-three of the economic development
41 law. The credit shall equal fifty percent of a taxpayer's eligible
42 training costs, up to a credit of ten thousand dollars per employee
43 completing eligible training pursuant to paragraph (a) of subdivision
44 three of section four hundred forty-one of the economic development
45 law. The credit shall equal fifty percent of the stipend paid to an
46 intern, up to a credit of three thousand dollars per intern completing
47 eligible training pursuant to paragraph (b) of subdivision three
48 of section four hundred forty-one of the economic development law. In
49 no event shall a taxpayer be allowed a credit greater than the amount of
50 credit listed on the certificate of tax credit issued by the commission-
51 er of economic development. The credit shall be allowed in the taxable
52 year in which the eligible training is completed. No cost or other
53 expense paid or incurred by the taxpayer that is the basis for this
54 credit shall be the basis for any other tax credit provided by this
55 chapter.

(b) Application of credit. The credit allowed under this subdivision for any taxable year may not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount, or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in that taxable year will be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest will be paid thereon.

(c) Reporting. The taxpayer shall attach to its tax return its certificate of tax credit issued by the commissioner of economic development pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. In no event shall the taxpayer be allowed a credit greater than the amount of the credit listed on the certificate of tax credit, or in the case of a taxpayer who is a partner in a partnership, a member of a limited liability company, or shareholder in an S corporation, its pro rata share of the amount of credit listed in the certificate of tax credit.

(d) Credit recapture. If a certificate of eligibility or a certificate of tax credit issued by the department of economic development under article twenty-two of the economic development law is revoked by such department because the taxpayer does not meet the eligibility requirement set forth in subdivision three of section five hundred three of the economic development law, the amount of credit described in this subdivision and claimed by the taxpayer prior to that revocation shall be added back to tax in the taxable year in which any such revocation becomes final.

§ 11. Section 606 of the tax law is amended by adding a new subsection (sss) to read as follows:

(sss) Employee training incentive program for semiconductor workforce tax credit. (1) Allowance of tax credit. A taxpayer that has been approved by the commissioner of economic development to participate in the employee training incentive program and has been issued a certificate of tax credit pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law shall be allowed to claim a credit against the tax imposed by this article. The credit shall equal seventy-five percent of wages, salaries or other compensation, training costs, and wrap around services, up to a credit of twenty-five thousand dollars per employee receiving eligible training, up to one million dollars per eligible non-semiconductor manufacturing business and up to five million dollars per eligible semiconductor manufacturing business pursuant to paragraph (b) of subdivision three of section four hundred forty-three of the economic development law. The credit shall equal fifty percent of a taxpayer's eligible training costs, up to a credit of ten thousand dollars per employee completing eligible training pursuant to paragraph (a) of subdivision three of section four hundred forty-one of the economic development law. The credit shall equal fifty percent of the stipend paid to an intern, up to a credit of three thousand dollars per intern completing eligible training pursuant to paragraph (b) of subdivision three of section four hundred forty-one of the economic development law. In no event shall a taxpayer be allowed a credit greater than the amount listed on the certificate of tax credit issued by the commissioner of economic devel-

1 opment. In the case of a taxpayer who is a partner in a partnership,
2 member of a limited liability company or shareholder in an S corpo-
3 ration, the taxpayer shall be allowed its pro rata share of the credit
4 earned by the partnership, limited liability company or S corporation.
5 The credit shall be allowed in the taxable year in which the eligible
6 training is completed. No cost or expense paid or incurred by the
7 taxpayer that is the basis for this credit shall be the basis for any
8 other tax credit provided by this chapter.

9 (2) Application of credit. If the amount of the credit allowed under
10 this subsection for any taxable year exceeds the taxpayer's tax for the
11 taxable year, the excess shall be treated as an overpayment of tax to be
12 credited or refunded in accordance with the provisions of section six
13 hundred eighty-six of this article, provided, however, no interest will
14 be paid thereon.

15 (3) Reporting. The taxpayer shall attach to its tax return its certif-
16 icate of tax credit issued by the commissioner of economic development
17 pursuant to paragraph (b) of subdivision three of section four hundred
18 forty-three of the economic development law. In no event shall the
19 taxpayer be allowed a credit greater than the amount of the credit list-
20 ed on the certificate of tax credit, or in the case of a taxpayer who is
21 a partner in a partnership, a member of a limited liability company, or
22 shareholder in an S corporation, its pro rata share of the amount of
23 credit listed on the certificate of tax credit.

24 (4) Credit recapture. If a certificate of eligibility or a certificate
25 of tax credit issued by the department of economic development under
26 article twenty-two of the economic development law is revoked by such
27 department because the taxpayer does not meet the eligibility require-
28 ment set forth in paragraph (b) of subdivision three of section four
29 hundred forty-three of the economic development law, the amount of cred-
30 it described in this subsection and claimed by the taxpayer prior to
31 that revocation shall be added back to tax in the taxable year in which
32 any such revocation becomes final.

33 § 12. This act shall take effect immediately and apply to taxable
34 years beginning on or after January 1, 2025.

SUBPART B

36 Section 1. Section 421 of the economic development law, as added by
37 section 1 of part E of chapter 56 of the laws of 2011, is amended to
38 read as follows:

39 § 421. Statement of legislative findings and declaration. It is hereby
40 found and declared that New York state needs, as a matter of public
41 policy, to create competitive financial incentives to retain [~~strategic~~]
42 businesses, including small businesses and jobs that are at risk of
43 leaving the state or closing operations due to the impact on its busi-
44 ness operations of an event leading to an emergency declaration by the
45 governor. The empire state jobs retention program is created to support
46 the retention of the state's [~~most-strategic~~] businesses, including
47 small businesses in the event of an emergency.

48 This legislation creates a jobs tax credit for each job of a [~~strato-~~
49 ~~gie~~] business, including a small business directly impacted by an emer-
50 gency and protects state taxpayers' dollars by ensuring that New York
51 provides tax benefits only to businesses that can demonstrate substan-
52 tial physical damage and economic harm resulting from an event leading
53 to an emergency declaration by the governor.

§ 2. Section 422 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 422. Definitions. For the purposes of this article:

1. ~~["Agriculture" means both agricultural production (establishments performing the complete farm or ranch operation, such as farm owner operators, tenant farm operators, and sharecroppers) and agricultural support (establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis).~~

2. ~~"Back office operations" means a business function that may include one or more of the following activities: customer service, information technology and data processing, human resources, accounting and related administrative functions.~~

3.] "Certificate of eligibility" means the document issued by the department to an applicant that has completed an application to be admitted into the empire state jobs retention program and has been accepted into the program by the department. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

~~[4.]~~ 2. "Certificate of tax credit" means the document issued to a participant by the department, after the department has verified that the participant has met all applicable eligibility criteria in this article. The certificate shall be issued annually if such criteria are satisfied and shall specify the exact amount of each tax credit under this article that a participant may claim, pursuant to section four hundred twenty-five of this article, and shall specify the taxable year in which such credit may be claimed.

~~[5. "Distribution center" means a large scale facility involving processing, repackaging and/or movement of finished or semi-finished goods to retail locations across a multi-state area.~~

6. ~~"Financial services data centers" or "financial services customer back office operations" means operations that manage the data or accounts of existing customers or provide product or service information and support to customers of financial services companies, including banks, other lenders, securities and commodities brokers and dealers, investment banks, portfolio managers, trust offices, and insurance companies.~~

7.] 3. "Impacted jobs" means jobs ~~[existing]~~ at a business enterprise ~~[at a location or locations within the county declared an emergency by the governor on the day immediately preceding the day on which the event leading to the emergency declaration by the governor occurred]~~ existing the day before an event leading to an emergency declaration by the governor at a location or locations which demonstrate substantial physical damage and economic harm caused by the event for which the emergency declaration was made.

~~[8. "Manufacturing" means the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, the assembly of motor vehicles or other high value added products shall be considered manufacturing.~~

9.] 4. "Participant" means a business entity that:

(a) has completed an application prescribed by the department to be admitted into the program;

(b) has been issued a certificate of eligibility by the department;

(c) has demonstrated that it meets the eligibility criteria in section four hundred twenty-three and subdivision two of section four hundred twenty-four of this article; and

(d) has been certified as a participant by the commissioner.

~~[10-]~~ 5. "Preliminary schedule of benefits" means the maximum aggregate amount of the tax credit that a participant in the empire state jobs retention program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of the credit a participant may claim in ~~[each of]~~ its ~~[ten years]~~ six months of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this chapter.

~~[11-]~~ 6. "Related person" means a related person pursuant to subparagraph (c) of paragraph three of subsection (b) of section four hundred sixty-five of the internal revenue code.

~~[12-]~~ ~~"Scientific research and development" means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, environmental, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects. For the purposes of this article, scientific research and development does not include medical or veterinary laboratory testing facilities.~~

~~13. "Software development" means the creation of coded computer instructions and includes new media as defined by the commissioner in regulations.]~~

7. "Business entity" means a for profit business duly authorized to do business in and in good standing in the state of New York.

§ 3. Section 423 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 423. Eligibility criteria. 1. ~~[To be a participant in the empire state jobs retention program, a business entity shall operate in New York state predominantly:]~~

~~(a) as a financial services data center or a financial services back office operation;~~

~~(b) in manufacturing;~~

~~(c) in software development and new media;~~

~~(d) in scientific research and development;~~

~~(e) in agriculture;~~

~~(f) in the creation or expansion of back office operations in the state; or~~

~~(g) in a distribution center.~~

~~2. When determining whether an applicant is operating predominantly in one of the industries listed in subdivision one of this section, the commissioner will examine the nature of the business activity at the location for the proposed project and will make eligibility determinations based on such activity.~~

~~3-] For the purposes of this article, in order to participate in the empire state jobs retention program[, a business entity operating in one of the strategic industries listed in subdivision one of this section~~

~~(a) must be located in a county in which an emergency has been declared by the governor~~ on or after ~~[January]~~ June first, two thousand ~~[eleven]~~ twenty-five, ~~(b) a business entity~~ must demonstrate substantial physical damage and economic harm at a location or locations within an area for which the governor has issued an emergency declaration and resulting from the event leading to the emergency declaration by the governor, and ~~(c) must have had at least one hundred full-time equivalent jobs in the county in which an emergency has been declared by the governor on the day immediately preceding the day on which the event leading to the emergency declaration by the governor occurred, and]~~ must retain or exceed ~~[that]~~ the number of jobs in New York state that existed the day before an event leading to such an emergency declaration by the governor.

~~[4. A not-for-profit business entity, a business entity whose primary function is the provision of services including personal services, business services, or the provision of utilities, a business entity engaged predominantly in the retail or entertainment industry, or a company engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity are not eligible to receive the tax credit described in this article.~~

~~5.]~~ 2. A business entity must be in compliance with all worker protection and environmental laws and regulations. In addition, a business entity may not owe past due state taxes. In addition, a business entity must not owe local property taxes for any year prior to the year in which it applies to participate in the empire state jobs retention program.

§ 4. Section 424 of the economic development law, as added by section 1 of part E of chapter 56 of the laws of 2011, is amended to read as follows:

§ 424. Application and approval process. 1. A business ~~[enterprise]~~ entity must submit a completed application as prescribed by the commissioner. Such completed application must be submitted to the commissioner within ~~(a) one hundred eighty days of the declaration of an emergency by the governor in the county in which the business enterprise is located~~ [or (b) one hundred eighty days of the enactment of this article, if such date is later than the date specified in paragraph (a) of this subdivision]; provided, however, that the eligibility period for the credit shall begin upon the date of declaration of an emergency by the governor covering the county in which the business entity is located.

2. As part of such application, each business ~~[enterprise]~~ entity must:

(a) agree to allow the department of taxation and finance to share its tax information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(b) agree to allow the department of labor to share its tax and employer information with the department. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law.

(c) allow the department and its agents access to any and all books and records the department may require to monitor compliance.

(d) agree to be permanently disqualified for empire zone tax benefits at any location or locations that qualify for empire state jobs

1 retention program benefits if admitted into the empire state jobs
2 retention program.

3 (e) provide the following information to the department upon request:

4 (i) a plan outlining the schedule for meeting the jobs retention
5 requirements as set forth in subdivision ~~[three]~~ one of section four
6 hundred twenty-three of this article. Such plan must include details on
7 jobs titles and expected salaries;

8 (ii) the prior three years of federal and state income or franchise
9 tax returns, unemployment insurance quarterly returns, real property tax
10 bills and audited financial statements; and

11 (iii) the employer identification or social security numbers for all
12 related persons to the applicant, including those of any members of a
13 limited liability company or partners in a partnership.

14 (f) provide a clear and detailed presentation of all related persons
15 to the applicant to assure the department that jobs are not being shift-
16 ed within the state.

17 (g) certify, under penalty of perjury, that it is in substantial
18 compliance with all environmental, worker protection, and local, state,
19 and federal tax laws.

20 3. After reviewing a business enterprise's completed application and
21 determining that the business enterprise will meet the conditions set
22 forth in subdivision ~~[three]~~ one of section four hundred twenty-three of
23 this article, the department may admit the applicant into the program
24 and provide the applicant with a certificate of eligibility and a
25 preliminary schedule of benefits by year based on the applicant's
26 projections as set forth in its application. This preliminary schedule
27 of benefits delineates the maximum possible benefits an applicant may
28 receive.

29 4. In order to become a participant in the program, an applicant must
30 submit evidence that it satisfies the eligibility criteria specified in
31 section four hundred twenty-three of this article and subdivision two of
32 this section in such form as the commissioner may prescribe. After
33 reviewing such evidence and finding it sufficient, the department shall
34 certify the applicant as a participant and issue to that participant a
35 certificate of tax credit ~~[for one taxable year. To receive a certifi-~~
36 ~~cate of tax credit for subsequent taxable years, the participant must~~
37 ~~submit to the department a performance report demonstrating that the~~
38 ~~participant continues to satisfy the eligibility criteria specified in~~
39 ~~section four hundred twenty-three of this article and subdivision two of~~
40 ~~this section].~~

41 5. A participant may claim tax benefits commencing in the first taxa-
42 ble year that the business enterprise receives a certificate of tax
43 credit or the first taxable year listed on its preliminary schedule of
44 benefits, whichever is later. ~~[A participant may claim such benefits for~~
45 ~~the next nine consecutive taxable years, provided that the participant~~
46 ~~demonstrates to the department that it continues to satisfy the eligi-~~
47 ~~bility criteria specified in section four hundred twenty-three of this~~
48 ~~article and subdivision two of this section in each of those taxable~~
49 ~~years.]~~

50 § 5. Section 425 of the economic development law, as added by section
51 1 of part E of chapter 56 of the laws of 2011, is amended to read as
52 follows:

53 § 425. Empire state jobs retention program credit. 1. A participant in
54 the empire state jobs retention program shall be eligible to claim a
55 credit for the impacted jobs. ~~[The]~~ For a business entity that employs
56 three to forty-nine employees, the amount of such credit shall be equal

1 to the product of the gross wages paid for the impacted jobs and ~~[6.85]~~
2 up to 15 percent. For a business entity that employs fifty to one
3 hundred employees, the amount of such credit shall be equal to the prod-
4 uct of the gross wages paid for the impacted jobs and up to 7.5 percent.
5 For a business entity that employs greater than one hundred employees,
6 the amount of such credit shall be equal to the product of the gross
7 wages paid for the impacted jobs and up to 3.75 percent. An eligible
8 business entity may only receive up to \$500,000 in tax credits per event
9 triggering an emergency declaration by the governor.

10 2. The tax credit established in this section shall be refundable as
11 provided in the tax law. If a participant fails to satisfy the eligibil-
12 ity criteria ~~[in any one year]~~, it will lose the ability to claim credit
13 ~~[for that year]~~. The event of such failure shall not extend the original
14 ~~[ten-year]~~ six-month eligibility period.

15 3. The business enterprise shall be allowed to claim the credit as
16 prescribed in section thirty-six of the tax law~~[-; provided, however, a~~
17 ~~business enterprise shall not be allowed to claim the credit prior to~~
18 ~~tax year two thousand twelve]~~.

19 4. A participant may be eligible for benefits under this article as
20 well as article seventeen of this chapter, provided the participant can
21 only receive benefits pursuant to subdivision two of section three
22 hundred fifty-five of this chapter for costs in excess of costs recov-
23 ered by insurance.

24 § 6. Section 426 of the economic development law, as added by section
25 1 of part E of chapter 56 of the laws of 2011, is amended to read as
26 follows:

27 § 426. Powers and duties of the commissioner. 1. The commissioner
28 shall promulgate regulations establishing ~~[an]~~ the type of application
29 process and the eligibility criteria, that will be applied consistent
30 with the purposes of this article, so as not to exceed thirty million
31 dollars from the annual cap on tax credits set forth in section three
32 hundred fifty-nine of this chapter which, notwithstanding any provisions
33 to the contrary in the state administrative procedure act, may be
34 adopted on an emergency basis. Such regulations shall include, but not
35 be limited to, criteria for determining whether a business entity demon-
36 strates substantial physical damage and economic harm from the event
37 leading to an emergency declaration by the governor.

38 2. The commissioner shall, in consultation with the department of
39 taxation and finance, develop a certificate of tax credit that shall be
40 issued by the commissioner to participants. Participants may be required
41 by the commissioner of taxation and finance to include the certificate
42 of tax credit with their tax return to receive any tax benefits under
43 this article.

44 3. The commissioner shall solely determine the eligibility of any
45 applicant applying for entry into the program and shall remove any
46 participant from the program for failing to meet any of the requirements
47 set forth in subdivision two of section four hundred twenty-four of this
48 article, or for failing to meet the job retention requirements set forth
49 in ~~[subdivision three of]~~ section four hundred twenty-three of this
50 article~~[-, or for failing to meet the requirements of subdivision five of~~
51 ~~section four hundred twenty three of this article]~~.

52 § 7. This act shall take effect immediately.

53 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
54 sion, section or part of this act shall be adjudged by any court of
55 competent jurisdiction to be invalid, such judgment shall not affect,
56 impair, or invalidate the remainder thereof, but shall be confined in

1 its operation to the clause, sentence, paragraph, subdivision, section
2 or part thereof directly involved in the controversy in which such judg-
3 ment shall have been rendered. It is hereby declared to be the intent of
4 the legislature that this act would have been enacted even if such
5 invalid provisions had not been included herein.

6 § 3. This act shall take effect immediately, provided, however, that
7 the applicable effective date of Subparts A and B of this act shall be
8 as specifically set forth in the last section of such Subparts.

9

PART I

10 Section 1. Paragraphs 2 and 5 of subdivision (a) of section 24 of the
11 tax law, paragraph 2 as amended by section 1 and paragraph 5 as amended
12 by section 2 of part D of chapter 59 of the laws of 2023, are amended
13 and a new paragraph 6 is added to read as follows:

14 (2) The amount of the credit shall be the product (or pro rata share
15 of the product, in the case of a member of a partnership) of thirty
16 percent and the qualified production costs paid or incurred in the
17 production of a qualified film, provided that: (i) the qualified
18 production costs (excluding post production costs) paid or incurred
19 which are attributable to the use of tangible property or the perform-
20 ance of services at a qualified film production facility in the
21 production of such qualified film equal or exceed seventy-five percent
22 of the production costs (excluding post production costs) paid or
23 incurred which are attributable to the use of tangible property or the
24 performance of services at any film production facility within and with-
25 out the state in the production of such qualified film, and (ii) except
26 with respect to a qualified independent film production company or
27 pilot, at least ten percent of the total principal photography shooting
28 days spent in the production of such qualified film must be spent at a
29 qualified film production facility. However, if the qualified production
30 costs (excluding post production costs) which are attributable to the
31 use of tangible property or the performance of services at a qualified
32 film production facility in the production of such qualified film is
33 less than three million dollars, then the portion of the qualified
34 production costs attributable to the use of tangible property or the
35 performance of services in the production of such qualified film outside
36 of a qualified film production facility shall be allowed only if the
37 shooting days spent in New York outside of a film production facility in
38 the production of such qualified film equal or exceed seventy-five
39 percent of the total shooting days spent within and without New York
40 outside of a film production facility in the production of such quali-
41 fied film. The credit shall be allowed for the taxable year in which the
42 production of such qualified film is completed. However, in the case of
43 a qualified film that receives funds from additional pool 2, no credit
44 shall be claimed before the later of (1) the taxable year the production
45 of the qualified film is complete, or (2) the taxable year that includes
46 the last day of the allocation year for which the film has been allo-
47 cated credit by the department of economic development. If the amount of
48 the credit is at least one million dollars but less than five million
49 dollars, the credit shall be claimed over a two year period beginning in
50 the first taxable year in which the credit may be claimed and in the
51 next succeeding taxable year, with one-half of the amount of credit
52 allowed being claimed in each year. If the amount of the credit is at
53 least five million dollars, the credit shall be claimed over a three
54 year period beginning in the first taxable year in which the credit may

be claimed and in the next two succeeding taxable years, with one-third of the amount of the credit allowed being claimed in each year. Provided, however, in the case of a qualified film for which the credit application was received on or after January first, two thousand twenty-five, the credit shall be claimed in the taxable year that includes the last day of the allocation year for which the film has been allocated a credit by the department of economic development.

(5) For the period two thousand fifteen through two thousand ~~thirty-four~~ thirty-six, in addition to the amount of credit established in paragraph two of this subdivision, a taxpayer shall be allowed a credit equal to (i) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the wages, salaries or other compensation constituting qualified production costs as defined in paragraph two of subdivision (b) of this section, paid to individuals directly employed by a qualified film production company or a qualified independent film production company for services performed by those individuals in one of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars, and (ii) the product (or pro rata share of the product, in the case of a member of a partnership) of ten percent and the qualified production costs (excluding wages, salaries or other compensation) paid or incurred in the production of a qualified film where the property constituting such qualified production costs was used, and the services constituting such qualified production costs were performed in any of the counties specified in this paragraph in connection with a qualified film with a minimum budget of five hundred thousand dollars where the majority of principal photography shooting days in the production of such film were shot in any of the counties specified in this paragraph. Provided, however, that the aggregate total eligible qualified production costs constituting wages, salaries or other compensation, for writers, directors, composers, producers, and performers shall not exceed forty percent of the aggregate sum total of all other qualified production costs. For purposes of the credit, the services must be performed and the property must be used in one or more of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

(6) Production plus program. (i) A taxpayer who is a qualified independent film production company or a qualified film production company engaging in the production of a qualified film that undertakes multiple productions in New York state may be eligible for a tax credit in addition to the credit pursuant to paragraph two of this subdivision. Production companies that submit at least two initial applications to the empire state film production tax credit program after January first, two thousand twenty-five the sum of which total at least one hundred million dollars in qualified production costs in New York state may be eligible to receive an additional tax credit equal to the product of ten percent and the qualified production costs incurred on all subsequent films or television series applied for.

(ii) A taxpayer who is a qualified independent film production company engaging in the production of a feature length film, television film or

1 television series as defined in the regulations promulgated for this
2 program that undertakes multiple productions in New York state may be
3 eligible for a tax credit in addition to the credit pursuant to para-
4 graph two of this subdivision. Production companies that submit at least
5 two applications to the empire state film production tax credit program
6 after January first, two thousand twenty-five the sum of which total at
7 least twenty million in qualified production costs in New York state may
8 receive an additional tax credit equal to the product of five percent
9 and the qualified production costs incurred on all subsequent films or
10 series applied for.

11 (iii) Initial applications for feature length films and new television
12 series submitted after December thirty-first, two thousand twenty-eight
13 shall not be eligible for the program pursuant to this paragraph;
14 provided, however, a television series that enters the program pursuant
15 to this paragraph before January first, two thousand twenty-nine shall
16 continue to be eligible.

17 § 2. Paragraphs 2 and 7 of subdivision (b) of section 24 of the tax
18 law, paragraph 2 as amended by section 3 of part D of chapter 59 of the
19 laws of 2023, and paragraph 7 as added by section 9 of part Q of chapter
20 57 of the laws of 2010, are amended to read as follows:

21 (2) "Production costs" means any costs for tangible property used and
22 services performed directly and predominantly in the production (includ-
23 ing pre-production and post production) of a qualified film.
24 "Production costs" shall not include ~~[(i)]~~ costs for a story, script or
25 scenario to be used for a qualified film ~~[and (ii) wages or salaries or~~
26 ~~other compensation for writers, directors, composers, and performers~~
27 ~~(other than background actors with no scripted lines) to the extent~~
28 ~~those wages or salaries or other compensation exceed five hundred thou-~~
29 ~~sand dollars per individual]~~. "Production costs" generally include the
30 wages or salaries or other compensation for writers, directors, compos-
31 ers and performers, technical and crew production costs, such as expend-
32 itures for film production facilities, or any part thereof, props, make-
33 up, wardrobe, film processing, camera, sound recording, set
34 construction, lighting, shooting, editing and meals, and shall include
35 the wages, salaries or other compensation of no more than two producers
36 per qualified film~~[, not to exceed five hundred thousand dollars per~~
37 ~~producer, where only one of whom is the principal individual responsible~~
38 ~~for overseeing the creative and managerial process of production of the~~
39 ~~qualified film and only one of whom is the principal individual respon-~~
40 ~~sible for the day-to-day operational management of production of the~~
41 ~~qualified film; provided, however, that such producers are not compen-~~
42 ~~sated for any other position on the qualified film by a qualified film~~
43 ~~production company or a qualified independent film production company~~
44 ~~for services performed]~~.

45 (7) "Qualified independent film production company" is a corporation,
46 partnership, limited partnership, or other entity or individual, that or
47 who (i) is principally engaged in the production of a qualified film
48 ~~[with a maximum budget of fifteen million dollars], [and] (ii) [controls~~
49 ~~the qualified film during production]~~ is not publicly traded, and (iii)
50 ~~[either is not a publicly traded entity, or no more than five percent of~~
51 ~~the beneficial ownership of which is owned, directly or indirectly, by a~~
52 ~~publicly traded entity]~~ is not majority owned, fifty-one percent or more,
53 by a company publicly traded on a United States stock exchange.

54 § 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
55 amended by section 2 of chapter 606 of the laws of 2023, is amended to
56 read as follows:

(4) Additional pool 2 - The aggregate amount of tax credits allowed in subdivision (a) of this section shall be increased by an additional four hundred twenty million dollars in each year starting in two thousand ten through two thousand twenty-three and seven hundred million dollars in each year starting in two thousand twenty-four through two thousand ~~[thirty-four]~~ thirty-six, provided however, seven million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in two thousand thirteen and two thousand fourteen, twenty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand fifteen through two thousand twenty-three, and forty-five million dollars of the annual allocation shall be available for the empire state film post production credit pursuant to section thirty-one of this article in each year starting in two thousand twenty-four through two thousand ~~[thirty-four]~~ thirty-six. Provided further, five million dollars of the annual allocation shall be made available for the television writers' and directors' fees and salaries credit pursuant to section twenty-four-b of this article in each year starting in two thousand twenty through two thousand ~~[thirty-four]~~ thirty-six. This amount shall be allocated by the department of economic development among taxpayers in accordance with subdivision (a) of this section. If the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film post production tax credit pursuant to section thirty-one of this article is insufficient to utilize the balance of unallocated empire state film post production tax credits from such pool, the remainder, after such pending applications are considered, shall be made available for allocation in the empire state film tax credit pursuant to this section, subdivision twenty of section two hundred ten-B and subsection (gg) of section six hundred six of this chapter. Also, if the commissioner of economic development determines that the aggregate amount of tax credits available from additional pool 2 for the empire state film post production tax credit have been previously allocated, and determines that the pending applications from eligible applicants for the empire state film production tax credit pursuant to this section is insufficient to utilize the balance of unallocated film production tax credits from such pool, then all or part of the remainder, after such pending applications are considered, shall be made available for allocation for the empire state film post production credit pursuant to this section, subdivision thirty-two of section two hundred ten-B and subsection (qq) of section six hundred six of this chapter. The department of economic development must notify taxpayers of their allocation year and include the allocation year on the certificate of tax credit. Taxpayers eligible to claim a credit must report the allocation year directly on their empire state film production credit tax form for each year a credit is claimed and include a copy of the certificate with their tax return. In the case of a qualified film that receives funds from additional pool 2 where the taxpayer filed an initial application before April first, two thousand twenty-three and before January first, two thousand twenty-five, no empire state film production credit shall be claimed before the later of (1) the taxable year the production of the qualified film is complete, or (2) the taxable year immediately following the allocation year for which the film

1 has been allocated credit by the department of economic development. In
2 the case of a qualified film that receives funds from additional pool 2
3 where the taxpayer filed an initial application on or after April first,
4 two thousand twenty-three and before January first, two thousand twen-
5 ty-five, no empire state film production credit shall be claimed before
6 the later of (1) the taxable year the production of the qualified film
7 is complete, or (2) the taxable year that includes the last day of the
8 allocation year for which the film has been allocated credit by the
9 department of economic development. In the case of a qualified film for
10 which the taxpayer filed an initial application on or after January
11 first, two thousand twenty-five, the credit shall be claimed in the
12 taxable year that includes the last day of the allocation year for which
13 the production of such qualified film has been allocated a credit by the
14 department of economic development.

15 § 4. Paragraph 4 of subdivision (e) of section 24 of the tax law, as
16 amended by section 3 of chapter 606 of the laws of 2023, is amended to
17 read as follows:

18 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
19 subdivision (a) of this section shall be increased by an additional four
20 hundred twenty million dollars in each year starting in two thousand ten
21 through two thousand twenty-three and seven hundred million dollars each
22 year starting in two thousand twenty-four through two thousand [~~thirty-~~
23 ~~four~~] thirty-six, provided however, seven million dollars of the annual
24 allocation shall be available for the empire state film post production
25 credit pursuant to section thirty-one of this article in two thousand
26 thirteen and two thousand fourteen, twenty-five million dollars of the
27 annual allocation shall be available for the empire state film post
28 production credit pursuant to section thirty-one of this article in each
29 year starting in two thousand fifteen through two thousand twenty-three,
30 and forty-five million dollars of the annual allocation shall be avail-
31 able for the empire state film post production credit pursuant to
32 section thirty-one of this article in each year starting in two thousand
33 twenty-four through two thousand [~~thirty-four~~] thirty-six. This amount
34 shall be allocated by the department of economic development among
35 taxpayers in accordance with subdivision (a) of this section. If the
36 commissioner of economic development determines that the aggregate
37 amount of tax credits available from additional pool 2 for the empire
38 state film production tax credit have been previously allocated, and
39 determines that the pending applications from eligible applicants for
40 the empire state film post production tax credit pursuant to section
41 thirty-one of this article is insufficient to utilize the balance of
42 unallocated empire state film post production tax credits from such
43 pool, the remainder, after such pending applications are considered,
44 shall be made available for allocation in the empire state film tax
45 credit pursuant to this section, subdivision twenty of section two
46 hundred ten-B and subsection (gg) of section six hundred six of this
47 chapter. Also, if the commissioner of economic development determines
48 that the aggregate amount of tax credits available from additional pool
49 2 for the empire state film post production tax credit have been previ-
50 ously allocated, and determines that the pending applications from
51 eligible applicants for the empire state film production tax credit
52 pursuant to this section is insufficient to utilize the balance of unal-
53 located film production tax credits from such pool, then all or part of
54 the remainder, after such pending applications are considered, shall be
55 made available for allocation for the empire state film post production
56 credit pursuant to this section, subdivision thirty-two of section two

1 hundred ten-B and subsection (qq) of section six hundred six of this
2 chapter. The department of economic development must notify taxpayers of
3 their allocation year and include the allocation year on the certificate
4 of tax credit. Taxpayers eligible to claim a credit must report the
5 allocation year directly on their empire state film production credit
6 tax form for each year a credit is claimed and include a copy of the
7 certificate with their tax return. In the case of a qualified film that
8 receives funds from additional pool 2 where the taxpayer filed an
9 initial application before April first, two thousand twenty-three, no
10 empire state film production credit shall be claimed before the later of
11 (1) the taxable year the production of the qualified film is complete,
12 or (2) the taxable year immediately following the allocation year for
13 which the film has been allocated credit by the department of economic
14 development. In the case of a qualified film that receives funds from
15 additional pool 2 where the taxpayer filed an initial application on or
16 after April first, two thousand twenty-three and before January first,
17 two thousand twenty-five, no empire state film production credit shall
18 be claimed before the later of (1) the taxable year the production of
19 the qualified film is complete, or (2) the taxable year that includes
20 the last day of the allocation year for which the film has been allo-
21 cated credit by the department of economic development. Provided, howev-
22 er, in the case of a qualified film for which the credit application was
23 received on or after January first, two thousand twenty-five, the credit
24 shall be claimed in the taxable year that includes the last day of the
25 allocation year for which the film has been allocated a credit by the
26 department of economic development.

27 § 5. Section 24 of the tax law is amended by adding a new subdivision
28 (g) to read as follows:

29 (g) Credit recapture. If a certificate of tax credit issued by the
30 department of economic development pursuant to this section is revoked
31 by such department because the taxpayer does not meet the eligibility
32 requirements of this section, the amount of credit described in this
33 section and claimed by the taxpayer prior to that revocation shall be
34 added back to tax in the taxable year in which any such revocation
35 becomes final.

36 § 6. Paragraphs 3, 5 and 6 of subdivision (a) of section 31 of the
37 tax law, paragraph 3 as amended by section 5 and paragraph 5 as added by
38 section 5-a of part B of chapter 59 of the laws of 2013, and paragraph 6
39 as amended by section 9 of part D of chapter 59 of the laws of 2023, are
40 amended to read as follows:

41 (3) (i) A taxpayer shall not be eligible for the credit established by
42 this section for qualified post production costs, excluding the costs
43 for visual effects and animation, unless the qualified post production
44 costs, excluding the costs for visual effects and animation, at a quali-
45 fied post production facility meet or exceed one million dollars or
46 seventy-five percent of the total post production costs, excluding the
47 costs for visual effects and animation, paid or incurred in the post
48 production of the qualified film at any post production facility, which-
49 ever is less. (ii) A taxpayer shall not be eligible for the credit
50 established by this section for qualified post production costs which
51 are costs for visual effects or animation unless the qualified post
52 production costs for visual effects or animation at a qualified post
53 production facility meet or exceed [~~three million~~] five hundred thousand
54 dollars or [~~twenty~~] ten percent of the total post production costs for
55 visual effects or animation paid or incurred in the post production of a
56 qualified film at any post production facility, whichever is less. (iii)

1 A taxpayer may claim a credit for qualified post production costs
2 excluding the costs for visual effects and animation, and for qualified
3 post production costs of visual effects and animation, provided that the
4 criteria in subparagraphs (i) and (ii) of this paragraph are both satis-
5 fied. The credit shall be allowed for the taxable year in which the
6 production of such qualified film is completed.

7 (5) If the amount of the credit is at least one million dollars but
8 less than five million dollars, the credit shall be claimed over a two
9 year period beginning in the first taxable year in which the credit may
10 be claimed and in the next succeeding taxable year, with one-half of the
11 amount of credit allowed being claimed in each year. If the amount of
12 the credit is at least five million dollars, the credit shall be claimed
13 over a three year period beginning in the first taxable year in which
14 the credit may be claimed and in the next two succeeding taxable years,
15 with one-third of the amount of the credit allowed being claimed in each
16 year. Provided, however, in the case of a qualified film for which the
17 taxpayer filed an initial application on or after January first, two
18 thousand twenty-five, the credit shall be claimed for the taxable year
19 in which such qualified film is completed.

20 (6) For the period two thousand fifteen through two thousand [~~thirty-~~
21 ~~four~~] thirty-six, in addition to the amount of credit established in
22 paragraph two of this subdivision, a taxpayer shall be allowed a credit
23 equal to the product (or pro rata share of the product, in the case of a
24 member of a partnership) of ten percent and the amount of wages or sala-
25 ries paid to individuals directly employed (excluding those employed as
26 writers, directors, composers, producers and performers, other than
27 background actors with no scripted lines) for services performed by
28 those individuals in one of the counties specified in this paragraph in
29 connection with the post production work on a qualified film with a
30 minimum budget of five hundred thousand dollars at a qualified post
31 production facility in one of the counties listed in this paragraph. For
32 purposes of this additional credit, the services must be performed in
33 one or more of the following counties: Albany, Allegany, Broome, Catta-
34 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-
35 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,
36 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,
37 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,
38 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,
39 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,
40 Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

41 § 7. Paragraph 2 of subdivision b of section 31 of the tax law, as
42 added by section 12 of part Q of chapter 57 of the laws of 2010, is
43 amended and a new paragraph 5 is added to read as follows:

44 (2) "Post production costs" means production of original content for a
45 qualified film employing traditional, emerging and new workflow tech-
46 niques used in post-production for picture, sound and music editorial,
47 rerecording and mixing, visual effects, graphic design, [~~original scor-~~
48 ~~ing,~~] animation, and musical composition in the state; but shall not
49 include the editing of previously produced content for a qualified film.

50 § 8. Section 31 of the tax law is amended by adding a new subdivision
51 (f) to read as follows:

52 (f) Credit recapture. If a certificate of tax credit issued by the
53 department of economic development pursuant to this section is revoked
54 by such department because the taxpayer does not meet the eligibility
55 requirements of this section, the amount of credit described in this
56 section and claimed by the taxpayer prior to that revocation shall be

1 added back to tax in the taxable year in which any such revocation
2 becomes final.

3 § 9. The tax law is amended by adding a new section 24-d to read as
4 follows:

5 § 24-d. Empire state independent film production credit. (a) (1)
6 Allowance of credit. A taxpayer which is a qualified independent film
7 production company, or which is a sole proprietor of or a member of a
8 partnership which is a qualified independent film production company,
9 and which is subject to tax under articles nine-A or twenty-two of this
10 chapter, shall be allowed a credit against such tax, pursuant to the
11 provisions referenced in subdivision (c) of this section, to be computed
12 as hereinafter provided.

13 (2) (i) The amount of the credit shall be the product (or pro rata
14 share of the product, in the case of a member of a partnership) of thir-
15 ty percent and the qualified production costs paid or incurred in the
16 production of a qualified film, provided that the qualified production
17 costs (excluding post production costs) paid or incurred which are
18 attributable to the use of tangible property or the performance of
19 services at a qualified film production facility in the production of
20 such qualified film equal or exceed seventy-five percent of the
21 production costs (excluding post production costs) paid or incurred
22 which are attributable to the use of tangible property or the perform-
23 ance of services at any film production facility within and without the
24 state in the production of such qualified film. However, if the quali-
25 fied production costs (excluding post production costs) which are
26 attributable to the use of tangible property or the performance of
27 services at a qualified film production facility in the production of
28 such qualified film is less than three million dollars, then the portion
29 of the qualified production costs attributable to the use of tangible
30 property or the performance of services in the production of such quali-
31 fied film outside of a qualified film production facility shall be
32 allowed only if the shooting days spent in New York outside of a film
33 production facility in the production of such qualified film equal or
34 exceed seventy-five percent of the total shooting days spent within and
35 without the state outside of a film production facility in the
36 production of such qualified film. The credit shall be allowed for the
37 taxable year in which the production of such qualified film is
38 completed. A taxpayer shall not be eligible for a tax credit established
39 by this section for the production of more than two qualified films per
40 calendar year.

41 (ii) In addition to the amount of credit established in subparagraph
42 (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A)
43 the product (or pro rata share of the product, in the case of a member
44 of a partnership) of ten percent and the wages, salaries or other
45 compensation constituting qualified production costs as defined in para-
46 graph one of subdivision (b) of this section, paid to individuals
47 directly employed by a qualified independent film production company for
48 services performed by those individuals in one of the counties specified
49 in this subparagraph in connection with a qualified independent film
50 with a minimum budget of five hundred thousand dollars, and (B) the
51 product (or pro rata share of the product, in the case of a member of a
52 partnership) of ten percent and the qualified production costs (exclud-
53 ing wages, salaries or other compensation) paid or incurred in the
54 production of a qualified film where the property constituting such
55 qualified production costs was used, and the services constituting such
56 qualified production costs were performed in any of the counties speci-

1 fied in this subparagraph in connection with a qualified film with a
2 minimum budget of five hundred thousand dollars where the majority of
3 principal photography shooting days in the production of such film
4 were shot in any of the counties specified in this paragraph. Provided,
5 however, that the aggregate total eligible qualified production costs
6 constituting wages, salaries or other compensation, for writers,
7 directors, composers, producers, and performers shall not exceed forty
8 percent of the aggregate sum total of all other qualified production
9 costs. For purposes of the credit, the services must be performed and
10 the property must be used in one or more of the following counties:
11 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
12 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
13 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
14 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
15 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
16 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-
17 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or
18 Yates.

19 (3) No qualified production costs used by a taxpayer either as the
20 basis for the allowance of the credit provided for under this section or
21 used in the calculation of the credit provided for under this section
22 shall be used by such taxpayer to claim any other credit allowed pursu-
23 ant to this chapter.

24 (4) Notwithstanding the foregoing provisions of this subdivision, a
25 qualified independent film production company that has applied for cred-
26 it under the provisions of this section, agrees as a condition for the
27 granting of the credit: (i) to include in each qualified film distrib-
28 uted by DVD, or other media for the secondary market, a New York promo-
29 tional video approved by the governor's office of motion picture and
30 television development or to include in the end credits of each quali-
31 fied film "Filmed With the Support of the New York State Governor's
32 Office of Motion Picture and Television Development" and a logo provided
33 by the governor's office of motion picture and television development,
34 and (ii) to certify that it will purchase taxable tangible property and
35 services, defined as qualified production costs pursuant to paragraph
36 one of subdivision (b) of this section, only from companies registered
37 to collect and remit state and local sales and use taxes pursuant to
38 articles twenty-eight and twenty-nine of this chapter.

39 (b) Definitions. As used in this section, the following terms shall
40 have the following meanings:

41 (1) "Qualified production costs" means production costs only to the
42 extent such costs, excluding labor costs, do not exceed sixty million
43 dollars and are attributable to the use of tangible property or the
44 performance of services within the state directly and predominantly in
45 the production (including pre-production and post production) of a qual-
46 ified film. In the case of an eligible relocated television series, the
47 term "qualified production costs" shall include, in the first season
48 that the eligible relocated television series is produced in New York
49 after relocation, qualified relocation costs. Provided, however, that
50 the aggregate total eligible qualified production costs for producers,
51 writers, directors, performers (other than background actors with no
52 scripted lines), and composers shall not exceed forty percent of the
53 aggregate sum total of all other qualified production costs.

54 (2) "Production costs" means any costs for tangible property used and
55 services performed directly and predominantly in the production (includ-
56 ing pre-production and post production) of a qualified film.

1 "Production costs" shall not include costs for a story, script or
2 scenario to be used for a qualified film. "Production costs" generally
3 include writers, directors, composers and performers, technical and crew
4 production costs, such as expenditures for film production facilities,
5 or any part thereof, props, makeup, wardrobe, film processing, camera,
6 sound recording, set construction, lighting, shooting, editing and
7 meals.

8 (3) "Qualified film" means a scripted narrative feature-length film,
9 television film, relocated television series or television series,
10 regardless of the medium by means of which the film or series is created
11 or conveyed. For the purposes of the credit provided by this section
12 only, a "qualified film" whose majority of principal photography shoot-
13 ing days in the production of the qualified film are shot in Westches-
14 ter, Rockland, Nassau, or Suffolk county or any of the five New York
15 City boroughs shall have a minimum budget of one million dollars. A
16 "qualified film", whose majority of principal photography shooting days
17 in the production of the qualified film are shot in any other county of
18 the state than those listed in the preceding sentence shall have a mini-
19 mum budget of two hundred fifty thousand dollars. "Qualified film" shall
20 not include: (i) a television pilot, documentary film, news or current
21 affairs program, interview or talk program, "how-to" (i.e., instruc-
22 tional) film or program, film or program consisting primarily of stock
23 footage, sporting event or sporting program, game show, award ceremony,
24 film or program intended primarily for industrial, corporate or institu-
25 tional end-users, fundraising film or program, daytime drama (i.e.,
26 daytime "soap opera"), commercials, music videos or "reality" program;
27 (ii) a production for which records are required under section 2257 of
28 title 18, United States code, to be maintained with respect to any
29 performer in such production (reporting of books, films, etc. with
30 respect to sexually explicit conduct); or (iii) a television series
31 commonly known as variety entertainment, variety sketch and variety
32 talk, i.e., a program with components of improvisational or scripted
33 content (monologues, sketches, interviews), either exclusively or in
34 combination with other entertainment elements such as musical perform-
35 ances, dancing, cooking, crafts, pranks, stunts, and games and which may
36 be further defined in regulations of the commissioner of economic devel-
37 opment.

38 (4) "Film production facility" shall mean a building and/or complex of
39 buildings and their improvements and associated back-lot facilities in
40 which films are or are intended to be regularly produced and which
41 contain at least one sound stage, provided, however, that an armory
42 owned by the state or city of New York located in the city of New York
43 shall not be considered to be a "film production facility" unless such
44 facility is used by a qualified independent film production company.

45 (5) "Qualified film production facility" shall mean a film production
46 facility in the state, which contains at least one sound stage having a
47 minimum of seven thousand square feet of contiguous production space.

48 (6) "Qualified independent film production company" is a corporation,
49 partnership, limited partnership, or other entity or individual, that or
50 who (i) is principally engaged in the production of a qualified film,
51 (ii) is not publicly traded, and (iii) is not majority owned, fifty-one
52 percent or more, by a company publicly traded on a United States stock
53 exchange.

54 (7) "Relocated television series" shall mean the first two years of a
55 regularly occurring production intended to run in its initial broadcast,
56 regardless of the medium or mode of its distribution, in a series of

1 narrative and/or thematically related episodes, each of which has a
2 running time of at least thirty minutes in length (inclusive of commer-
3 cial advertisement and interstitial programming, if any), which had
4 filmed a minimum of six episodes of the television series outside the
5 state immediately prior to relocating to the state, where the television
6 series had a total minimum budget of at least one million dollars per
7 episode. For the purposes of this definition only, a television series
8 produced by and for media services providers described as streaming
9 services and/or digital platforms (and excluding network/cable) shall
10 mean a regularly occurring production intended to run in its initial
11 release in a series of narrative and/or thematically related episodes,
12 the aggregate length of which is at least seventy-five minutes, although
13 the episodes themselves may vary in duration from the thirty minutes
14 specified for network/cable production.

15 (8) "Qualified relocation costs" means the costs incurred, excluding
16 wages, salaries and other compensation, in the first season that a relo-
17 cated television series relocates to New York, including such costs
18 incurred to transport sets, props and wardrobe to New York and other
19 costs as determined by the department of economic development to the
20 extent such costs do not exceed six million dollars.

21 (9) If the total amount of allocated credits applied for in any
22 particular year is less than the aggregate amount of tax credits allowed
23 for such year under this section, any unused portion may be carried over
24 and added to the aggregate amount of credits allowed in the next
25 succeeding taxable year or years.

26 (c) Cross-references. For application of the credit provided for in
27 this section, see the following provisions of this chapter:

28 (1) article 9-A: section 210-B: subdivision 20-a.

29 (2) article 22: section 606: subsection (gg-1).

30 (d) Notwithstanding any provision of this chapter, employees and offi-
31 cers of the governor's office of motion picture and television develop-
32 ment and the department shall be allowed and are directed to share and
33 exchange information regarding the credits applied for, allowed, or
34 claimed pursuant to this section and taxpayers who are applying for
35 credits or who are claiming credits, including information contained in
36 or derived from credit claim forms submitted to the department and
37 applications for credit submitted to the governor's office of motion
38 picture and television development.

39 (e) Allocation of credit. The aggregate amount of tax credits allowed
40 under this section, subdivision twenty-a of section two hundred ten and
41 subsection (gg-1) of section six hundred six of this chapter in any
42 calendar year shall be (1) twenty million dollars for qualified films
43 with a budget of less than ten million dollars of qualified production;
44 and (2) eighty million dollars for qualified films with a budget of ten
45 million dollars or more of qualified production costs. There shall be at
46 least two application periods each year; such aggregate amount of cred-
47 its shall be allocated by the governor's office for motion picture and
48 television development among taxpayers in order of priority based upon
49 the date of filing of an application for allocation of the independent
50 film production credit with such office within each application period.
51 If the commissioner of economic development determines that the aggre-
52 gate amount of tax credits available for an application period under
53 paragraph one of this subdivision have been previously allocated, and
54 determines that the pending applications from eligible applicants for
55 the other application period in such calendar year is insufficient to
56 utilize the balance of unallocated tax credits for such period, then

1 such commissioner may allocate to productions eligible under such para-
2 graph any credits that remain unallocated for such period pursuant to
3 paragraph two of this subdivision. Provided, however, the total amount
4 of allocated credits applied in any calendar year shall not exceed the
5 aggregate amount of tax credits allowed for such year under this
6 section.

7 (f) (1) The commissioner of economic development shall reduce by one-
8 half of one percent the amount of credit allowed to a taxpayer and this
9 reduced amount shall be reported on a certificate of tax credit issued
10 pursuant to this section and the regulations promulgated by the commis-
11 sioner of economic development to implement this credit program.

12 (2) By January thirty-first of each year, the commissioner of economic
13 development shall report to the comptroller the total amount of such
14 reductions of tax credit during the immediately preceding calendar year.
15 On or before March thirty-first of each year, the comptroller shall
16 transfer without appropriations from the general fund to the empire
17 state entertainment diversity job training development fund established
18 under section ninety-seven-ff of the state finance law an amount equal
19 to the total amount of such reductions reported by the commissioner of
20 economic development for the immediately preceding calendar year.

21 (g) Credit recapture. If a certificate of tax credit issued by the
22 department of economic development pursuant to this section is revoked
23 by such department because the taxpayer does not meet the eligibility
24 requirements of this section, the amount of credit described in this
25 section and claimed by the taxpayer prior to that revocation shall be
26 added back to tax in the taxable year in which any such revocation
27 becomes final.

28 § 10. Section 210-B of the tax law is amended by adding a new subdivi-
29 sion 20-a to read as follows:

30 20-a. Empire state independent film production credit. (a) Allowance
31 of credit. A taxpayer who is eligible pursuant to section twenty-four-d
32 of this chapter shall be allowed a credit to be computed as provided in
33 such section twenty-four-d against the tax imposed by this article.

34 (b) Application of credit. The credit allowed under this subdivision
35 for any taxable year shall not reduce the tax due for such year to less
36 than the fixed dollar minimum amount prescribed in paragraph (d) of
37 subdivision one of section two hundred ten of this article. Provided,
38 however, that if the amount of the credit allowable under this subdivi-
39 sion for any taxable year reduces the tax to such amount or if the
40 taxpayer otherwise pays tax based on the fixed dollar minimum amount,
41 the excess shall be treated as an overpayment of tax to be credited or
42 refunded in accordance with the provisions of section one thousand
43 eighty-six of this chapter. Provided, however, the provisions of
44 subsection (c) of section one thousand eighty-eight of this chapter
45 notwithstanding, no interest shall be paid thereon.

46 § 11. Section 606 of the tax law is amended by adding a new subsection
47 (gg-1) to read as follows:

48 (gg-1) Empire state independent film production credit. (1) Allowance
49 of credit. A taxpayer who is eligible pursuant to section twenty-four-d
50 of this chapter shall be allowed a credit to be computed as provided in
51 such section twenty-four-d against the tax imposed by this article.

52 (2) Application of credit. If the amount of the credit allowable under
53 this subsection for any taxable year exceeds the taxpayer's tax for such
54 year, the excess shall be treated as an overpayment of tax to be credit-
55 ed or refunded as provided in section six hundred eighty-six of this
56 article, provided, however, that no interest shall be paid thereon.

§ 12. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (lii) to read as follows:

(lii) Empire state film
production credit under
subsection (gg-1)

Amount of credit for qualified
production costs in production of
a qualified film under
subdivision twenty-a of
section two hundred ten-B

§ 13. This act shall take effect immediately and shall apply to initial applications received on or after January 1, 2025, provided, however, that the amendments to paragraph 4 of subdivision (e) of section 24 of the tax law made by section three of this act shall take effect on the same date and in the same manner as section 6 of chapter 683 of the laws of 2019, takes effect.

PART J

Section 1. Subdivision 13 of section 492 of the economic development law, as added by section 2 of part AAA of chapter 56 of the laws of 2024, is amended to read as follows:

13. "Independently owned" shall mean a business entity that is not[+
~~(a)] a publicly traded entity or no more than five percent of the bene-
ficial ownership of which is owned, directly or indirectly by a publicly
traded entity[; (b) a subsidiary; and (c) any other criteria that the
department shall determine via regulations to ensure the business is not
controlled by another business entity].~~

§ 2. This act shall take effect immediately and apply to taxable years beginning on or after January 1, 2025.

PART K

Section 1. Subdivision (b) of section 45 of the tax law, as added by section 1 of part 00 of chapter 59 of the laws of 2022, is amended to read as follows:

(b) Allocation of credit. The aggregate amount of tax credits allowed under this section, subdivision fifty-five of section two hundred ten-B and subsection (nnn) of section six hundred six of this chapter in any taxable year shall be five million dollars. Such credit shall be allocated by the department of economic development in order of priority based upon the date of filing an application for allocation of digital gaming media production credit with such office. If the total amount of allocated credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for such year under this section, such excess shall be treated as having been applied for on the first day of the subsequent taxable year. Provided, however, that for taxable years beginning on or after January first, two thousand twenty-three, if the total amount of allocated credits applied for in any particular year is less than the aggregate amount of tax credits allowed for such year under this section, any unused portion may be carried over and added to the aggregate amount of credits allowed in the next succeeding taxable year or years.

§ 2. This act shall take effect immediately.

PART L

Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establishing the New York state council on the arts cultural program fund, as amended by section 1 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

§ 6. This act shall take effect immediately; provided however, that sections one, two, three and four of this act shall apply to taxable years beginning on or after January 1, 2021, and before January 1, ~~2026~~ 2028 and shall expire and be deemed repealed January 1, ~~2026~~ 2028; provided further, however that the obligations under paragraph 3 of subdivision (g) of section 24-c of the tax law, as added by section one of this act, shall remain in effect until December 31, ~~2027~~ 2029.

§ 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section 24-c of the tax law, as amended by section 3 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

(i) "The credit period of a qualified New York city musical and theatrical production company" is the period starting on the production start date and ending on the earlier of the date the qualified musical and theatrical production has expended sufficient qualified production expenditures to reach its credit cap, September thirtieth, two thousand ~~twenty-five~~ twenty-seven or the date the qualified musical and theatrical production closes.

§ 3. Subdivision (c) of section 24-c of the tax law, as amended by section 4 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

(c) The credit shall be allowed for the taxable year beginning on or after January first, two thousand twenty-one but before January first, two thousand ~~twenty-six~~ twenty-eight. A qualified New York city musical and theatrical production company shall claim the credit in the year in which its credit period ends.

§ 4. Subdivision (f) of section 24-c of the tax law, as added by section 1 of subpart B of part PP of chapter 59 of the laws of 2021, paragraphs 1 and 2 as amended by section 5 of subpart E of part I of chapter 59 of the laws of 2023, is amended to read as follows:

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

(2) The commissioner of economic development, after consulting with the commissioner, shall promulgate regulations to establish procedures for the allocation of tax credits as required by this section. Such rules and regulations shall include provisions describing the application process, the due dates for such applications, the standards that will be used to evaluate the applications, the documentation that will be provided by applicants to substantiate to the department the amount of qualified production expenditures of such applicants, and such other provisions as deemed necessary and appropriate. Notwithstanding any other provisions to the contrary in the state administrative procedure act, such rules and regulations may be adopted on an emergency basis. In no event shall a qualified New York city musical and theatrical production submit an application for this program after June thirtieth, two thousand ~~twenty-five~~ twenty-seven.

1 § 5. This act shall take effect immediately; provided, however, that
2 the amendments to section 24-c of the tax law, made by sections two,
3 three and four of this act, shall not affect the repeal of such section
4 and shall be deemed to be repealed therewith.

5 PART M

6 Section 1. Section 35 of the tax law, as added by section 12 of part U
7 of chapter 61 of the laws of 2011, is amended to read as follows:

8 § 35. Use of electronic means of communication. Notwithstanding any
9 other provision of New York state law, where the department has obtained
10 authorization of an online services account holder, in such form as may
11 be prescribed by the commissioner, the department may use electronic
12 means of communication to furnish any document it is required to mail
13 per law or regulation. If the department furnishes such document in
14 accordance with this section, department records of such transaction
15 shall constitute appropriate and sufficient proof of delivery thereof
16 and be admissible in any action or proceeding. Provided, however, that
17 if a taxpayer uses a department system to access taxpayer information,
18 including, but not limited to, notices, documents and account balance
19 information, that is not an electronic communication furnished in lieu
20 of mailing in accordance with this section, such accessed information
21 shall not give the taxpayer the right to a hearing in the division of
22 tax appeals, unless the right to protest such information is expressly
23 authorized by this chapter or another provision of law.

24 § 2. Subdivision 1 of section 2008 of the tax law, as amended by
25 section 3 of subpart C of part V-1 of chapter 57 of the laws of 2009, is
26 amended to read as follows:

27 1. All proceedings in the division of tax appeals shall be commenced
28 by the filing of a petition with the division of tax appeals protesting
29 any written notice of the division of taxation, including any electronic
30 notice provided in accordance with section thirty-five of this chapter,
31 which has advised the petitioner of a tax deficiency, a determination of
32 tax due, a denial of a refund or credit application, a cancellation,
33 revocation or suspension of a license, permit or registration, a denial
34 of an application for a license, permit or registration or any other
35 notice which expressly gives a person the right to a hearing in the
36 division of tax appeals under this chapter or other law. Provided,
37 however, that any written communications of the division of taxation
38 that advise a taxpayer of a past-due tax liability, as defined in
39 section one hundred seventy-one-v of this chapter, shall not give a
40 person the right to a hearing in the division of tax appeals.

41 § 3. This act shall take effect immediately.

42 PART N

43 Section 1. Section 6 of the tax law, as added by chapter 765 of the
44 laws of 1985, is amended to read as follows:

45 § 6. Filing of electronic warrants and warrant-related records in the
46 department of state. ~~[Wherever under the provisions]~~ 1. Notwithstanding
47 any provision of this chapter ~~or a [warrant is required to]~~ related
48 statute to the contrary, all warrants and warrant-related records issued
49 by the department shall be filed electronically by the department in the
50 department of state ~~[in order to create a lien on personal property such~~
51 ~~requirement shall be satisfied if there is filed a record of the fact of~~
52 ~~the issuance of such warrant, including the name of the person on the~~

~~basis of whose tax liability the warrant is issued, the last known address of such person, and the amount of such tax liability, including penalties and interest].~~ No fee shall be required to be paid for such ~~[filing of such warrant or such record]~~ filings. ~~[The term "filed" in such provisions shall mean presentation to the department of state, for filing, of such warrant or such record.]~~ On the date of the electronic filing of a warrant, as confirmed by the department of state pursuant to subdivision five of this section:

(a) the amount of the tax stated in the warrant shall become a lien upon the title to and interest in all real, personal or other property located in New York state, owned by the person or persons named in the warrant. The lien so created shall:

(i) attach to all real property and rights to real property located in New York state that is owned by the person or persons named in the warrant at any time during the period of the lien, including any real property or rights to real property located in New York state that is acquired by such person or persons after the lien arises; and

(ii) apply to all personal or other property and rights to personal or other property located in New York state that is owned by the person or persons named in the warrant at any time during the period of the lien, including any personal or other property or rights to personal or other property located in New York state that is acquired by such person or persons after the lien arises; and

(b) the commissioner shall, in the right of the people of the state of New York, be deemed to have obtained a judgment against the person or persons named in the warrant for the amount of the tax stated in the warrant.

2. Enforcement of a judgment obtained pursuant to subdivision one of this section shall be as prescribed in article fifty-two of the civil practice law and rules.

3. A written or electronic copy of any electronic warrant or warrant-related record filed in the department of state shall be filed by the department in the office of the clerk of the county named in the warrant or warrant-related record.

4. Notwithstanding any provision of this chapter or a related statute to the contrary, all warrant-related records issued by the department that are authorized by applicable laws, including, but not limited to, warrant satisfactions, vacatur, amendments and expirations, and any warrant-related record issued by the department on or after July first, two thousand twenty-five that pertains to a warrant filed prior to July first, two thousand twenty-five, shall be filed electronically by the department in the department of state. No fee shall be required to be paid for such filings. A written or electronic copy of the electronic warrant-related record filed in the department of state shall be filed by the department in the office of the clerk of the county named in the warrant-related record.

5. The department shall file warrants and warrant-related records electronically with the department of state. The department of state shall provide electronic notice to the department confirming the date of filing of the warrants and warrant-related records. The department of state shall also make information regarding the warrants and warrant-related records, including the date of filing, available to the public and searchable by the name of the person or persons listed in the tax warrant. Upon request of the commissioner, the department of state shall certify that a warrant or warrant-related record has been filed and the date of such filing.

6. Notwithstanding any other provision of this chapter concerning the place of filing of a tax warrant and the creation thereby of a tax lien and judgment, the provisions of this section shall govern such matters for purposes of any taxes imposed by or pursuant to this chapter.

§ 2. Subdivision 1 of section 174-a of the tax law, as added by chapter 176 of the laws of 1997, is amended to read as follows:

1. General rule. Notwithstanding any provision of law to the contrary, the provisions of the civil practice law and rules relating to the duration of a lien of a docketed judgment in and upon real property of a judgment debtor, and the extension of any such lien, shall apply to any warrant or other warrant-related document electronically filed on behalf of the commissioner against a taxpayer with the ~~[clerk of a county wherein such taxpayer owns or has an interest in real property]~~ department of state, whether such warrant is being enforced by a sheriff or an officer or employee of the department.

§ 3. Section 175 of the tax law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

§ 175. Manner of execution of instruments by the commissioner. Notwithstanding any other provision of law, whenever a statute authorizes or requires the commissioner to execute an instrument, such instrument shall be executed by having the name or title of the commissioner appear on such instrument and, underneath such name or title, such instrument shall be signed by the commissioner or by a deputy tax commissioner or by the secretary to such commissioner~~[, and the]~~. An electronic signature may be used in lieu of a signature affixed by hand pursuant to article three of the state technology law. The seal of such commissioner ~~[shall]~~ may be affixed or ~~[shall]~~ appear on such instrument as a facsimile which is engraved, printed or reproduced in any other manner. No acknowledgment of the execution of any such instrument shall be necessary for the purpose of the recordation thereof or for any other purpose.

§ 4. This act shall take effect July 1, 2025 and shall apply to warrants and warrant-related records pertaining to such warrants filed, or deemed to have been filed, on or after such date; provided, however, that the department of taxation and finance and the department of state are authorized to take any steps necessary to implement this act on or before such effective date.

PART 0

Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real property tax law, as amended by section 1 of part RR of chapter 59 of the laws of 2019, is amended to read as follows:

(b-1) Income. For final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve through two thousand eighteen-two thousand nineteen school years, the parcel's affiliated income may be no greater than five hundred thousand dollars, as determined by the commissioner pursuant to subdivision fourteen of this section or section one hundred seventy-one-u of the tax law, in order to be eligible for the basic exemption authorized by this section. Beginning with the two thousand nineteen-two thousand twenty school year, for purposes of the exemption authorized by this section, the parcel's affiliated income may be no greater than two hundred fifty thousand dollars, as so determined. As used herein, the term "affiliated income" shall mean the combined income of all of the owners of the parcel who resided primarily thereon on the applicable taxable status date, and of any owners' spouses residing primarily thereon. For exemptions on final

assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year, affiliated income shall be determined based upon the parties' incomes for the income tax year ending in two thousand nine. In each subsequent school year, the applicable income tax year shall be advanced by one year. The term "income" as used herein shall have the same meaning as in subdivision four of this section, and the provisions of clause (B) of subparagraph (ii) of paragraph (b) of subdivision four of this section shall be equally applicable to the basic exemption.

§ 2. Paragraph (a) of subdivision 4 of section 425 of the real property tax law, as amended by section 4 of part A of chapter 405 of the laws of 1999 and subparagraph (i) as amended by section 2 of part E of chapter 83 of the laws of 2002, is amended to read as follows:

(a) Age. (i) [All] At least one of the owners who resides primarily on the property must be [at least] sixty-five years of age or older as of the date specified herein~~[, or in the case of property owned by husband and wife or by siblings, one of the owners must be at least sixty-five years of age as of that date and the property must serve as the primary residence of that owner]~~. For the two thousand--two thousand one school year, eligibility for the exemption shall be based upon age as of December thirty-first, two thousand. For each subsequent school year, the applicable date shall be advanced by one year.

(ii) ~~[The term "siblings" as used herein shall have the same meaning as set forth in section four hundred sixty-seven of this article.~~

~~(iii)]~~ In the case of property owned by ~~[husband and wife, one of whom]~~ a married couple, if only one of the spouses is sixty-five years of age or over, the exemption, once granted, shall not be rescinded solely because of the death of the older spouse so long as the surviving spouse is at least sixty-two years of age as of the date specified in this paragraph.

§ 3. The opening paragraph of subparagraph (i) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, as amended by section 3 of part E of chapter 83 of the laws of 2002, is amended to read as follows:

The combined income of all of the owners who primarily reside on the property, and of any owners' spouses primarily residing on the ~~[premises]~~ property, may not exceed the applicable income standard specified herein.

§ 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, as amended by section 1 of part B of chapter 59 of the laws of 2018, is amended to read as follows:

(ii) The term "income" as used herein shall mean the "adjusted gross income" for federal income tax purposes as reported on the applicant's federal or state income tax return for the applicable income tax year, subject to any subsequent amendments or revisions, reduced by distributions, to the extent included in federal adjusted gross income, received from an individual retirement account and an individual retirement annuity; provided that if no such return was filed for the applicable income tax year, "income" shall mean the ~~[adjusted gross income]~~ amount that would have been so reported if such a return had been filed. Provided further, that ~~[effective]~~:

(A) Effective with exemption applications for final assessment rolls to be completed in two thousand nineteen, where an income-eligibility determination is wholly or partly based upon the income of one or more individuals who did not file a return for the applicable income tax year, then in order for the application to be considered complete, each

1 such individual must file a statement with the department showing the
2 source or sources of ~~[his or her]~~ such individual's income for that
3 income tax year, and the amount or amounts thereof, that would have been
4 reported on such a return if one had been filed. Such statement shall be
5 filed at such time, and in such form and manner, as may be prescribed by
6 the department, and shall be subject to the secrecy provisions of the
7 tax law to the same extent that a personal income tax return would be.
8 The department shall make such forms and instructions available for the
9 filing of such statements. The local assessor shall upon the request of
10 a taxpayer assist such taxpayer in the filing of the statement with the
11 department.

12 (B) Notwithstanding the foregoing provisions of this subparagraph,
13 where property is owned solely by a person or persons who received the
14 exemption for three consecutive years without having filed returns for
15 the applicable income tax years, but who demonstrated their eligibility
16 for the exemption to the commissioner's satisfaction by filing state-
17 ments pursuant to clause (A) of this subparagraph, such person or
18 persons shall be presumed to satisfy the applicable income-eligibility
19 requirements each year thereafter and shall not be required to continue
20 to file such statements in the absence of a specific request therefor
21 from the commissioner. Nothing contained herein shall be construed to
22 prevent the commissioner from denying an exemption pursuant to this
23 section when the commissioner determines that a property owner has a
24 source of income that renders that owner ineligible for that exemption.

25 § 5. Clauses (C) and (D) of subparagraph (iv) of paragraph (b) of
26 subdivision 4 of section 425 of the real property tax law are REPEALED
27 and a new clause (C) is added to read as follows:

28 (C) When the commissioner determines that property is ineligible for a
29 STAR exemption, notice of such determination and an opportunity for
30 review thereof shall be provided in the manner set forth in subdivision
31 four-b of this section.

32 § 6. Section 425 of the real property tax law is amended by adding a
33 new subdivision 4-b to read as follows:

34 4-b. Authority of the commissioner in relation to eligibility determi-
35 nations. (a) (i) Notwithstanding any provision of this section to the
36 contrary, it shall be the responsibility of the commissioner to deter-
37 mine eligibility for the basic and enhanced STAR exemptions authorized
38 by this section, in consultation with local assessors as necessary.

39 (ii) The commissioner's eligibility determinations shall be based upon
40 data the commissioner has obtained from local assessment rolls, personal
41 income tax returns, the STAR registration program, the STAR income
42 verification program and such other data sources as may be available to
43 the commissioner.

44 (iii) The process followed by the commissioner to verify eligibility
45 for the basic and enhanced STAR exemptions shall be the same, except to
46 the extent that differences are required by law.

47 (b) If the commissioner should determine that a parcel that has a
48 basic STAR exemption is eligible for an enhanced STAR exemption, the
49 commissioner shall so notify the assessor. The assessor shall thereupon
50 grant the parcel an enhanced STAR exemption without requesting a new
51 application from the owner.

52 (c) If the commissioner determines that property is not eligible for a
53 STAR exemption it has been receiving, the provisions of this subdivision
54 shall be applicable.

55 (i) The commissioner shall provide the property owners with notice and
56 an opportunity to show the commissioner that the property is eligible to

1 receive the exemption. If the owners fail to respond to such notice
2 within forty-five days from the mailing thereof, or if their response
3 does not show to the commissioner's satisfaction that the property is
4 eligible for the exemption, the commissioner shall direct the assessor
5 or other person having custody or control of the assessment roll or tax
6 roll to remove or deny the exemption, and to correct the roll according-
7 ly. Such a directive shall be binding upon the assessor or other person
8 having custody or control of the assessment roll or tax roll, and shall
9 be implemented by such person without the need for further documentation
10 or approval.

11 (ii) Neither an assessor nor a board of assessment review has the
12 authority to consider an objection to the removal or denial of an
13 exemption pursuant to this subdivision, nor may such an action be
14 reviewed in a proceeding to review an assessment pursuant to title one
15 or one-A of article seven of this chapter. Such an action may only be
16 challenged before the department of taxation and finance. If a taxpayer
17 is dissatisfied with the department's final determination, the taxpayer
18 may appeal that determination to the state board of real property tax
19 services in a form and manner to be prescribed by the commissioner. Such
20 appeal shall be filed within forty-five days from the issuance of the
21 department's final determination. If dissatisfied with the state board
22 of real property tax services' determination, the taxpayer may seek
23 judicial review thereof pursuant to article seventy-eight of the civil
24 practice law and rules. The taxpayer shall otherwise have no right to
25 challenge such final determination in a court action, administrative
26 proceeding or any other form of legal recourse against the commissioner,
27 the department of taxation and finance, the state board of real property
28 tax services, the assessor or other person having custody or control of
29 the assessment roll or tax roll regarding such action.

30 § 7. The section heading of section 171-u of the tax law, as added by
31 section 2 of part FF of chapter 57 of the laws of 2010, is amended to
32 read as follows:

33 Verification of [~~income~~] eligibility for [~~basic~~] STAR exemption.

34 § 8. Subdivisions 1, 2, 3 and 4 of section 171-u of the tax law are
35 REPEALED, subdivision 5 is renumbered to be subdivision 2, and a new
36 subdivision 1 is added to read as follows:

37 (1) The commissioner shall verify the eligibility of properties for
38 STAR exemptions in the manner provided by section four hundred twenty-
39 five of the real property tax law.

40 § 9. Subparagraphs (B) and (E) of paragraph 1 of subsection (eee) of
41 section 606 of the tax law, subparagraph (B) as amended by section 10 of
42 part B of chapter 59 of the laws of 2018 and subparagraph (E) as amended
43 by section 2 of part H of chapter 59 of the laws of 2017, are amended to
44 read as follows:

45 (B) (i) "Affiliated income" shall mean [~~for purposes of the basic STAR~~
46 ~~credit,~~] the combined income of all of the owners of the parcel who
47 resided primarily thereon as of [~~December thirty-first~~] July first of
48 the taxable year, and of any owners' spouses residing primarily thereon
49 as of such date[, ~~and for purposes of the enhanced STAR credit, the~~
50 ~~combined income of all of the owners of the parcel as of December thir-~~
51 ~~ty first of the taxable year, and of any owners' spouses residing prima-~~
52 ~~rily thereon as of such date; provided that for both purposes~~]; provided
53 that the income to be so combined shall be the "adjusted gross income"
54 for the taxable year as reported for federal income tax purposes, or
55 that would be reported as adjusted gross income if a federal income tax
56 return were required to be filed, reduced by distributions, to the

1 extent included in federal adjusted gross income, received from an indi-
2 vidual retirement account and an individual retirement annuity.

3 (ii) For taxable years beginning on and after January first, two thou-
4 sand nineteen, where an income-eligibility determination is wholly or
5 partly based upon the income of one or more individuals who did not file
6 a return pursuant to section six hundred fifty-one of this article for
7 the applicable income tax year, then in order to be eligible for the
8 credit authorized by this subsection, each such individual must file a
9 statement with the department showing the source or sources of ~~[his or~~
10 ~~her]~~ such individual's income for that income tax year, and the amount
11 or amounts thereof, that would have been reported on such a return if
12 one had been filed. Such statement shall be filed at such time, and in
13 such form and manner, as may be prescribed by the department, and shall
14 be subject to the provisions of section six hundred ninety-seven of this
15 article to the same extent that a return would be. The department shall
16 make such forms and instructions available for the filing of such state-
17 ments. The local assessor shall upon the request of a taxpayer assist
18 such taxpayer in the filing of the statement with the department.

19 ~~[Provided further, that if the qualified taxpayer was an owner of the~~
20 ~~property during the taxable year but did not own it on December thirty-~~
21 ~~first of the taxable year, then the determination as to whether the~~
22 ~~income of an individual should be included in "affiliated income" shall~~
23 ~~be based upon the ownership and/or residency status of that individual~~
24 ~~as of the first day of the month during which the qualified taxpayer~~
25 ~~ceased to be an owner of the property, rather than as of December thir-~~
26 ~~ty first of the taxable year.]~~

27 (iii) Notwithstanding the foregoing provisions of this subparagraph,
28 where property is owned solely by a person or persons who received the
29 credit for three consecutive years without having filed returns for the
30 applicable income tax years, but who demonstrated their eligibility for
31 the credit to the commissioner's satisfaction by filing statements
32 pursuant to clause (ii) of this subparagraph, such person or persons
33 shall be presumed to satisfy the applicable income-eligibility require-
34 ments each year thereafter and shall not be required to continue to file
35 such statements in the absence of a specific request therefor from the
36 commissioner. Nothing contained herein shall be construed to prevent the
37 commissioner from denying a credit pursuant to this subsection when the
38 commissioner determines that a property owner has a source of income
39 that renders that owner temporarily or permanently ineligible for that
40 credit.

41 (E) "Qualifying taxes" means the school district taxes that were or
42 are to be levied upon the taxpayer's primary residence for the associ-
43 ated fiscal year ~~[that were actually paid by the taxpayer during the~~
44 ~~taxable year]~~; or, in the case of a city school district that is subject
45 to article fifty-two of the education law, the combined city and school
46 district taxes that were or are to be levied upon the taxpayer's primary
47 residence for the associated fiscal year ~~[that were actually paid by the~~
48 ~~taxpayer during the taxable year]~~. Provided, however, that in the case
49 of a cooperative apartment, "qualifying taxes" means the school district
50 taxes that would have been levied upon the tenant-stockholder's primary
51 residence if it were separately assessed, as determined by the commis-
52 sioner based on the statement provided by the assessor pursuant to
53 subparagraph (ii) of paragraph (k) of subdivision two of section four
54 hundred twenty-five of the real property tax law, or in the case of a
55 cooperative apartment corporation that is described in subparagraph (iv)
56 of paragraph (k) of subdivision two of section four hundred twenty-five

1 of the real property tax law, one third of such amount. In no case shall
2 the term "qualifying taxes" be construed to include penalties or inter-
3 est.

4 § 10. Paragraph 2 of subsection (eee) of section 606 of the tax law is
5 REPEALED.

6 § 11. The opening paragraph of subparagraph (A) of paragraph 4 and
7 clause (i) of subparagraph (A) of paragraph 4 of subsection (eee) of
8 section 606 of the tax law, as amended by section 8 of part A of chapter
9 73 of the laws of 2016, are amended to read as follows:

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

13 (i) [~~All~~] At least one of the owners of the parcel that serves as the
14 taxpayer's primary residence [~~are~~] is at least sixty-five years of age
15 as of December thirty-first of the taxable year [~~or, in the case of~~
16 ~~property owned by a married couple or by siblings, at least one of the~~
17 ~~owners is at least sixty-five years of age as of that date. The terms~~
18 ~~"siblings" as used herein shall have the same meaning as set forth in~~
19 ~~section four hundred sixty-seven of the real property tax law~~]. In the
20 case of property owned by a married couple, [~~one of whom~~] if only one of
21 the spouses is sixty-five years of age or over, the credit, once
22 allowed, shall not be disallowed because of the death of the older
23 spouse so long as the surviving spouse is at least sixty-two years of
24 age as of December thirty-first of the taxable year.

25 § 12. Subsection (eee) of section 606 of the tax law is amended by
26 adding a new paragraph 14 to read as follows:

27 (14) The process employed by the commissioner in verifying eligibility
28 for the basic STAR credit shall be the same as for the enhanced STAR
29 credit, except to the extent that differences are required by law.

30 § 13. This act shall take effect immediately; provided, however, that
31 sections 2, 3, 5, 6, 7, 8, 11 and 12 of this act shall take effect Janu-
32 ary 1, 2026; and the amendments to clause (i) of subparagraph (B) of
33 paragraph 1 of subsection (eee) of section 606 of the tax law, as added
34 by section nine of this act, shall take effect on January 1, 2026.

35 PART P

36 Intentionally Omitted

37 PART Q

38 Intentionally Omitted

39 PART R

40 Section 1. Subdivision (a) of section 213-a of the tax law, as amended
41 by chapter 166 of the laws of 1991, is amended to read as follows:

42 (a) Requirement of declaration.--Every taxpayer subject to the tax
43 imposed by section two hundred nine of this [~~chapter~~] article shall make
44 a declaration of its estimated tax for the current privilege period,
45 containing such information as the commissioner of taxation and finance
46 may prescribe by regulations or instructions, if such estimated tax can
47 reasonably be expected to exceed one thousand dollars for taxable years
48 beginning before January first, two thousand twenty-six, or five thou-

sand dollars for taxable years beginning on or after January first, two thousand twenty-six. If a taxpayer is subject to the tax surcharge imposed under section two hundred nine-B of this article and such taxpayer's estimated tax under section two hundred nine of this article can reasonably be expected to exceed one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, such taxpayer shall also make a declaration of its estimated tax surcharge for the current privilege period.

§ 2. Subdivision (a) of section 213-b of the tax law, as amended by section 4 of part Z of chapter 59 of the laws of 2019, is amended to read as follows:

(a) First installments for certain taxpayers.--In privilege periods of twelve months ending at any time during the calendar year nineteen hundred seventy and thereafter, every taxpayer subject to the tax imposed by section two hundred nine of this ~~[chapter]~~ article must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, for taxable years beginning before January first, two thousand sixteen, and must pay on or before the fifteenth day of the third month of such privilege periods, for taxable years beginning on or after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the second preceding year's tax if the second preceding year's tax exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the second preceding year's tax if the second preceding year's tax exceeded one hundred thousand dollars. If the second preceding year's tax under section two hundred nine of this ~~[chapter]~~ article exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, and the taxpayer is subject to the tax surcharge imposed by section two hundred nine-B of this ~~[chapter]~~ article, the taxpayer must also pay with the tax surcharge report required to be filed for the second preceding privilege period, or with an application for extension of the time for filing the report, for taxable years beginning before January first, two thousand sixteen, and must pay on or before the fifteenth day of the third month of such privilege periods, for taxable years beginning on or after January first, two thousand sixteen, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed for the second preceding year if the second preceding year's tax exceeded one hundred thousand dollars. Provided, however, that every taxpayer that is a New York S corporation must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, an amount equal to (i) twenty-five percent of the preceding year's tax if the preceding year's tax exceeded one thousand dollars for taxable years beginning before January first, two thousand twenty-six, or five thousand dollars for taxable years beginning on or after January first, two thousand twenty-six, but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the preceding year's tax if the preceding year's tax exceeded one hundred thousand dollars.

§ 3. This act shall take effect immediately.

PART S

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

(qqq) Organ donation credit. (1) For taxable years beginning on or after January first, two thousand twenty-five, a full-year resident taxpayer who, while living, donates one or more of their human organs to another human being for human organ transplantation will be allowed a credit against the taxes imposed by this article in the amount specified in paragraph two of this subsection. For purposes of this paragraph, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow.

(2) A taxpayer may claim the credit allowed under this subsection only once and in the taxable year in which the human organ transplantation occurs. Such credit may be claimed, in an amount not to exceed ten thousand dollars, for only the following unreimbursed expenses that are incurred by the taxpayer and related to the taxpayer's organ donation:

(A) travel expenses;

(B) lodging expenses; and

(C) lost wages.

Provided, however, that this credit shall not apply to any organ donation for which the taxpayer has received benefits under section forty-three hundred seventy-one of the public health law.

(3) If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 2. Paragraph 38 of subsection (c) of section 612 of the tax law, as added by chapter 565 of the laws of 2006, the opening paragraph as amended by chapter 814 of the laws of 2022, is amended to read as follows:

(38) [An] For taxable years beginning before January first, two thousand twenty-five, an amount of up to ten thousand dollars if a taxpayer, while living, donates one or more of ~~[his or her]~~ the taxpayer's human organs to another human being for human organ transplantation. For purposes of this paragraph, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract modification allowed under this paragraph shall be claimed in the taxable year in which the human organ transplantation occurs. Provided, however, that this deduction shall not apply to any donation for which the taxpayer has received benefits under section forty-three hundred seventy-one of the public health law.

(A) A taxpayer shall claim the subtract modification allowed under this paragraph only once and such subtract modification shall be claimed for only the following unreimbursed expenses which are incurred by the taxpayer and related to the taxpayer's organ donation:

(i) travel expenses;

(ii) lodging expenses; and

(iii) lost wages.

(B) The subtract modification allowed under this paragraph shall not be claimed by a part-year resident or a non-resident of this state.

§ 3. This act shall take effect immediately.

1

PART T

2 Section 1. Paragraph 3 of subsection (a) of section 954 of the tax
3 law, as amended by section 1 of part F of chapter 59 of the laws of
4 2019, is amended to read as follows:

5 (3) Increased by the amount of any taxable gift under section 2503 of
6 the internal revenue code not otherwise included in the decedent's
7 federal gross estate, made during the three year period ending on the
8 decedent's date of death, but not including any gift made: (A) when the
9 decedent was not a resident of New York state; or (B) before April
10 first, two thousand fourteen; or (C) between January first, two thousand
11 nineteen and January fifteenth, two thousand nineteen; or (D) that is
12 real or tangible personal property having an actual situs outside New
13 York state at the time the gift was made. Provided, however that this
14 paragraph shall not apply to the estate of a decedent dying on or after
15 January first, two thousand [~~twenty-six~~] thirty-two.

16 § 2. This act shall take effect immediately.

17

PART U

18 Section 1. Paragraphs (c) and (d) of subdivision 12 of section 210-B
19 of the tax law, as added by section 17 of part A of chapter 59 of the
20 laws of 2014, are amended to read as follows:

21 (c) Amount of credit. Except as provided in paragraph (d) of this
22 subdivision, the amount of credit for taxable years beginning before
23 January first, two thousand twenty-five shall be thirty-five percent of
24 the first six thousand dollars in qualified first-year wages earned by
25 each qualified employee and for taxable years beginning on or after
26 January first, two thousand twenty-five shall be the first five thousand
27 dollars in qualified first-year wages earned by each qualified employee.
28 "Qualified first-year wages" means wages paid or incurred by the taxpay-
29 er during the taxable year to qualified employees which are attribut-
30 able, with respect to any such employee, to services rendered during the
31 one-year period beginning with the day the employee begins work for the
32 taxpayer.

33 (d) Credit where federal work opportunity tax credit applies. With
34 respect to any qualified employee whose qualified first-year wages under
35 paragraph (c) of this subdivision also constitute qualified first-year
36 wages for purposes of the work opportunity tax credit for vocational
37 rehabilitation referrals under section fifty-one of the internal revenue
38 code, the amount of credit under this subdivision for taxable years
39 beginning before January first, two thousand twenty-five shall be thir-
40 ty-five percent of the first six thousand dollars in qualified second-
41 year wages earned by each such employee and for taxable years beginning
42 on or after January first, two thousand twenty-five shall be the first
43 five thousand dollars in qualified second-year wages earned by each
44 qualified employee. "Qualified second-year wages" means wages paid or
45 incurred by the taxpayer during the taxable year to qualified employees
46 which are attributable, with respect to any such employee, to services
47 rendered during the one-year period beginning one year after the employ-
48 ee begins work for the taxpayer.

49 § 2. Paragraphs 3 and 4 of subsection (o) of section 606 of the tax
50 law, as added by chapter 142 of the laws of 1997, are amended to read as
51 follows:

52 (3) Amount of credit. Except as provided in paragraph four of this
53 subsection, the amount of credit for taxable years beginning before

1 January first, two thousand twenty-five shall be thirty-five percent of
2 the first six thousand dollars in qualified first-year wages earned by
3 each qualified employee and for taxable years beginning on or after
4 January first, two thousand twenty-five shall be the first five thousand
5 dollars in qualified first-year wages earned by each qualified employee.

6 "Qualified first-year wages" means wages paid or incurred by the taxpayer
7 during the taxable year to qualified employees which are attributable,
8 with respect to any such employee, to services rendered during the
9 one-year period beginning with the day the employee begins work for the
10 taxpayer.

11 (4) Credit where federal work opportunity tax credit applies. With
12 respect to any qualified employee whose qualified first-year wages under
13 paragraph three of this subsection also constitute qualified first-year
14 wages for purposes of the work opportunity tax credit for vocational
15 rehabilitation referrals under section fifty-one of the internal revenue
16 code, the amount of credit under this subsection shall be for taxable
17 years beginning before January first, two thousand twenty-five thirty-
18 five percent of the first six thousand dollars in qualified second-year
19 wages earned by each such employee and for taxable years beginning on or
20 after January first, two thousand twenty-five shall be the first five
21 thousand dollars in qualified second-year wages earned by each qualified
22 employee. "Qualified second-year wages" means wages paid or incurred by
23 the taxpayer during the taxable year to qualified employees which are
24 attributable, with respect to any such employee, to services rendered
25 during the one-year period beginning one year after the employee begins
26 work for the taxpayer.

27 § 3. This act shall take effect immediately.

28 PART V

29 Section 1. Subdivision 3 of section 211 of the tax law, as amended by
30 section 19 of part A of chapter 59 of the laws of 2014, is amended to
31 read as follows:

32 3. If the amount of taxable income for any year of any taxpayer
33 (including any taxpayer which has elected to be taxed under subchapter s
34 of chapter one of the internal revenue code), as returned to the United
35 States treasury department is changed or corrected by the commissioner
36 of internal revenue or other officer of the United States or other
37 competent authority, or where a renegotiation of a contract or subcontract
38 with the United States results in a change in taxable income, such
39 taxpayer shall report such changed or corrected taxable income, or the
40 results of such renegotiation, within ninety days (or one hundred twenty
41 days, in the case of a taxpayer making a combined report under this
42 article for such year) after the final determination of such change or
43 correction or renegotiation, or as required by the commissioner, and
44 shall concede the accuracy of such determination or state wherein it is
45 erroneous. Provided however, if the taxpayer is a direct or indirect
46 partner of a partnership required to report adjustments in accordance
47 with section six hundred fifty-nine-a of this chapter, such taxpayer
48 shall also report such adjustments in accordance with section six
49 hundred fifty-nine-a of this chapter when such adjustments result in an
50 overpayment. The allowance of a tentative carryback adjustment based
51 upon a net operating loss carryback or net capital loss carryback pursuant
52 to section sixty-four hundred eleven of the internal revenue code,
53 as amended, shall be treated as a final determination for purposes of
54 this subdivision. Any taxpayer filing an amended return with such

department shall also file within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined report under this article for such year) thereafter an amended report with the commissioner.

§ 2. Subsection (b) of section 653 of the tax law, as added by chapter 563 of the laws of 1960, is amended to read as follows:

(b) Partnerships. Any return, statement or other document required of a partnership shall be signed by one or more partners. The fact that a partner's name is signed to a return, statement, or other document, shall be prima facie evidence for all purposes that such partner is authorized to sign on behalf of the partnership.

(1) If a partnership is required to report federal adjustments arising from a partnership level audit or an administrative adjustment request pursuant to section six hundred fifty-nine-a of this part, the partnership's federal partnership representative is the New York partnership representative unless the partnership designates, in a manner determined by the commissioner, that another person shall act on behalf of the partnership.

(2) The New York partnership representative shall have the sole authority to act on behalf of the partnership and its direct and indirect partners shall be bound by these actions.

§ 3. Section 659 of the tax law, as amended by section 8 of part J of chapter 59 of the laws of 2014, is amended to read as follows:

§ 659. Report of federal changes, corrections or disallowances. If the amount of a taxpayer's federal taxable income, total taxable amount or ordinary income portion of a lump sum distribution or includible gain of a trust reported on ~~his~~ their federal income tax return for any taxable year, or the amount of a taxpayer's earned income credit or credit for employment-related expenses set forth on such return, or the amount of any federal foreign tax credit affecting the calculation of the credit for Canadian provincial taxes under section six hundred twenty or six hundred twenty-A of this article, or the amount of any claim of right adjustment, is changed or corrected by the United States internal revenue service or other competent authority or as the result of a renegotiation of a contract or subcontract with the United States, or the amount an employer is required to deduct and withhold from wages for federal income tax withholding purposes is changed or corrected by such service or authority or if a taxpayer's claim for credit or refund of federal income tax is disallowed in whole or in part, the taxpayer or employer shall report such change or correction or disallowance within ninety days after the final determination of such change, correction, renegotiation or disallowance, or as otherwise required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. Provided, however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this part, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this part when such adjustments result in an overpayment. The allowance of a tentative carryback adjustment based upon a net operating loss carryback pursuant to section sixty-four hundred eleven of the internal revenue code shall be treated as a final determination for purposes of this section. Any taxpayer filing an amended federal income tax return and any employer filing an amended federal return of income tax withheld shall also file within ninety days thereafter an amended return under this article, and shall give such information as the commissioner may require. The commissioner may by regulation

1 prescribe such exceptions to the requirements of this section as [~~he or~~
2 ~~she deems~~] they deem appropriate. For purposes of this section, (i) the
3 term "taxpayer" shall include a partnership having a resident partner or
4 having any income derived from New York sources, and a corporation with
5 respect to which the taxable year of such change, correction, disallow-
6 ance or amendment is a year with respect to which the election provided
7 for in subsection (a) of section six hundred sixty of this article is in
8 effect, and (ii) the term "federal income tax return" shall include the
9 returns of income required under sections six thousand thirty-one and
10 six thousand thirty-seven of the internal revenue code. In the case of
11 such a corporation, such report shall also include any change or
12 correction of the taxes described in paragraphs two and three of
13 subsection (f) of section thirteen hundred sixty-six of the internal
14 revenue code. Reports made under this section by a partnership or corpo-
15 ration shall indicate the portion of the change in each item of income,
16 gain, loss or deduction (and, in the case of a corporation, of each
17 change in, or disallowance of a claim for credit or refund of, a tax
18 referred to in the preceding sentence) allocable to each partner or
19 shareholder and shall set forth such identifying information with
20 respect to such partner or shareholder as may be prescribed by the
21 commissioner.

22 § 4. The tax law is amended by adding a new section 659-a to read as
23 follows:

24 § 659-a. Reporting of federal partnership adjustments. (a) If any
25 item required to be shown on a federal partnership return, for any part-
26 nership that has a resident partner or any income derived from New York
27 sources, including any gross income, gain, loss, deduction, penalty,
28 credit, or tax for any year of such partnership, including any amount of
29 any partner's distributive share, is changed or corrected by the commis-
30 sioner of internal revenue or other officer of the United States or
31 other competent authority, and the partnership is issued an adjustment
32 under section sixty-two hundred twenty-five of the internal revenue code
33 or makes a federal election for alternative payment with the United
34 States internal revenue service as part of a partnership level audit, or
35 files an administrative adjustment request, the partnership shall
36 report, in the manner prescribed by the commissioner, each change or
37 correction in sufficient detail to allow for the computation of the New
38 York tax change or correction for the reviewed year within ninety days
39 after the date of each final federal determination, or ninety days after
40 the filing of an administrative adjustment request.

41 (b) Definitions. As used in this section, the following terms shall
42 have the following meanings:

43 (1) "Administrative adjustment request" means an administrative
44 adjustment request filed by a partnership under section sixty-two
45 hundred twenty-seven of the internal revenue code.

46 (2) "Direct partner" means a partner that holds an interest directly
47 in an impacted partnership during the reviewed year.

48 (3) "Federal election for alternative payment" means the election
49 described in section sixty-two hundred twenty-six of the internal reven-
50 ue code, relating to alternative payment of imputed underpayment by
51 partnership.

52 (4) "Final federal adjustment" means a change to an item of gross
53 income, gain, loss, deduction, penalty, credit, or a partner's distribu-
54 tive share, of an impacted partnership determined under section sixty-
55 two hundred twenty-five of the internal revenue code that is considered
56 fixed and final under the internal revenue code.

1 (5) "Final federal determination date" means the date on which each
2 adjustment or resolution resulting from a United States internal revenue
3 service examination is assessed pursuant to section sixty-two hundred
4 three of the internal revenue code.

5 (6) "Impacted partnership" means a partnership that (i) was issued a
6 final federal adjustment; or (ii) made a federal election for alterna-
7 tive payment with the United States internal revenue service as part of
8 a federal partnership level audit; or (iii) filed an administrative
9 adjustment request with the internal revenue service.

10 (7) "Indirect partner" means a partner, member, or shareholder in a
11 partnership or other pass-through entity that itself held an interest
12 indirectly, or through another indirect partner, in an impacted partner-
13 ship during the reviewed year.

14 (8) "Reviewed year" has the meaning provided in paragraph one of
15 subsection (d) of section sixty-two hundred twenty-five of the internal
16 revenue code.

17 (9) "Tiered partner" means any partner in an impacted partnership that
18 is a partnership, S corporation, or other pass-through entity for New
19 York tax purposes.

20 (c)(1) Impacted partnerships must file any required reports and pay
21 any New York tax due, if applicable, with respect to a final federal
22 adjustment or an administrative adjustment request no later than ninety
23 days after the final federal determination date, or the date an adminis-
24 trative adjustment request was filed, in accordance with subsection (d)
25 of this section.

26 (2) Notwithstanding any election made for federal purposes under the
27 provisions of subchapter C of chapter sixty-three of the internal reven-
28 ue code, any changes or corrections made by the United States internal
29 revenue service pursuant to such a final federal adjustment or as a
30 result of an administrative adjustment request that increases New York
31 taxable income must be calculated with respect to the impacted partner-
32 ship in the reviewed year, and any additional New York tax owed as a
33 result of such a final federal adjustment or administrative adjustment
34 request must be paid by the impacted partnership as computed in accord-
35 ance with subsection (d) of this section.

36 (3) Notwithstanding any election made for federal purposes under the
37 provisions of subchapter C of chapter sixty-three of the internal reven-
38 ue code, where changes or corrections made by the United States internal
39 revenue service pursuant to such a final federal adjustment or as a
40 result of an administrative adjustment request decrease New York taxable
41 income, the partners may request any resulting overpayment as permitted
42 under this article and articles nine-A and thirty-three of this chapter.

43 (d) Reporting and payment requirements for impacted partnerships and
44 partners subject to a final federal adjustment or administrative adjust-
45 ment request.

46 (1) Impacted partnerships must report any final federal adjustments
47 and administrative adjustment requests regardless of tax impact. Such
48 report must include the impacted partnership's direct and indirect part-
49 ner identifying information and any other information the commissioner
50 may require.

51 (2) For the partnership adjustments described in paragraph two of
52 subsection (c) of this section, the impacted partnership must:

53 (A) report the sum of the following amounts attributable to each of
54 its direct partners and indirect partners as follows:

55 (i) for partners subject to tax pursuant to articles nine-a or thir-
56 ty-three of this chapter in the reviewed year, other than tiered part-

ners, the partner's distributive share of gross income or gain, apportioned to New York using a percentage using the apportionment rules described in article nine-A of this chapter;

(ii) for a partner subject to tax pursuant to this article that is treated as a nonresident pursuant to paragraph two of subsection (b) of section six hundred five of this article in the reviewed year, other than a tiered partner, the partner's distributive share of gross income or gain allocated to New York using the allocation rules described in this article;

(iii) for a partner subject to tax pursuant to this article that is treated as a resident pursuant to paragraph one of subsection (b) of section six hundred five of this article in the reviewed year, other than a tiered partner, the partner's federal distributive share of gross income or gain; and

(iv) for a partner subject to tax pursuant to article thirty of this chapter that is treated as a resident pursuant to subsection (a) of section thirteen hundred five of this chapter in the reviewed year, other than tiered partners, the partner's federal distributive share of gross income or gain.

(B) For purposes of computing the distributive share of gross income or gain attributable to tiered partners, the partnership shall compute the distributive share of each indirect partner that itself is not a tiered partner, based on the rules in subparagraph (A) of paragraph two of this subsection. Provided, however, if the impacted partnership lacks the necessary information to compute the distributive share of:

(i) one or more indirect partners taxable under articles nine-A and thirty-three of this chapter, such indirect partner or partners must allocate one hundred percent of such taxpayer's distributive share of the adjustment to the state.

(ii) one or more indirect partners taxable under this article, such indirect partner or partners must be treated as a resident pursuant to subsection (a) of section thirteen hundred five of this chapter.

(C) The impacted partnership shall compute tax due by computing the sum of:

(i) the cumulative distributive share of all direct and indirect partners as computed under clauses (i), (ii), (iii), and (iv) of subparagraph (A) of paragraph (2) of subsection (d) of this section, multiplied by the highest tax rate imposed under section six hundred one of this article for the reviewed year, and

(ii) the cumulative distributive share of all direct and indirect partners as computed under clause (iv) of subparagraph (A) of paragraph two of this subsection, multiplied by the highest rate imposed under section thirteen hundred four of this chapter for the reviewed year.

(D) The partnership shall be required to remit any additional amount of tax due, plus any penalty and interest computed under this article based on the due date of the originally filed return of the reviewed year.

(3) The impacted partnership must inform each direct and indirect partner of partnership adjustments described in paragraph three of subsection (c) of this section in the manner required by the commissioner.

(e) Statute of limitations for assessments of additional New York state tax, interest, and penalties arising from adjustments to federal taxable income.

(1) If the impacted partnership files a report within the period specified in subsection (c) of this section, the commissioner may assess an

1 impacted partnership additional tax, interest, and penalties arising
2 from final federal adjustments or administrative adjustment requests
3 pursuant to the provisions of section six hundred eighty-three of this
4 article.

5 (2) If an impacted partnership fails to file a report as required in
6 subsection (c) of this section, the commissioner may assess the impacted
7 partnership additional tax, interest, and penalties arising from final
8 federal adjustments or administrative adjustment requests pursuant to
9 the provisions of section six hundred eighty-one of this article.

10 (f) Nothing in this section shall prevent the commissioner from
11 assessing direct or indirect partners for any taxes due, using the best
12 information available, in the event that an impacted partnership fails
13 to timely report or remit any report or additional taxes due required by
14 this section for any reason.

15 § 5. Subsection (e) of section 681 of the tax law, as amended by chap-
16 ter 381 of the laws of 1975, paragraph 1 as amended by chapter 28 of the
17 laws of 1987, is amended to read as follows:

18 (e) Exceptions where federal changes, corrections or disallowances are
19 not reported.---

20 (1) If the taxpayer or employer fails to comply with section six
21 hundred fifty-nine or section six hundred fifty-nine-a, instead of the
22 mode and time of assessment provided for in subsection (b) of this
23 section, the [~~tax-commission~~] commissioner may assess a deficiency based
24 upon such federal change, correction or disallowance by mailing to the
25 taxpayer a notice of additional tax due specifying the amount of the
26 deficiency, and such deficiency, together with the interest, additions
27 to tax and penalties stated in such notice, shall be deemed assessed on
28 the date such notice is mailed unless within thirty days after the mail-
29 ing of such notice a report of the federal change, correction or disal-
30 lowance or an amended return, where such return was required by section
31 six hundred fifty-nine or section six hundred fifty-nine-a, is filed
32 accompanied by a statement showing wherein such federal determination
33 and such notice of additional tax due are erroneous.

34 (2) Such notice shall not be considered as a notice of deficiency for
35 the purposes of this section, subsection (f) of section six hundred
36 eighty-seven (limiting credits or refunds after petition to the [~~tax~~
37 ~~commission~~] division of tax appeals), or subsection (b) of section six
38 hundred eighty-nine (authorizing the filing of a petition with the [~~tax~~
39 ~~commission~~] division of tax appeals based on a notice of deficiency),
40 nor shall such assessment or the collection thereof be prohibited by the
41 provisions of subsection (c).

42 (3) If [~~a husband and wife~~] spouses are jointly liable for tax, a
43 notice of additional tax due may be a single joint notice, except that
44 if the [~~tax-commission~~] commissioner has been notified by either spouse
45 that separate residences have been established, then, in lieu of the
46 joint notice, a duplicate original of the joint notice shall be mailed
47 to each spouse at [~~his or her~~] their last known address in or out of
48 this state. If the taxpayer is deceased or under a legal disability, a
49 notice of additional tax due may be mailed to [~~his~~] their last known
50 address in or out of this state, unless the [~~tax-commission~~] commission-
51 er has received notice of the existence of a fiduciary relationship with
52 respect to the taxpayer.

53 § 6. Subsection (a) of section 682 of the tax law, as amended by
54 section 3 of part F of chapter 60 of the laws of 2004, is amended to
55 read as follows:

(a) Assessment date.--The amount of tax which a return shows to be due, or the amount of tax which a return would have shown to be due but for a mathematical or clerical error, shall be deemed to be assessed on the date of filing of the return (including any amended return showing an increase of tax). In the case of a return properly filed without computation of tax, the tax computed by the commissioner shall be deemed to be assessed on the date on which payment is due. If a notice of deficiency has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in subsection (b) of section six hundred eighty-one if no petition to the division of tax appeals is filed, or if a petition is filed, then upon the date when a determination or decision rendered in the division of tax appeals establishing the amount of the deficiency becomes final. If an amended return or report filed pursuant to section six hundred fifty-nine or six hundred fifty-nine-a concedes the accuracy of a federal change or correction, any deficiency in tax under this article resulting therefrom shall be deemed to be assessed on the date of filing such report or amended return, and such assessment shall be timely notwithstanding section six hundred eighty-three. If a notice of additional tax due, as prescribed in subsection (e) of section six hundred eighty-one, has been mailed, the amount of the deficiency shall be deemed to be assessed on the date specified in such subsection unless within thirty days after the mailing of such notice a report of the federal change or correction or an amended return, where such return was required by section six hundred fifty-nine or six hundred fifty-nine-a, is filed accompanied by a statement showing wherein such federal determination and such notice of additional tax due are erroneous. Any amount paid as a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax, shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other provisions.

§ 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax law, paragraph 1 as amended by chapter 526 of the laws of 1973, subparagraph (C) of paragraph 1 and paragraph 3 as amended by chapter 28 of the laws of 1987, and paragraph 2 as added by chapter 1011 of 1962, are amended to read as follows:

(1) Assessment at any time.--The tax may be assessed at any time if--
(A) no return is filed,
(B) a false or fraudulent return is filed with intent to evade tax, or
(C) the taxpayer or employer fails to comply with section six hundred fifty-nine or six hundred fifty-nine-a.

(2) Extension by agreement.--Where, before the expiration of the time prescribed in this section for the assessment of tax, both the [~~tax~~ commissioner] and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(3) Report of federal changes, corrections or disallowances.--If the taxpayer or employer complies with section six hundred fifty-nine or six hundred fifty-nine-a, the assessment (if not deemed to have been made upon the filing of the report or amended return) may be made at any time within two years after such report or amended return was filed. The amount of such assessment of tax shall not exceed the amount of the increase in New York tax attributable to such federal change or correction. The provisions of this paragraph shall not affect the time

1 within which or the amount for which an assessment may otherwise be
2 made.

3 § 8. Paragraph 2 of subsection (h) of section 685 of the tax law, as
4 amended by section 5 of part I of chapter 59 of the laws of 2014, is
5 amended to read as follows:

6 (2) If any partnership, S corporation, or trust required to file a
7 return or report under subsection (c) or subsection (f) of section six
8 hundred fifty-eight or under section six hundred fifty-nine or six
9 hundred fifty-nine-a of this article for any taxable year fails to file
10 such return or report at the time prescribed therefor (determined with
11 regard to any extension of time for filing), or files a return or report
12 which fails to show the information required under such subsection (c)
13 ~~[or]~~ of section six hundred fifty-nine of this article, or files a
14 return or report which fails to show the information required under
15 subsection (d) of section six hundred fifty-nine-a of this article,
16 unless it is shown that such failure is due to reasonable cause and not
17 due to willful neglect, there shall, upon notice and demand by the
18 commissioner and in the same manner as tax, be paid by the partnership
19 or S corporation a penalty for each month (or fraction thereof) during
20 which such failure continues (but not to exceed five months). The amount
21 of such penalty for any month is the product of fifty dollars, multi-
22 plied by the number of partners in the partnership or shareholders in
23 the S corporation during any part of the taxable year who were subject
24 to tax under this article during any part of such taxable year, except
25 that, in the case of a trust, the penalty shall be equal to one hundred
26 fifty dollars a month up to a maximum of fifteen hundred dollars per
27 taxable year.

28 § 9. Subsection (c) of section 687 of the tax law, as amended by chap-
29 ter 61 of the laws of 1989, is amended to read as follows:

30 (c) Notice of federal change or correction.--A claim for credit or
31 refund of any overpayment of tax attributable to a federal change or
32 correction required to be reported pursuant to section six hundred
33 fifty-nine or by a partner of a partnership required to report a federal
34 change or correction pursuant to section six hundred fifty-nine-a shall
35 be filed by the taxpayer within two years from the time the notice of
36 such change or correction or such amended return was required to be
37 filed with the commissioner of taxation and finance. If the report or
38 amended return required by section six hundred fifty-nine or six hundred
39 fifty-nine-a is not filed within the ninety day period therein speci-
40 fied, no interest shall be payable on any claim for credit or refund of
41 the overpayment attributable to the federal change or correction. The
42 amount of such credit or refund shall not exceed the amount of the
43 reduction in tax attributable to such federal change, correction or
44 items amended on the taxpayer's amended federal income tax return. This
45 subsection shall not affect the time within which or the amount for
46 which a claim for credit or refund may be filed apart from this
47 subsection.

48 § 10. Subsection (g) of section 688 of the tax law, as amended by
49 chapter 61 of the laws of 1989, is amended to read as follows:

50 (g) Cross-reference.--For provision with respect to interest after
51 failure to file notice of federal change under section six hundred
52 fifty-nine or six hundred fifty-nine-a, see subsection (c) of section
53 six hundred eighty-seven.

54 § 11. Subsection (a) of section 1312 of the tax law, as amended by
55 section 9 of part Q of chapter 407 of the laws of 1999, is amended to
56 read as follows:

(a) Except as otherwise provided in this article, any tax imposed pursuant to the authority of this article shall be administered and collected by the commissioner in the same manner as the tax imposed by article twenty-two of this chapter is administered and collected by the commissioner. All of the provisions of article twenty-two of this chapter relating to or applicable to payment of estimated tax, returns, payment of tax, claim of right adjustment, withholding of tax from wages, employer's statements and returns, employer's liability for taxes required to be withheld and all other provisions of article twenty-two of this chapter relating to or applicable to the administration, collection, liability for and review of the tax imposed by article twenty-two of this chapter, including sections six hundred fifty-two through six hundred fifty-four, sections six hundred fifty-seven through ~~six hundred fifty-nine~~ six hundred fifty-nine-a, sections six hundred sixty-one and six hundred sixty-two, sections six hundred seventy-one and six hundred seventy-two, sections six hundred seventy-four through six hundred seventy-eight and sections six hundred eighty-one through six hundred ninety-seven of this chapter, inclusive, shall apply to a tax imposed pursuant to the authority of this article with the same force and effect as if those provisions had been incorporated in full into this article, and had expressly referred to the tax imposed pursuant to the authority of this article, except where inconsistent with a provision of this article. Whenever there is joint collection of state and city personal income taxes, it shall be deemed that such collections shall represent proportionately the applicable state and city personal income taxes in determining the amount to be remitted to the city.

§ 12. Paragraph 1 of subdivision (e) of section 1515 of the tax law, as amended by chapter 770 of the laws of 1992, is amended to read as follows:

(1) If the amount of the life insurance company taxable income (which shall include, in the case of a stock life insurance company which has an existing policyholders surplus account, the amount of direct and indirect distributions during the taxable year to shareholders from such account), taxable income of a partnership or taxable income, as the case may be, or alternative minimum taxable income for any year of any taxpayer as returned to the United States treasury department is changed or corrected by the commissioner of internal revenue or other officer of the United States or other competent authority, such taxpayer shall report such change or corrected taxable income or alternative minimum taxable income within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined return under this article for such year) after the final determination of such change or correction or as required by the commissioner, and shall concede the accuracy of such determination or state wherein it is erroneous. Provided, however, if the taxpayer is a direct or indirect partner of a partnership required to report adjustments in accordance with section six hundred fifty-nine-a of this chapter, such taxpayer shall also report such adjustments in accordance with section six hundred fifty-nine-a of this chapter when such adjustments result in an overpayment. Any taxpayer filing an amended return with such department shall also file within ninety days (or one hundred twenty days, in the case of a taxpayer making a combined return under this article for such year) thereafter an amended return with the commissioner which shall contain such information as the commissioner shall require. The allowance of a tentative carryback adjustment based upon a net operating loss carryback or net capital loss carryback pursuant to section sixty-four hundred eleven of

1 the internal revenue code or upon an operations loss carryback pursuant
 2 to section eight hundred ten of the internal revenue code, shall be
 3 treated as a final determination for purposes of this subdivision.
 4 § 13. This act shall take effect immediately; provided, however, that
 5 adjustments to a taxpayer's federal taxable income or tax liability with
 6 a final determination date or administrative adjustment request occur-
 7 ring prior to the effective date of this act must be reported within one
 8 year of such effective date; provided further that no interest shall
 9 accrue on adjustments occurring prior to the effective date of this act.

10

PART W

11 Section 1. Section 1310 of the tax law is amended by adding a new
 12 subsection (h) to read as follows:

13 (h) Credit for certain taxpayers with incomes below certain thresh-
 14 olds. (1) Notwithstanding any other provision of law to the contrary,
 15 for taxable years beginning on or after January first, two thousand
 16 twenty-five, a credit shall be allowed to a taxpayer against the tax
 17 imposed pursuant to the authority of this article in an amount equal to
 18 the tax otherwise due under this article for such taxable year, reduced
 19 by all the credits permitted by this article for such taxable year, if:

20 (A) such taxpayer is entitled to a deduction for such taxable year
 21 under subsection (c) of section one hundred fifty-one of the internal
 22 revenue code;

23 (B) such taxpayer meets the following income thresholds for such taxa-
 24 ble year:

25 (i) for city taxpayers who filed a resident income tax return as
 26 married taxpayers filing jointly or a qualified surviving spouse:

27	<u>If the number of</u>	<u>Income no greater than:</u>
28	<u>dependents is:</u>	
29	<u>1</u>	<u>\$36,789</u>
30	<u>2</u>	<u>\$46,350</u>
31	<u>3</u>	<u>\$54,545</u>
32	<u>4</u>	<u>\$61,071</u>
33	<u>5</u>	<u>\$68,403</u>
34	<u>6</u>	<u>\$75,204</u>
35	<u>7 or more</u>	<u>\$91,902</u>

36 (ii) for city taxpayers who filed a resident income tax return as a
 37 single taxpayer, married taxpayer filing a separate return, or head of
 38 household:

39	<u>If the number of</u>	<u>Income no greater than:</u>
40	<u>dependents is:</u>	
41	<u>1</u>	<u>\$31,503</u>
42	<u>2</u>	<u>\$36,824</u>
43	<u>3</u>	<u>\$46,512</u>
44	<u>4</u>	<u>\$53,711</u>
45	<u>5</u>	<u>\$59,928</u>
46	<u>6</u>	<u>\$65,712</u>
47	<u>7</u>	<u>\$74,565</u>
48	<u>8 or more</u>	<u>\$88,361</u>

(iii) for any taxable year beginning on or after January first, two thousand twenty-six, the commissioner shall multiply the amounts in this subparagraph by one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand twenty-four;

(C) such taxpayer is not allowed a credit pursuant to:

(i) subsection (a) of section eight hundred sixty-three of this chapter against the tax imposed pursuant to article twenty-two of this chapter; or

(ii) subsection (a) of section eight hundred seventy of this chapter against the tax imposed pursuant to the authority of article thirty of this chapter; and

(D) such taxpayer does not report disqualified income in excess of ten thousand dollars in the taxable year, as defined in subsection (i) of section thirty-two of the internal revenue code.

(2) Where the income of a taxpayer exceeds the amount indicated in subparagraph (B) of paragraph one of this subsection for such taxpayer by five thousand dollars or less, and such taxpayer satisfies subparagraph (A) and subparagraphs (C) and (D) of paragraph one of this subsection, a credit shall be allowed in the amount determined by multiplying: (A) the tax otherwise due under this article for such taxable year reduced by all the credits permitted by this article for such taxable year by (B) a fraction the numerator of which is five thousand dollars minus the amount by which such income exceeds the amount indicated in subparagraph (B) of paragraph one of this subsection and the denominator of which is five thousand dollars.

(3) For purposes of this subsection:

(A) "Consumer price index" means the most recent consumer price index for all-urban consumers published by the United States department of labor. The consumer price index for any calendar year shall be the average of the consumer price index as of the close of the twelve-month period ending on August thirty-first of such calendar year.

(B) "Income" means federal adjusted gross income for the taxable year.

§ 2. Section 11-1706 of the administrative code of the city of New York is amended by adding a new subdivision (h) to read as follows:

(h) Credit for certain taxpayers with incomes below certain thresholds. (1) Notwithstanding any other provision of law to the contrary, for any taxable year beginning on or after January first, two thousand twenty-five, a credit shall be allowed to a taxpayer against the taxes imposed pursuant to the authority of this chapter in an amount equal to the tax otherwise due under this chapter for such taxable year reduced by all the credits permitted by this chapter for such taxable year if:

(A) such taxpayer is entitled to a deduction for such taxable year under subsection (c) of section one hundred fifty-one of the internal revenue code;

(B) such taxpayer meets the following income thresholds for such taxable year:

(i) for city taxpayers who filed a resident income tax return as married taxpayers filing jointly or a qualified surviving spouse:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
<u>1</u>	<u>\$36,789</u>
<u>2</u>	<u>\$46,350</u>
<u>3</u>	<u>\$54,545</u>
<u>4</u>	<u>\$61,071</u>

1	<u>5</u>	<u>\$68,403</u>
2	<u>6</u>	<u>\$75,204</u>
3	<u>7 or more</u>	<u>\$91,902</u>

4 (ii) for city taxpayers who filed a resident income tax return as a
 5 single taxpayer, married taxpayer filing a separate return, or head of
 6 household:

7	<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
8	<u>1</u>	<u>\$31,503</u>
9	<u>2</u>	<u>\$36,824</u>
10	<u>3</u>	<u>\$46,512</u>
11	<u>4</u>	<u>\$53,711</u>
12	<u>5</u>	<u>\$59,928</u>
13	<u>6</u>	<u>\$65,712</u>
14	<u>7</u>	<u>\$74,565</u>
15	<u>8 or more</u>	<u>\$88,361</u>

16 (iii) for any taxable year beginning on or after January first, two
 17 thousand twenty-six, the commissioner of the state department of taxa-
 18 tion and finance shall multiply the amounts in this subparagraph by one
 19 plus the cost-of-living adjustment, which shall be the percentage by
 20 which the consumer price index for the preceding calendar year exceeds
 21 the consumer price index for calendar year two thousand twenty-four;

22 (C) such taxpayer is not allowed a credit pursuant to: (i) subsection
 23 (a) of section eight hundred sixty-three of the tax law against the
 24 tax imposed pursuant to article twenty-two of such law; or (ii) subdivi-
 25 sion (g) of this section against the tax imposed pursuant to this chap-
 26 ter;

27 (D) such taxpayer does not report disqualified income in excess of ten
 28 thousand dollars in the taxable year, as such term is defined in
 29 subsection (i) of section thirty-two of the internal revenue code.

30 (2) Where the income of a taxpayer exceeds the amount indicated in
 31 subparagraph (B) of paragraph one of this subdivision for such taxpayer
 32 by five thousand dollars or less, and such taxpayer satisfies subpara-
 33 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-
 34 vision, a credit shall be allowed in the amount determined by multiply-
 35 ing: (A) the tax otherwise due under this article for such taxable year
 36 reduced by all the credits permitted by this article for such taxable
 37 year by (B) a fraction the numerator of which is five thousand dollars
 38 minus the amount by which such income exceeds the amount indicated in
 39 subparagraph (B) of paragraph one of this subdivision and the denomina-
 40 tor of which is five thousand dollars.

41 (3) For purposes of this subdivision:

42 (A) "Consumer price index" means the most recent consumer price index
 43 for all-urban consumers published by the United States department of
 44 labor. The consumer price index for any calendar year shall be the
 45 average of the consumer price index as of the close of the twelve-month
 46 period ending on August thirty-first of such calendar year.

47 (B) "Income" means federal adjusted gross income for a taxable year.

48 § 3. This act shall take effect immediately and shall apply to taxable
 49 years beginning on or after January 1, 2025.

50 PART X

51 Intentionally Omitted

1

PART Y

2 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
3 law, as amended by section 1 of part K of chapter 59 of the laws of
4 2022, is amended to read as follows:

5 (a) General. A taxpayer shall be allowed a credit against the tax
6 imposed by this article. Such credit, to be computed as hereinafter
7 provided, shall be allowed for bioheating fuel, used for space heating
8 or hot water production for residential purposes within this state
9 purchased before January first, two thousand [~~twenty-six~~] twenty-nine.
10 Such credit shall be \$0.01 per percent of biodiesel per gallon of
11 bioheating fuel, not to exceed twenty cents per gallon, purchased by
12 such taxpayer. Provided, however, that on or after January first, two
13 thousand seventeen, this credit shall not apply to bioheating fuel that
14 is less than six percent biodiesel per gallon of bioheating fuel.

15 § 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as
16 amended by section 2 of part K of chapter 59 of the laws of 2022, is
17 amended to read as follows:

18 (1) A taxpayer shall be allowed a credit against the tax imposed by
19 this article. Such credit, to be computed as hereinafter provided, shall
20 be allowed for bioheating fuel, used for space heating or hot water
21 production for residential purposes within this state and purchased on
22 or after July first, two thousand six and before July first, two thou-
23 sand seven and on or after January first, two thousand eight and before
24 January first, two thousand [~~twenty-six~~] twenty-nine. Such credit shall
25 be \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to
26 exceed twenty cents per gallon, purchased by such taxpayer. Provided,
27 however, that on or after January first, two thousand seventeen, this
28 credit shall not apply to bioheating fuel that is less than six percent
29 biodiesel per gallon of bioheating fuel.

30 § 3. This act shall take effect immediately.

31

PART Z

32 Section 1. Subdivision 6 of section 187-b of the tax law, as amended
33 by section 1 of part P of chapter 59 of the laws of 2022, is amended to
34 read as follows:

35 6. Termination. The credit allowed by subdivision two of this section
36 shall not apply in taxable years beginning after December thirty-first,
37 two thousand [~~twenty-five~~] twenty-eight.

38 § 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law,
39 as amended by section 2 of part P of chapter 59 of the laws of 2022, is
40 amended to read as follows:

41 (f) Termination. The credit allowed by paragraph (b) of this subdivi-
42 sion shall not apply in taxable years beginning after December thirty-
43 first, two thousand [~~twenty-five~~] twenty-eight.

44 § 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as
45 amended by section 3 of part P of chapter 59 of the laws of 2022, is
46 amended to read as follows:

47 (6) Termination. The credit allowed by this subsection shall not apply
48 in taxable years beginning after December thirty-first, two thousand
49 [~~twenty-five~~] twenty-eight.

50 § 4. This act shall take effect immediately.

51

PART AA

Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of section 1115 of the tax law, as amended by section 1 of part J of chapter 59 of the laws of 2024, is amended to read as follows:

(B) Until May thirty-first, two thousand ~~[twenty-five]~~ twenty-six, the food and drink excluded from the exemption provided by clauses (i), (ii) and (iii) of subparagraph (A) of this paragraph, and bottled water, shall be exempt under this subparagraph: (i) when sold for one dollar and fifty cents or less through any vending machine that accepts coin or currency only; or (ii) when sold for two dollars or less through any vending machine that accepts any form of payment other than coin or currency, whether or not it also accepts coin or currency.

§ 2. This act shall take effect immediately.

PART BB

Section 1. Subdivision (f) of section 25-b of the labor law, as added by section 2 of part Q of chapter 59 of the laws of 2022, is amended to read as follows:

(f) The tax credits provided under this program shall be applicable to taxable periods beginning before January first, two thousand ~~[twenty-six]~~ twenty-nine.

§ 2. This act shall take effect immediately.

PART CC

Section 1. Paragraph (a) of subdivision 29 of section 210-B of the tax law, as amended by section 1 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(a) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section 210-B of the tax law, as amended by section 1 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(2) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand ~~[twenty-five]~~ twenty-eight; and

§ 3. Paragraph 1 of subsection (a-2) of section 606 of the tax law, as amended by section 2 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month

period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subsection, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section 606 of the tax law, as amended by section 2 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand ~~[twenty-five]~~ twenty-eight; and

§ 5. Paragraph 1 of subdivision (g-1) of section 1511 of the tax law, as amended by section 3 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than twelve continuous and uninterrupted months (hereinafter referred to as the twelve-month period) in a full-time or part-time position, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes the twelve-month period of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

§ 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section 1511 of the tax law, as amended by section 3 of part H of chapter 59 of the laws of 2022, is amended to read as follows:

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand ~~[twenty-five]~~ twenty-eight; and

§ 7. This act shall take effect immediately.

PART DD

Section 1. Section 5 of part HH of chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, as amended by section 1 of part HH of chapter 59 of the laws of 2021, is amended to read as follows:

§ 5. This act shall take effect immediately, provided that section two of this act shall take effect on January 1, 2015, and shall apply to taxable years beginning on or after January 1, 2015, with respect to "qualified production expenditures" and "transportation expenditures" paid or incurred on or after such effective date, regardless of whether the production of the qualified musical or theatrical production commenced before such date, provided further that this act shall expire and be deemed repealed January 1, ~~[2026]~~ 2030.

§ 2. This act shall take effect immediately.

PART EE

1 Section 1. Section 2 of part U of chapter 59 of the laws of 2017, amend-
2 ing the tax law, relating to the financial institution data match system
3 for state tax collection purposes, as amended by section 1 of part A of
4 chapter 59 of the laws of 2020, is amended to read as follows:

5 § 2. This act shall take effect immediately and shall expire April 1,
6 ~~[2025]~~ 2030 when upon such date the provisions of this act shall be
7 deemed repealed.

8 § 2. This act shall take effect immediately.

9 PART FF

10 Section 1. This act enacts into law major components of legislation
11 necessary to implement certain provisions regarding simplifying the
12 pari-mutuel tax rate system. Each component is wholly contained within a
13 Subpart identified as Subparts A through B. The effective date for each
14 particular provision contained within such Subpart is set forth in the
15 last section of such Subpart. Any provision in any section contained
16 within a Subpart, including the effective date of the Subpart, which
17 makes a reference to a section "of this act", when used in connection
18 with that particular component, shall be deemed to mean and refer to the
19 corresponding section of the Subpart in which it is found. Section three
20 of this act sets forth the general effective date of this act.

21 SUBPART A

22 Section 1. Subdivision 1 of section 236 of the racing, pari-mutuel
23 wagering and breeding law, as amended by chapter 243 of the laws of
24 2020, is amended to read as follows:

25 1. Every corporation authorized under this chapter to conduct pari-mu-
26 tuel betting at a race meeting on races run thereat, except as provided
27 in section two hundred thirty-eight of this article with respect to the
28 franchised corporation, shall distribute all sums deposited in any pari-
29 mutuel pool to the holders of winning tickets therein, providing such
30 tickets be presented for payment before April first of the year follow-
31 ing the year of their purchase, less an amount that shall be established
32 and retained by such racing corporation of between fourteen to twenty
33 percent of the total deposits in pools resulting from regular on-track
34 bets and less sixteen to twenty-two percent of the total deposits in
35 pools resulting from multiple on-track bets and less twenty to thirty
36 percent of the total deposits in pools resulting from exotic on-track
37 bets and less twenty to thirty-six percent of the total pools resulting
38 from super exotic on-track bets, plus the breaks. The retention rate to
39 be established is subject to the prior approval of the commission. Such
40 rate may not be changed more than once per calendar quarter to be effec-
41 tive on the first day of the calendar quarter. "Exotic bets" and "multi-
42 ple bets" shall have the meanings set forth in section five hundred
43 nineteen of this chapter and ~~[breaks]~~ "breaks" are hereby defined as the
44 odd cents over any multiple of five for all payoffs ~~[greater than one~~
45 ~~dollar five cents but less than five dollars, over any multiple of ten~~
46 ~~for payoffs greater than five dollars but less than twenty-five dollars,~~
47 ~~over any multiple of twenty-five for payoffs greater than twenty-five~~
48 ~~dollars but less than two hundred fifty dollars, or over any multiple of~~
49 ~~fifty for payoffs over two hundred fifty dollars],~~ regardless of payoff
50 amount. "Super exotic bets" shall have the meaning set forth in section
51 three hundred one of this chapter. Of the amount so retained there shall
52 be paid by such corporation to the department of taxation and finance as

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

48 Such corporation shall pay to the New York state thoroughbred breeding
49 and development fund one-half of one percent of the total daily on-track
50 pari-mutuel pools from regular, multiple and exotic bets, and three
51 percent of super exotic bets. The corporation shall receive credit as a
52 reduction of the tax by the state for the privilege of conducting pari-
53 mutuel betting for the amounts, except amounts paid from super exotic
54 betting pools, paid to the New York state thoroughbred breeding and
55 development fund after January first, nineteen hundred seventy-eight.

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

7 § 2. Paragraph (a) of subdivision 1 of section 238 of the racing,
8 pari-mutuel wagering and breeding law, as amended by section 9 of part P
9 of chapter 59 of the laws of 2024, is amended to read as follows:

10 (a) The franchised corporation authorized under this chapter to
11 conduct pari-mutuel betting at a race meeting or races run thereat shall
12 distribute all sums deposited in any pari-mutuel pool to the holders of
13 winning tickets therein, provided such tickets are presented for payment
14 before April first of the year following the year of their purchase,
15 less an amount that shall be established and retained by such franchised
16 corporation of between twelve to seventeen percent of the total deposits
17 in pools resulting from on-track regular bets, and fourteen to twenty-
18 one percent of the total deposits in pools resulting from on-track
19 multiple bets and fifteen to twenty-five percent of the total deposits
20 in pools resulting from on-track exotic bets and fifteen to thirty-six
21 percent of the total deposits in pools resulting from on-track super
22 exotic bets, plus the breaks. The retention rate to be established is
23 subject to the prior approval of the commission.

24 Such rate may not be changed more than once per calendar quarter to be
25 effective on the first day of the calendar quarter. "Exotic bets" and
26 "multiple bets" shall have the meanings set forth in section five
27 hundred nineteen of this chapter. "Super exotic bets" shall have the
28 meaning set forth in section three hundred one of this chapter. For
29 purposes of this section, a "pick six bet" shall mean a single bet or
30 wager on the outcomes of six races. The [~~breaks~~] "breaks" are hereby
31 defined as the odd cents over any multiple of five for all payoffs
32 [~~greater than one dollar five cents but less than five dollars, over any~~
33 ~~multiple of ten for payoffs greater than five dollars but less than~~
34 ~~twenty-five dollars, over any multiple of twenty-five for payoffs great-~~
35 ~~er than twenty-five dollars but less than two hundred fifty dollars, or~~
36 ~~over any multiple of fifty for payoffs over two hundred fifty dollars].~~
37 regardless of payoff amount. Out of the amount so retained there shall
38 be paid by such franchised corporation to the commissioner of taxation
39 and finance, as a reasonable tax by the state for the privilege of
40 conducting pari-mutuel betting on the races run at the race meetings
41 held by such franchised corporation, the following percentages of the
42 total pool for regular and multiple bets five percent of regular bets
43 and four percent of multiple bets plus twenty percent of the breaks; for
44 exotic wagers seven and one-half percent plus twenty percent of the
45 breaks, and for super exotic bets seven and one-half percent plus fifty
46 percent of the breaks.

47 For the period April first, two thousand one through December thirty-
48 first, two thousand twenty-five, such tax on all wagers shall be one and
49 six-tenths percent, plus, in each such period, twenty percent of the
50 breaks. Payment to the New York state thoroughbred breeding and develop-
51 ment fund by such franchised corporation shall be one-half of one
52 percent of total daily on-track pari-mutuel pools resulting from regu-
53 lar, multiple and exotic bets and three percent of super exotic bets and
54 for the period April first, two thousand one through December thirty-
55 first, two thousand twenty-five, such payment shall be seven-tenths of
56 one percent of regular, multiple and exotic pools.

§ 3. The second undesignated paragraph of subdivision 1 of section 318 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

"Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter, "super exotic bets" shall have the meaning set forth in subdivision four of section three hundred one of this article and "the breaks" are hereby defined as the odd cents over any multiple of ~~[ten for regular and multiple bets, or for exotic bets, over any multiple of fifty, or for super exotic bets, over any multiple of one hundred calculated on the basis of one dollar and otherwise payable to a patron, provided however, that effective after October fifteenth, nineteen hundred ninety four breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars]~~ five for all payoffs, regardless of bet type and payoff amount.

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

1. Every association or corporation authorized under sections two hundred twenty-two through seven hundred five of this chapter to conduct pari-mutuel betting at a quarter horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein provided such tickets be presented for payment before April first of the year following the year of their purchase, less seventeen percent of the total deposits in pools resulting from regular on-track bets and less nineteen percent of the total deposits in pools resulting from multiple bets and less twenty-five percent of the total deposits in pools resulting from exotic on-track bets, plus the breaks. "Multiple bet" or "multiple wager" shall mean a single bet or wager on two horses, evidenced by a single ticket and representing an interest in a single betting pool. "Exotic bet" or "exotic wager" shall mean a single bet or wager on three or more horses, evidenced by a single ticket and representing an interest in a single betting pool. The ~~breaks~~ "breaks" for ~~[regular bets and multiple]~~ all bets are hereby defined as the odd cents over any multiple of ~~[ten or for exotic bets, over any multiple of fifty]~~ five calculated on the basis of one dollar and otherwise payable to a patron. Of the sum so retained the applicable tax rates for regular bets shall be three percent; the applicable tax rates for multiple bets shall be three and one-half percent; the applicable tax rates for exotic bets shall be eight percent, plus sixty-five percent of the amount of the breaks from on-track regular, multiple and exotic bets shall be paid by such corporation or association to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the quarter horse race meetings held by such corporation or association, which tax is hereby levied, and the balance of the retained percentage of such pool and of the breaks may be held by such corporation or association for its own use and purposes. The payment of such state tax shall be made to the department of taxation and finance at such regular intervals as the department of taxation and finance may require, and shall be accompanied by a report under oath showing the total of all such contributions together with such other

1 information as the department of taxation and finance may require. A
2 penalty of five percent and interest at the rate of one percent per
3 month from the date the report is required to be filed to the date of
4 payment of the tax shall be payable in case any tax imposed by this
5 section is not paid when due. If the department of taxation and finance
6 determines that any moneys received under this section were paid in
7 error, it may cause the same to be refunded without interest out of any
8 moneys collected thereunder, provided an application therefor is filed
9 with it within one year from the time the erroneous payment was made.
10 Such taxes, interest and penalties when collected, after the deduction
11 of refunds of taxes erroneously paid, shall be paid by the department of
12 taxation and finance into the general fund of the state treasury. Ten
13 percent of the breaks shall be paid to the New York state quarter horse
14 breeding and development fund.

15 § 5. This act shall take effect September 1, 2025.

16 SUBPART B

17 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
18 racing, pari-mutuel wagering and breeding law, as amended by section 1
19 of part P of chapter 59 of the laws of 2024, is amended to read as
20 follows:

21 (a) Any racing association or corporation or regional off-track
22 betting corporation, authorized to conduct pari-mutuel wagering under
23 this chapter, desiring to display the simulcast of horse races on which
24 pari-mutuel betting shall be permitted in the manner and subject to the
25 conditions provided for in this article may apply to the commission for
26 a license so to do. Applications for licenses shall be in such form as
27 may be prescribed by the commission and shall contain such information
28 or other material or evidence as the commission may require. No license
29 shall be issued by the commission authorizing the simulcast transmission
30 of thoroughbred races from a track located in Suffolk county. The fee
31 for such licenses shall be five hundred dollars per simulcast facility
32 and for account wagering licensees that do not operate either a simul-
33 cast facility that is open to the public within the state of New York or
34 a licensed racetrack within the state, twenty thousand dollars per year
35 payable by the licensee to the commission for deposit into the general
36 fund. Except as provided in this section, the commission shall not
37 approve any application to conduct simulcasting into individual or group
38 residences, homes or other areas for the purposes of or in connection
39 with pari-mutuel wagering. The commission may approve simulcasting into
40 residences, homes or other areas to be conducted jointly by one or more
41 regional off-track betting corporations and one or more of the follow-
42 ing: a franchised corporation, thoroughbred racing corporation or a
43 harness racing corporation or association; provided (i) the simulcasting
44 consists only of those races on which pari-mutuel betting is authorized
45 by this chapter at one or more simulcast facilities for each of the
46 contracting off-track betting corporations which shall include wagers
47 made in accordance with section one thousand fifteen, one thousand
48 sixteen and one thousand seventeen of this article; provided further
49 that the contract provisions or other simulcast arrangements for such
50 simulcast facility shall be no less favorable than those in effect on
51 January first, two thousand five; (ii) that each off-track betting
52 corporation having within its geographic boundaries such residences,
53 homes or other areas technically capable of receiving the simulcast
54 signal shall be a contracting party; (iii) the distribution of revenues

1 shall be subject to contractual agreement of the parties except that
2 statutory payments to non-contracting parties, if any, may not be
3 reduced; provided, however, that nothing herein to the contrary shall
4 prevent a track from televising its races on an irregular basis primari-
5 ly for promotional or marketing purposes as found by the commission. For
6 purposes of this paragraph, the provisions of section one thousand thir-
7 teen of this article shall not apply. Any agreement authorizing an
8 in-home simulcasting experiment commencing prior to May fifteenth, nine-
9 teen hundred ninety-five, may, and all its terms, be extended until June
10 thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~; provided, however,
11 that any party to such agreement may elect to terminate such agreement
12 upon conveying written notice to all other parties of such agreement at
13 least forty-five days prior to the effective date of the termination,
14 via registered mail. Any party to an agreement receiving such notice of
15 an intent to terminate, may request the commission to mediate between
16 the parties new terms and conditions in a replacement agreement between
17 the parties as will permit continuation of an in-home experiment until
18 June thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~; and (iv) no
19 in-home simulcasting in the thoroughbred special betting district shall
20 occur without the approval of the regional thoroughbred track.

21 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
22 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
23 section 2 of part P of chapter 59 of the laws of 2024, is amended to
24 read as follows:

25 (iii) Of the sums retained by a receiving track located in Westchester
26 county on races received from a franchised corporation, for the period
27 commencing January first, two thousand eight and continuing through June
28 thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~, the amount used exclu-
29 sively for purses to be awarded at races conducted by such receiving
30 track shall be computed as follows: of the sums so retained, two and
31 one-half percent of the total pools. Such amount shall be increased or
32 decreased in the amount of fifty percent of the difference in total
33 commissions determined by comparing the total commissions available
34 after July twenty-first, nineteen hundred ninety-five to the total
35 commissions that would have been available to such track prior to July
36 twenty-first, nineteen hundred ninety-five.

37 § 3. The opening paragraph of subdivision 1 of section 1014 of the
38 racing, pari-mutuel wagering and breeding law, as amended by section 3
39 of part P of chapter 59 of the laws of 2024, is amended to read as
40 follows:

41 The provisions of this section shall govern the simulcasting of races
42 conducted at thoroughbred tracks located in another state or country on
43 any day during which a franchised corporation is conducting a race meet-
44 ing in Saratoga county at Saratoga thoroughbred racetrack until June
45 thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~ and on any day regard-
46 less of whether or not a franchised corporation is conducting a race
47 meeting in Saratoga county at Saratoga thoroughbred racetrack after June
48 thirtieth, two thousand [~~twenty-five~~] ~~twenty-six~~. On any day on which a
49 franchised corporation has not scheduled a racing program but a
50 thoroughbred racing corporation located within the state is conducting
51 racing, each off-track betting corporation branch office and each simul-
52 casting facility licensed in accordance with section one thousand seven
53 (that has entered into a written agreement with such facility's repre-
54 sentative horsemen's organization, as approved by the commission), one
55 thousand eight, or one thousand nine of this article shall be authorized
56 to accept wagers and display the live simulcast signal from thoroughbred

1 tracks located in another state or foreign country subject to the
2 following provisions:

3 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
4 and breeding law, as amended by section 4 of part P of chapter 59 of the
5 laws of 2024, is amended to read as follows:

6 1. The provisions of this section shall govern the simulcasting of
7 races conducted at harness tracks located in another state or country
8 during the period July first, nineteen hundred ninety-four through June
9 thirtieth, two thousand [~~twenty-five~~] twenty-six. This section shall
10 supersede all inconsistent provisions of this chapter.

11 § 5. The opening paragraph of subdivision 1 of section 1016 of the
12 racing, pari-mutuel wagering and breeding law, as amended by section 5
13 of part P of chapter 59 of the laws of 2024, is amended to read as
14 follows:

15 The provisions of this section shall govern the simulcasting of races
16 conducted at thoroughbred tracks located in another state or country on
17 any day during which a franchised corporation is not conducting a race
18 meeting in Saratoga county at Saratoga thoroughbred racetrack until June
19 thirtieth, two thousand [~~twenty-five~~] twenty-six. Every off-track
20 betting corporation branch office and every simulcasting facility
21 licensed in accordance with section one thousand seven that have entered
22 into a written agreement with such facility's representative horsemen's
23 organization as approved by the commission, one thousand eight or one
24 thousand nine of this article shall be authorized to accept wagers and
25 display the live full-card simulcast signal of thoroughbred tracks
26 (which may include quarter horse or mixed meetings provided that all
27 such wagering on such races shall be construed to be thoroughbred races)
28 located in another state or foreign country, subject to the following
29 provisions; provided, however, no such written agreement shall be
30 required of a franchised corporation licensed in accordance with section
31 one thousand seven of this article:

32 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
33 wagering and breeding law, as amended by section 6 of part P of chapter
34 59 of the laws of 2024, is amended to read as follows:

35 Notwithstanding any other provision of this chapter, for the period
36 July twenty-fifth, two thousand one through September eighth, two thou-
37 sand [~~twenty-four~~] twenty-five, when a franchised corporation is
38 conducting a race meeting within the state at Saratoga Race Course,
39 every off-track betting corporation branch office and every simulcasting
40 facility licensed in accordance with section one thousand seven (that
41 has entered into a written agreement with such facility's representative
42 horsemen's organization as approved by the commission), one thousand
43 eight or one thousand nine of this article shall be authorized to accept
44 wagers and display the live simulcast signal from thoroughbred tracks
45 located in another state, provided that such facility shall accept
46 wagers on races run at all in-state thoroughbred tracks which are
47 conducting racing programs subject to the following provisions;
48 provided, however, no such written agreement shall be required of a
49 franchised corporation licensed in accordance with section one thousand
50 seven of this article.

51 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
52 racing, pari-mutuel wagering and breeding law and other laws relating to
53 simulcasting, as amended by section 7 of part P of chapter 59 of the
54 laws of 2024, is amended to read as follows:

55 § 32. This act shall take effect immediately and the pari-mutuel tax
56 reductions in section six of this act shall expire and be deemed

1 repealed on July 1, [~~2025~~] 2026; provided, however, that nothing
2 contained herein shall be deemed to affect the application, qualifica-
3 tion, expiration, or repeal of any provision of law amended by any
4 section of this act, and such provisions shall be applied or qualified
5 or shall expire or be deemed repealed in the same manner, to the same
6 extent and on the same date as the case may be as otherwise provided by
7 law; provided further, however, that sections twenty-three and twenty-
8 five of this act shall remain in full force and effect only until May 1,
9 1997 and at such time shall be deemed to be repealed.

10 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
11 racing, pari-mutuel wagering and breeding law and other laws relating to
12 simulcasting and the imposition of certain taxes, as amended by section
13 8 of part P of chapter 59 of the laws of 2024, is amended to read as
14 follows:

15 § 54. This act shall take effect immediately; provided, however,
16 sections three through twelve of this act shall take effect on January
17 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-
18 ing law, as added by section thirty-eight of this act, shall expire and
19 be deemed repealed on July 1, [~~2025~~] 2026; and section eighteen of this
20 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
21 two of this act shall take effect as of the same date as chapter 772 of
22 the laws of 1989 took effect.

23 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,
24 pari-mutuel wagering and breeding law, as amended by section 9 of part P
25 of chapter 59 of the laws of 2024, is amended to read as follows:

26 (a) The franchised corporation authorized under this chapter to
27 conduct pari-mutuel betting at a race meeting or races run thereat shall
28 distribute all sums deposited in any pari-mutuel pool to the holders of
29 winning tickets therein, provided such tickets are presented for payment
30 before April first of the year following the year of their purchase,
31 less an amount that shall be established and retained by such franchised
32 corporation of between twelve to seventeen percent of the total deposits
33 in pools resulting from on-track regular bets, and fourteen to twenty-
34 one percent of the total deposits in pools resulting from on-track
35 multiple bets and fifteen to twenty-five percent of the total deposits
36 in pools resulting from on-track exotic bets and fifteen to thirty-six
37 percent of the total deposits in pools resulting from on-track super
38 exotic bets, plus the breaks. The retention rate to be established is
39 subject to the prior approval of the commission.

40 Such rate may not be changed more than once per calendar quarter to be
41 effective on the first day of the calendar quarter. "Exotic bets" and
42 "multiple bets" shall have the meanings set forth in section five
43 hundred nineteen of this chapter. "Super exotic bets" shall have the
44 meaning set forth in section three hundred one of this chapter. For
45 purposes of this section, a "pick six bet" shall mean a single bet or
46 wager on the outcomes of six races. The breaks are hereby defined as the
47 odd cents over any multiple of five for payoffs greater than one dollar
48 five cents but less than five dollars, over any multiple of ten for
49 payoffs greater than five dollars but less than twenty-five dollars,
50 over any multiple of twenty-five for payoffs greater than twenty-five
51 dollars but less than two hundred fifty dollars, or over any multiple of
52 fifty for payoffs over two hundred fifty dollars. Out of the amount so
53 retained there shall be paid by such franchised corporation to the
54 commissioner of taxation and finance, as a reasonable tax by the state
55 for the privilege of conducting pari-mutuel betting on the races run at
56 the race meetings held by such franchised corporation, the following

percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one-half percent plus twenty percent of the breaks, and for super exotic bets seven and one-half percent plus fifty percent of the breaks.

For the period April first, two thousand one through December thirty-first, two thousand ~~twenty-five~~ twenty-six, such tax on all wagers shall be one and six-tenths percent, plus, in each such period, twenty percent of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one percent of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets and for the period April first, two thousand one through December thirty-first, two thousand ~~twenty-five~~ twenty-six, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

§ 10. This act shall take effect immediately.

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

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

PART GG

Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 174 of the laws of 2013, is amended to read as follows:

1. (a) For a gaming facility in zone two, there is hereby imposed a tax on gross gaming revenues. The amount of such tax imposed shall be as follows; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility:

~~(a)~~ (1) in region two, forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

~~(b)~~ (2) in region one, thirty-nine percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

~~(c)~~ (3) in region five, thirty-seven percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(b) (1) Notwithstanding the tax rates on gross gaming revenue from slot machines provided in paragraph (a) of this subdivision, for the period of April first, two thousand twenty-six through June thirtieth, two thousand thirty-one, each gaming facility in zone two shall continue to be subject to the same tax rate on gross gaming revenue from slot machines as was imposed in the preceding fiscal year.

(2) As a condition of the lower slot machine tax rate, the licensed gaming facility must be current on all statutory obligations to the state or have entered into and be in compliance with a repayment agreement with the state. If the commission, in its sole discretion, determines that a gaming facility has not adhered to this condition for any such time period, the gaming facility shall forfeit this lower slot machine tax rate for such time period.

(3) (i) All of the following conditions shall be met for a licensed gaming facility in the Tioga County region of zone five in order to receive the lower slot machine tax rate established in this paragraph: (A) any money realized from the decrease in their slot machine tax rate shall only be used by the facility to offer childcare for employees, food and beverage conversion, any other project or use that improves the economic infrastructure of the facility, or for rehiring laid-off workers, hiring new workers or retaining current workers at the facility; and (B) a vendor track that is located within Oneida county, within fifteen miles of a Native American class III gaming facility maintains at least seventy percent of full-time equivalent employees as they employed in the year two thousand sixteen.

(ii) Within ninety days after such reduced slot machine tax rate under clause (i) of this subparagraph goes into effect, such licensed gaming facility shall provide an initial report to the governor, the speaker of the assembly, the temporary president of the senate, and the commission detailing the projected use of funds resulting from such tax adjustment and a plan that prescribes the manner in which the licensed gaming facility receiving the reduction in its slot machine tax rate will rebuild their economic infrastructure through the offering of childcare for employees, food and beverage conversion, or any other project or use that improves the economic infrastructure of the facility, or for rehiring laid off workers, hiring new workers, or retaining current workers at the facility or the creation of new jobs. Such plan shall also clearly establish quarterly and annual employment goals of increasing full-time employees. The provisions of this subparagraph shall only apply to licensed gaming facilities in the Tioga County region of zone five.

(4) Each gaming facility shall provide an annual fiscal report to the governor, the speaker of the assembly, the temporary president of the senate, director of the division of budget and the commission detailing actual use of the funds resulting from the lower slot machine tax rate. Such report shall include, but not be limited to, any impact on employment levels since receiving the lower slot machine tax rate, an accounting of the use of such funds, any other measures implemented to improve the financial stability of the gaming facility and any other information as deemed necessary by the commission. Such report shall be due no later than April first, two thousand thirty-one and shall be posted on the commission website.

§ 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, is amended to read as follows:

§ 2. This act shall take effect immediately and shall expire and be deemed repealed [~~five years after such date~~] April 1, 2026.

§ 3. This act shall take effect immediately; provided however, that section one of this act shall take effect on the same date as the revision of subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law as provided in section 2 of part 000 of chapter 59 of the laws of 2021, as amended; provided further, that section one of this act shall expire and be deemed repealed July 1, 2031.

1

PART HH

2 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
3 wagering and breeding law, as amended by section 1 of part 0 of chapter
4 59 of the laws of 2024, is amended to read as follows:

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

15 b. Notwithstanding any other provision of law or regulation to the
16 contrary, from April first, two thousand twenty-two to March thirty-
17 first, two thousand twenty-three, twenty-three percent of the funds, not
18 to exceed two and one-half million dollars, in the Catskill off-track
19 betting corporation's capital acquisition fund established pursuant to
20 this section, and twenty-three percent of the funds, not to exceed four
21 hundred forty thousand dollars, in the Capital off-track betting corpo-
22 ration's capital acquisition fund established pursuant to this section,
23 shall be available to such off-track betting corporations for the
24 purposes of statutory obligations, payroll, and expenditures necessary
25 to accept authorized wagers.

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

43 d. Notwithstanding any other provision of law or regulation to the
44 contrary, from April first, two thousand twenty-four to March thirty-
45 first, two thousand twenty-five, twenty-three percent of the funds, not
46 to exceed two and one-half million dollars, in the Catskill off-track
47 betting corporation's capital acquisition fund established pursuant to
48 this section, and one million dollars in the Capital off-track betting
49 corporation's capital acquisition fund established pursuant to this
50 section, shall be available to such off-track betting corporation for
51 the purposes of expenditures necessary to accept authorized wagers; past
52 due statutory obligations to New York licensed or franchised racing
53 corporations or associations; past due contractual obligations due to
54 other racing associations or organizations for the costs of acquiring a
55 simulcast signal; past due statutory payment obligations due to the New

1 York state thoroughbred breeding and development fund corporation, agri-
2 culture and New York state horse breeding development fund, and the
3 Harry M. Zweig memorial fund for equine research; and past due obli-
4 gations due the state.

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

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

47 § 2. This act shall take effect immediately.

48 PART II

49 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel
50 wagering and breeding law, as amended by chapter 243 of the laws of
51 2020, is amended and a new subdivision 7 is added to read as follows:

52 6. multi-jurisdictional account wagering providers shall pay a market
53 origin fee equal to five percent on each wager accepted from New York
54 residents. Multi-jurisdictional account wagering providers shall make

1 the required payments to the market origin account on or before the
2 fifth business day of each month and such required payments shall cover
3 payments due for the period of the preceding calendar month; provided,
4 however, that such payments required to be made on April fifteenth shall
5 be accompanied by a report under oath, showing the total of all such
6 payments, together with such other information as the commission may
7 require. A penalty of five percent and interest at the rate of one
8 percent per month from the date the report is required to be filed to
9 the date the payment shall be payable in case any payments required by
10 this subdivision are not paid when due. If the commission determines
11 that any moneys received under this subdivision were paid in error, the
12 commission may cause the same to be refunded without interest out of any
13 moneys collected thereunder, provided an application therefor is filed
14 with the commission within one year from the time the erroneous payment
15 was made. The commission shall pay into the racing regulation account,
16 under the joint custody of the comptroller and the commission, the total
17 amount of the fee collected pursuant to this section[-]; and

18 7. the multi-jurisdictional account wagering provider shall, at the
19 same time and in addition to the fee established in subdivision six of
20 this section, pay an additional fee equal to one percent on each wager
21 accepted from New York residents. Such payments shall be subject to the
22 same penalties and interest payments as the market origin fee. Moneys
23 collected pursuant to this subdivision shall be paid by the multi-juris-
24 isdictional account wagering provider to the commission for deposit into
25 the general fund of the state treasury.

26 § 2. Section 703 of the racing, pari-mutuel wagering and breeding law
27 is amended by adding a new subdivision 1-a to read as follows:

28 1-a. In addition to the moneys specified in subdivision one of this
29 section, up to an amount equivalent to all moneys collected pursuant to
30 subdivision seven of section one thousand twelve-a of this chapter shall
31 be appropriated or transferred to the fund from the general fund of the
32 state treasury to be used for the purposes contained in the agreement
33 established pursuant to subdivision seven of section seven hundred four
34 of this article, provided that such amount shall not exceed what is
35 necessary to cover all expenses as contained in such agreement.

36 § 3. Section 704 of the racing, pari-mutuel wagering and breeding law
37 is amended by adding a new subdivision 7 to read as follows:

38 7. a. The moneys appropriated or transferred to the fund from the
39 general fund of the state treasury pursuant to subdivision one-a of
40 section seven hundred three of this article shall be expended for a
41 three-year research proposal conducted pursuant to an agreement between
42 the dean of the Cornell University College of Veterinary Medicine and
43 the executive director of the commission. Such agreement shall, at a
44 minimum, require the following:

45 (i) proposed research to identify the incident of fetlock fractures
46 and pre-fracture pathology in thoroughbred racehorses, with and without
47 lameness;

48 (ii) proposed research to determine the sensitivity and specificity of
49 standing computed tomography, positron emission tomography, and magnetic
50 resonance imaging of thoroughbred racehorses compared to that of digital
51 radiographs;

52 (iii) use of photo-counting computed tomography and high field magnet-
53 ic resonance imaging to further define early bone pathology in thorough-
54 bred racehorses that suffer fatal fractures of the fetlock joint, to
55 further characterize blood biomarker findings in healthy and clinically
56 lame horses in a large population of thoroughbred racehorses; and

1 (iv) attempted refinement of a risk factor index for fatal musculosk-
2 letal injury for thoroughbred racing based on epidemiological findings,
3 preliminary scanning technology, clinical examination, and advance imag-
4 ing.

5 b. The moneys appropriated or transferred to the fund from the general
6 fund of the state treasury pursuant to subdivision one-a of section
7 seven hundred three of this article may be used to purchase equipment
8 and fund staffing needs necessary to carry out the research tasks speci-
9 fied in paragraph a of this subdivision.

10 c. Any residual unexpended funds collected pursuant to subdivision
11 seven of section one thousand twelve-a of this chapter shall be paid for
12 deposit into the racing regulation account established pursuant to
13 section ninety-nine-i of the state finance law.

14 d. Any data, research findings, or other educational materials gener-
15 ated from the research proposal outlined in this subdivision shall be
16 shared with the commission and any entity licensed or franchised pursu-
17 ant to article two of this chapter.

18 e. To the extent that the research tasks specified in paragraph a of
19 this subdivision involve preventative screening and advanced imaging
20 services for thoroughbred racehorses, such screening and imaging
21 services shall be conducted: (i) at locations proximate to the Belmont
22 Park and Saratoga racetracks; and (ii) for New York horsemen at or below
23 the actual cost.

24 f. Any screening and imaging capital equipment purchased for the
25 purpose of furthering the research specified in subdivision seven of
26 this section shall be owned by the Cornell University College of Veteri-
27 nary Medicine.

28 g. For the duration of the research proposal outlined in this subdivi-
29 sion, the Cornell University College of Veterinary Medicine shall
30 publish an annual report on its website and submit said report to the
31 speaker of the assembly, the temporary president of the senate, and the
32 governor on or before April first of every year. The report shall
33 include, but not be limited to, the following:

34 (i) an accounting of all expenditures related to the study outlined in
35 this subdivision, including expenditures for equipment, supplies,
36 personnel, operations, and administration;

37 (ii) recommendations for legislative, statutory, or regulatory changes
38 to improve the overall effectiveness and efficiency of the study
39 outlined in this subdivision;

40 (iii) the total number of horses participating in the study outlined
41 in this subdivision, including relevant demographic information and
42 deidentified ownership information;

43 (iv) a description of the procedures for selecting participants in the
44 study outlined in this subdivision, including criteria for selection and
45 any screening or eligibility requirements;

46 (v) a summary of findings gathered from the study outlined in this
47 subdivision, including an analysis of risk factors contributing to
48 racehorse injuries and conclusions drawn regarding safety protocols;

49 (vi) recommendations for legislative, statutory, or regulatory changes
50 to improve racehorse safety, including measures to mitigate identified
51 risks and improve the welfare of horses during training, while recover-
52 ing from injury, or participating in race meets; and

53 (vii) any other information as deemed necessary by the commission.

54 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law
55 is amended by adding a new subdivision 10 to read as follows:

10. It is incumbent upon the franchised corporation to ensure the health and safety of its equine participants. To accomplish that goal, the franchised corporation shall, by September first, two thousand twenty-five, make a one-time expenditure of two million dollars for the exclusive purpose of purchasing the screening and imaging capital equipment to be used in furtherance of the research as specified in subdivision seven of section seven hundred four of this chapter.

§ 5. This act shall take effect immediately, and shall apply to wagers from New York residents accepted on and after September 1, 2025 through August 31, 2028; provided, however that the provisions of this act shall expire and be deemed repealed September 1, 2028.

PART JJ

Section 1. Subsection (d) of section 606 of the tax law is amended by adding a new paragraph 10 to read as follows:

(10) Notwithstanding any other provision of law to the contrary, the earned income credit for taxpayers with qualifying children through age seventeen, as defined in paragraph one of subsection (c-2) of this section, shall be reduced as follows:

(A) For taxable years beginning on and after January first, two thousand twenty-six, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to twenty-five;

(B) For taxable years beginning on and after January first, two thousand twenty-seven, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to twenty;

(C) For taxable years beginning on and after January first, two thousand twenty-eight, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to fifteen;

(D) For taxable years beginning on and after January first, two thousand twenty-nine, the applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to ten.

(E) For taxable years beginning on and after January first, two thousand thirty and each taxable year thereafter, the applicable percentage of the earned income tax credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, shall be reduced to zero.

Taxpayers with both qualifying children through age seventeen as defined in paragraph one of subsection (c-2) of this section and another qualifying child, as defined in 26 USC §152(c), and/or a qualifying relative, as defined in 26 USC §152(d), shall not be subject to the reduction of the earned income tax credit provided in subparagraphs (A) through (D) of this paragraph and shall continue to receive the full applicable percentage of the earned income credit allowed under section thirty-two of the internal revenue code for the same taxable year, as described in paragraph one of this subsection, until the taxable year beginning on and after January first, two thousand thirty and each taxable year thereafter, at which point such taxpayer shall receive such

full applicable percentage only for a qualifying child, as defined in 26 USC §152(c), and/or qualifying relative, as defined in 26 USC §152(d), who does not meet the definition of qualifying child through age seventeen in paragraph one of subsection (c-2) of this section.

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

(c-2) New York works tax credit. (1) Definitions. (A) "Qualifying child" or "qualifying children" shall mean as defined in 26 USC §24(c)(1).

(B) "Qualifying child through age seventeen" or "qualifying children through age seventeen" shall mean as defined in 26 USC §24(c)(1) except that such term shall also include qualifying children who have not attained the age of eighteen.

(2) (A) A resident taxpayer shall be allowed a credit amount as provided herein:

(i) For taxable years beginning on and after January first, two thousand twenty-six, and before January first, two thousand twenty-seven, an amount equal to five hundred and fifty dollars per qualifying child;

(ii) For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-eight, an amount equal to eight hundred dollars per qualifying child;

(iii) For taxable years beginning on and after January first, two thousand twenty-eight, and before January first, two thousand twenty-nine, an amount equal to one thousand dollars per qualifying child;

(iv) For taxable years beginning on and after January first, two thousand twenty-nine, and before January first, two thousand thirty, an amount equal to one thousand two hundred dollars per qualifying child through age seventeen; and

(v) For taxable years beginning on and after January first, two thousand thirty and each taxable year thereafter, an amount equal to one thousand six hundred dollars per qualifying child through age seventeen.

(B) The amount of the credit shall be reduced (but not below zero) by sixteen dollars and fifty cents for each one thousand dollars by which the taxpayer's New York state adjusted gross income exceeds:

(i) For taxable years beginning on and after January first, two thousand twenty-six, and before January first, two thousand twenty-seven, seventy-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or seventy-five thousand dollars in the case of a married individual filing a separate return;

(ii) For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-eight, sixty-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or sixty-five thousand dollars in the case of a married individual filing a separate return;

(iii) For taxable years beginning on and after January first, two thousand twenty-eight, and before January first, two thousand twenty-nine, fifty-five thousand dollars in the case of an individual who is not married, one hundred ten thousand dollars in the case of a joint return, or fifty-five thousand dollars in the case of a married individual filing a separate return;

(iv) For taxable years beginning on and after January first, two thousand twenty-nine, and before January first, two thousand thirty, forty-five thousand dollars in the case of an individual who is not married, ninety thousand dollars in the case of a joint return, or forty-five

1 thousand dollars in the case of a married individual filing a separate
2 return; and

3 (v) For taxable years beginning on and after January first, two thou-
4 sand thirty and each taxable year thereafter, twenty-five thousand
5 dollars in the case of an individual who is not married, fifty thousand
6 dollars in the case of a joint return, or twenty-five thousand dollars
7 in the case of a married individual filing a separate return.

8 (C) Such resident taxpayer must provide the social security number or
9 individual taxpayer identification number for each qualifying child in
10 order to receive the credit described in this subsection.

11 (3) If the amount of the credit allowed under this subsection for any
12 taxable year shall exceed the taxpayer's tax for such year, the excess
13 shall be treated as an overpayment of tax to be credited or refunded in
14 accordance with the provisions of section six hundred eighty-six of this
15 article, provided, however, that no interest shall be paid thereon.

16 (4) In the case of spouses who file a joint federal return, but who
17 are required to determine their New York taxes separately, the credit
18 allowed pursuant to this subsection may be applied against the tax
19 imposed on either or divided between them as they may elect.

20 (5) For taxable years beginning on and after January first, two thou-
21 sand twenty-nine and each taxable year thereafter, the commissioner
22 shall provide for the prepayment of the New York works credit under this
23 subsection to qualifying taxpayers. Four advanced payments shall be
24 made to such qualifying taxpayers. An estimated annual tax credit shall
25 be determined by the commissioner in advance of the first payment and
26 shall be subject to adjustment due to changes in employment or family
27 status over the course of the year. The first three advanced payments
28 shall be made during the taxable year and shall be twenty percent of the
29 anticipated credit. The fourth advanced payment shall be made after the
30 end of the tax year and shall be adjusted to match the actual credit
31 due. Such payments shall, to the extent practicable, be made available
32 via direct deposit and via electronic benefit transfer (EBT) card. The
33 commissioner shall provide information on the availability of advanced
34 payments of the New York works credit to tax preparers, accountants, and
35 organizations that assist individuals in tax preparation. Such informa-
36 tion shall be distributed to qualifying taxpayers. If a taxpayer estab-
37 lishes that they are requesting and receiving payments under this para-
38 graph in good faith by establishing that they properly claimed payments
39 under this subsection in the prior year and that they have not experi-
40 enced a substantial change in circumstances such that they have a
41 reasonable expectation of eligibility in the current year, then they
42 shall not be held responsible for an incorrect prepayment/refund amount.

43 (6) Notwithstanding any provision of law to the contrary, the refunda-
44 ble credit and its payment authorized under this subsection shall be
45 treated in the same manner as the federal Earned Income Tax Credit and
46 shall not be considered as assets, income, or resources to the same
47 extent the credit and its payment would be disregarded pursuant to 26
48 U.S.C. § 6409 and the general welfare doctrine for purposes of determin-
49 ing eligibility for benefits or assistance, or the amount or extent of
50 those benefits or assistance, under any state or local program, includ-
51 ing benefits established under section ninety-five of the social
52 services law.

53 § 3. Section 616 of the tax law, as amended by chapter 28 of the laws
54 of 1987, subsection (b) as amended by chapter 760 of the laws of 1992,
55 is amended to read as follows:

§ 616. New York exemptions of a resident individual. (a) General. For taxable years beginning after nineteen hundred eighty-seven, a resident individual shall be allowed a New York exemption of one thousand dollars for each exemption for which ~~[he is]~~ they are entitled to a deduction for the taxable year under section one hundred fifty-one(c) of the Internal Revenue Code; and for taxable years beginning in nineteen hundred eighty-seven, a resident individual other than a taxpayer whose federal exemption amount is zero shall be allowed a New York exemption of nine hundred dollars for each exemption for which ~~[he is]~~ they are entitled to a deduction for the taxable year for federal income tax purposes.

(b) ~~[Husband and wife]~~ Spouses. If the New York income taxes of ~~[a husband and wife]~~ spouses are required to be separately determined but their federal income tax is determined on a joint return, each of them shall be separately entitled to the New York exemptions under subsection (a) of this section to which each would be separately entitled for the taxable year if their federal income taxes had been determined on separate returns.

(c) Qualifying child and dependents. For taxable years beginning on and after January first, two thousand twenty-seven, and before January first, two thousand twenty-nine, a resident individual shall not be allowed the exemption described in this section for any qualifying child as defined in subparagraph (B) of paragraph one of subsection (c-2) of section six hundred six of this article. For taxable years beginning on and after January first, two thousand twenty-nine and each taxable year thereafter, a resident individual shall not be allowed the exemption described in this section for any qualifying child through age seventeen as defined in subparagraph (C) of paragraph one of subsection (c-2) of section six hundred six of this article. Provided, however, for taxable years beginning on and after January first, two thousand twenty-six and each taxable year thereafter, a resident individual shall continue to be allowed the exemption described in this section for other qualifying dependents, as defined in 26 USC § 152(a), who do not meet the definition of qualifying child in subparagraph (B) of paragraph one of subsection (c-2) of section six hundred six of this article and qualifying child through age seventeen as defined in subparagraph (C) of paragraph one of subsection (c-2) of section six hundred six of this article.

§ 4. This act shall take effect immediately.

PART KK

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

(h-1) Credit for certain taxpayers with incomes below certain thresholds. (1) Notwithstanding any other provision of law to the contrary, for taxable years beginning on or after January first, two thousand twenty-five, a credit shall be allowed to a taxpayer against the tax imposed pursuant to the authority of this article in an amount equal to the tax otherwise due under this article for such taxable year, reduced by all the credits permitted by this article for such taxable year, if:

(A) such taxpayer is entitled to a deduction for such taxable year under subsection (c) of section one hundred fifty-one of the internal revenue code;

(B) such taxpayer meets the following income thresholds for such taxable year:

(i) for resident taxpayers who filed in income tax return as married taxpayers filing jointly or a qualified surviving spouse:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
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<u>1</u>	<u>\$36,789</u>
<u>2</u>	<u>\$46,350</u>
<u>3</u>	<u>\$54,545</u>
<u>4</u>	<u>\$61,071</u>
<u>5</u>	<u>\$68,403</u>
<u>6</u>	<u>\$75,204</u>
<u>7 or more</u>	<u>\$91,902</u>

(ii) for resident taxpayers who filed an income tax return as a single taxpayer, married taxpayer filing a separate return, or head of household:

<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
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<u>1</u>	<u>\$31,503</u>
<u>2</u>	<u>\$36,824</u>
<u>3</u>	<u>\$46,512</u>
<u>4</u>	<u>\$53,711</u>
<u>5</u>	<u>\$59,928</u>
<u>6</u>	<u>\$65,712</u>
<u>7</u>	<u>\$74,565</u>
<u>8 or more</u>	<u>\$88,361</u>

(iii) for any taxable year beginning on or after January first, two thousand twenty-six, the commissioner shall multiply the amounts in this subparagraph by one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand twenty-four;

(C) such taxpayer is not allowed a credit pursuant to:

(i) subsection (a) of section eight hundred sixty-three of this chapter against the tax imposed pursuant to article twenty-two of this chapter; or

(ii) subsection (a) of section eight hundred seventy of this chapter against the tax imposed pursuant to the authority of article thirty of this chapter; and

(D) such taxpayer does not report disqualified income in excess of ten thousand dollars in the taxable year, as defined in subsection (i) of section thirty-two of the internal revenue code.

(2) Where the income of a taxpayer exceeds the amount indicated in subparagraph (B) of paragraph one of this subsection for such taxpayer by five thousand dollars or less, and such taxpayer satisfies subparagraph (A) and subparagraphs (C) and (D) of paragraph one of this subsection, a credit shall be allowed in the amount determined by multiplying: (A) the tax otherwise due under this article for such taxable year reduced by all the credits permitted by this article for such taxable year by (B) a fraction the numerator of which is five thousand dollars minus the amount by which such income exceeds the amount indi-

1 cated in subparagraph (B) of paragraph one of this subsection and the
2 denominator of which is five thousand dollars.

3 (3) For purposes of this subsection:

4 (A) "Consumer price index" means the most recent consumer price index
5 for all-urban consumers published by the United States department of
6 labor. The consumer price index for any calendar year shall be the
7 average of the consumer price index as of the close of the twelve-month
8 period ending on August thirty-first of such calendar year.

9 (B) "Income" means federal adjusted gross income for the taxable year.

10 § 2. This act shall take effect immediately and shall apply to taxable
11 years beginning on or after January 1, 2025.

12 PART LL

13 Section 1. Section 606 of the tax law is amended by adding a new
14 subsection (e-3) to read as follows:

15 (e-3) New York city renters tax relief credit. (1) Definitions. For
16 purposes of this subsection:

17 (A) "Qualified taxpayer" means a resident individual of the state who:
18 (i) is a resident of a city with a population of one million or more;
19 (ii) has occupied the same residence for six months or more of the
20 applicable taxable year; and (iii) is required or chooses to file a
21 return under this article.

22 (B) "Household" or "members of the household" means a qualified
23 taxpayer and all other persons, not necessarily related, who have the
24 same residence and share its furnishings, facilities and accommodations.
25 Such terms shall not include a tenant, subtenant, roomer or boarder who
26 is not related to the qualified taxpayer in any degree specified in
27 subparagraphs (A) through (G) of paragraph two of subsection (d) of
28 section one hundred fifty-two of the internal revenue code. Provided,
29 however, no person may be a member of more than one household at one
30 time.

31 (C) "Household gross income" means the aggregate adjusted gross income
32 of all members of the household for the taxable year as reported for
33 federal income tax purposes, or which would be reported as adjusted
34 gross income if a federal income tax return were required to be filed,
35 with the modifications in subsection (b) of section six hundred twelve
36 of this article but without the modifications in subsection (c) of such
37 section, plus any portion of the gain from the sale or exchange of prop-
38 erty otherwise excluded from such amount; earned income from sources
39 without the United States excludable from federal gross income by
40 section nine hundred eleven of the internal revenue code; support money
41 not included in adjusted gross income; nontaxable strike benefits;
42 supplemental security income payments; the gross amount of any pension
43 or annuity benefits to the extent not included in such adjusted gross
44 income (including, but not limited to, railroad retirement benefits and
45 all payments received under the federal social security act and veter-
46 ans' disability pensions); nontaxable interest received from the state
47 of New York, its agencies, instrumentalities, public corporations, or
48 political subdivisions (including a public corporation created pursuant
49 to agreement or compact with another state or Canada); workers' compen-
50 sation; the gross amount of "loss-of-time" insurance; and the amount of
51 cash public assistance and relief, other than medical assistance for the
52 needy, paid to or for the benefit of the qualified taxpayer or members
53 of their household. Household gross income shall not include surplus
54 foods or other relief in kind or payments made to individuals because of

1 their status as victims of Nazi persecution as defined in P.L. 103-286.
2 Provided, further, household gross income shall only include all such
3 income received by all members of the household while members of such
4 household. In computing household gross income, the net amount of loss
5 reported on Federal Schedule C, D, E, or F shall not exceed three thou-
6 sand dollars per schedule. In addition, the net amount of any other
7 separate amount of all losses included in computing household income
8 shall not exceed fifteen thousand dollars.

9 (D) "Residence" means a dwelling in this state rented by the taxpayer
10 and used by the taxpayer as their primary residence, and so much of the
11 land abutting it, not exceeding one acre, as is reasonably necessary for
12 use of the dwelling as a home, and may consist of a part of a multi-
13 dwelling or multi-purpose building including a cooperative or condomin-
14 ium, and rental units within a single dwelling. Residence includes a
15 trailer or mobile home, used exclusively for residential purposes and
16 defined as real property pursuant to paragraph (g) of subdivision twelve
17 of section one hundred two of the real property tax law.

18 (E) "Real property tax equivalent" means seventeen and three-quarters
19 percent of the adjusted rent actually paid in the taxable year by a
20 household solely for the right of occupancy of its New York residence
21 for the taxable year. If (i) a residence is rented to two or more indi-
22 viduals as cotenants, or such individuals share in the payment of a
23 single rent for the right of occupancy of such residence, and (ii) each
24 of such individuals is a member of a different household, one or more of
25 which individuals shares such residence, real property tax equivalent is
26 that portion of seventeen and three-quarters percent of the adjusted
27 rent paid in the taxable year which reflects that portion of the rent
28 attributable to the qualified taxpayer and the members of their house-
29 hold.

30 (F) "Adjusted rent" means rental paid for the right of occupancy of a
31 residence, excluding charges for heat, gas, electricity, furnishings and
32 board. Where charges for heat, gas, electricity, furnishing or board are
33 included in rental but where such charges and the amount thereof are not
34 separately set forth in a written rental agreement, for purposes of
35 determining adjusted rent the qualified taxpayer shall reduce rental
36 paid as follows:

37 (i) For heat, or heat and gas, deduct fifteen percent of rental paid.

38 (ii) For heat, gas and electricity, deduct twenty percent of rental
39 paid.

40 (iii) For heat, gas, electricity and furnishings, deduct twenty-five
41 percent of rental paid.

42 (iv) For heat, gas, electricity, furnishings and board, deduct fifty
43 percent of rental paid.

44 If the tax commission determines that the adjusted rent shown on the
45 return is excessive, the tax commission may reduce such rent, for
46 purposes of the computation of the credit, to an amount substantially
47 equivalent to rent for a comparable accommodation.

48 (2) Qualifications. A qualified taxpayer shall be allowed a credit as
49 provided in paragraph three of this subsection against the taxes imposed
50 by this article reduced by the credits permitted by this article. If the
51 credit exceeds the tax as so reduced for such year under this article
52 the qualified taxpayer may receive, and the comptroller, subject to a
53 certificate of the state tax commission, shall pay as an overpayment,
54 without interest, any excess between such tax as so reduced and the
55 amount of the credit. If a qualified taxpayer is not required to file a
56 return pursuant to section six hundred fifty-one of this article, a

qualified taxpayer may nevertheless receive and the comptroller, subject to a certificate of the state tax commission, shall pay as an overpayment the full amount of the credit, without interest.

(3) Determination of credit.

(A) For taxable years beginning on or after January first, two thousand twenty-five and before January first, two thousand twenty-eight, the amount of the credit allowable under this subsection shall be determined as follows:

<u>If household gross income for the taxable year is:</u>	<u>Excess real property taxes are the excess of real property tax equivalent over the following percentage of household gross income:</u>	<u>The credit amount is the following percentage of excess real property tax equivalent:</u>
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<u>Less than \$100,000</u>	<u>4.0</u>	<u>3.0</u>
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<u>At least \$100,000 and less than \$150,000</u>	<u>4.0</u>	<u>2.5</u>
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<u>At least \$150,000 and less than \$200,000</u>	<u>4.0</u>	<u>2.0</u>
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Notwithstanding the provisions of this subparagraph, the maximum credit allowed under this paragraph shall not exceed seven hundred fifty dollars.

(B) If a qualified taxpayer occupies a residence for a period of less than twelve months during the taxable year or occupies two or more residences during different periods in such taxable year, the credit allowed pursuant to this subsection shall be computed in such manner as the tax commission may, by regulation, prescribe in order to properly reflect the credit or portion thereof attributable to such residence or residences and such period or periods.

(C) The commissioner may prescribe that the credit under this subsection shall be determined in whole or in part by the use of tables prescribed by such commissioner. Such tables shall set forth the credit to the nearest dollar.

(D) (i) Only one credit per household and per qualified taxpayer shall be allowed per taxable year under this subsection. When two or more members of a household are able to meet the qualifications for a qualified taxpayer, the credit shall be equally divided between or among such individuals unless such individuals file with the commissioner a written agreement among such individuals setting forth a different division.

(ii) Provided, however, where a joint income tax return has been filed pursuant to the provisions of section six hundred fifty-one of this article by a qualified taxpayer and their spouse (or where both spouses are qualified taxpayers and have filed such joint return), the credit, or the portion of the credit if divided, to which the spouses are entitled shall be applied against the tax of both spouses and any overpayment shall be made to both spouses.

(iii) Where any return required to be filed pursuant to the provisions of section six hundred fifty-one of this article is combined with any

1 return of tax imposed pursuant to the authority of this chapter or any
2 other law if such tax is administered by the commissioner, the credit or
3 the portion of the credit if divided, allowed to the qualified taxpayer
4 may be applied by the commissioner toward any liability for the afore-
5 mentioned taxes.

6 (4) Exceptions. No credit shall be granted under this subsection:

7 (A) If household gross income for the taxable year exceeds two hundred
8 thousand dollars.

9 (B) To an individual with respect to whom a deduction under subsection
10 (c) of section one hundred fifty-one of the internal revenue code is
11 allowable to another taxpayer for the taxable year.

12 (C) To an individual who is not a resident individual of a city within
13 the state with a population over one million, for the entire taxable
14 year.

15 (5) Right to claim credit. The right to claim a credit or the portion
16 of a credit, where such credit has been divided under this subsection,
17 shall be personal to the qualified taxpayer and shall not survive their
18 death, but such right may be exercised on behalf of a claimant by their
19 legal guardian or attorney in fact during their lifetime.

20 (6) Returns. If a qualified taxpayer is not required to file a return
21 pursuant to section six hundred fifty-one of this article, a claim for a
22 credit may be taken on a return filed with the commissioner within three
23 years from the time it would have been required that a return be filed
24 pursuant to such section had the qualified taxpayer had a taxable year
25 ending on December thirty-first. Returns under this paragraph shall be
26 in such form as shall be prescribed by the commissioner, which shall
27 make available such forms and instructions for filing such returns.

28 (7) Proof of claim. The commissioner may require a qualified taxpayer
29 to furnish the following information in support of their claim for cred-
30 it under this subsection: household gross income, rent paid, name and
31 address of owner or managing agent of the property rented, real property
32 taxes levied or that would have been levied in the absence of an
33 exemption from real property tax pursuant to section four hundred
34 sixty-seven of the real property tax law, the names of members of the
35 household and other qualifying taxpayers occupying the same residence
36 and their identifying numbers including social security numbers, house-
37 hold gross income, size and nature of property claimed as residence and
38 all other information which may be required by the commissioner to
39 determine the credit.

40 (8) Administration. (A) The provisions of this article, including the
41 provisions of section six hundred fifty-three, six hundred fifty-eight,
42 and six hundred fifty-nine and the provisions of part six relating to
43 procedure and administration, including the judicial review of the deci-
44 sions of the tax commission, except so much of section six hundred
45 eighty-seven which permits a claim for credit or refund to be filed
46 after the period provided for in this subsection and except sections six
47 hundred fifty-seven, six hundred eighty-eight and six hundred ninety-
48 six, shall apply to the provisions of this subsection in the same manner
49 and with the same force and effect as if the language of those
50 provisions had been incorporated in full into this subsection and had
51 expressly referred to the credit allowed or returns filed under this
52 subsection, except to the extent that any such provision is either
53 inconsistent with a provision of this subsection or is not relevant to
54 this subsection. As used in such sections and such part, the term
55 "taxpayer" shall include a qualified taxpayer under this subsection and,
56 notwithstanding the provisions of subsection (e) of section six hundred

ninety-seven of this article, where a qualified taxpayer has protested the denial of a claim for credit under this subsection and the time to file a petition for redetermination of a deficiency or for refund has not expired, such taxpayer shall, subject to such conditions as may be set by the tax commission, receive such information (i) which is contained in any return filed under this article by a member of such taxpayer's household for the taxable year for which the credit is claimed, and (ii) which the tax commission finds is relevant and material to the issue of whether such claim was properly denied. The tax commission shall have the authority to promulgate such rules and regulations as may be necessary for the processing, determination and granting of credits and refunds under this subsection.

(B) Notwithstanding any other provision of this article, the credit allowed under this subsection shall be determined after the determination and application of any other credits permitted under the provisions of this article.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2025.

PART MM

Section 1. Subdivision (a) of section 42-a of the tax law, as added by section 2 of subpart C of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(a) Notwithstanding subdivision (f) of section forty-two of this article, a taxpayer that is a farm employer ~~[or]~~, an owner of a farm employer, or a professional employer organization as defined in section nine hundred sixteen of the labor law that is in a contractual relationship with an eligible farm employer shall be eligible for a credit against the tax imposed under article nine-A or twenty-two of this chapter, pursuant to the provisions referenced in subdivision (i) of this section.

§ 2. Subdivision (d) of section 42-a of the tax law, as added by section 2 of subpart C of part B of chapter 59 of the laws of 2022, is amended to read as follows:

(d) An eligible farm employee is an individual who meets the definition of a "farm laborer" under section two of the labor law who is employed by a farm employer or a professional employer organization as defined in section nine hundred sixteen of the labor law that is in a contractual relationship with an eligible farm employer in New York state, but excluding general executive officers of the farm employer.

§ 3. This act shall take effect immediately.

PART NN

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

For taxable years beginning before January first, two thousand sixteen, the amount prescribed by this paragraph shall be computed at the rate of seven and one-tenth percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand sixteen, the amount prescribed by this paragraph shall be six and one-half percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand twenty-one and before January first, two thousand ~~[twenty-seven]~~ twenty-five for any

1 taxpayer with a business income base for the taxable year of more than
2 five million dollars, the amount prescribed by this paragraph shall be
3 seven and one-quarter percent of the taxpayer's business income base.
4 For taxable years beginning on or after January first, two thousand
5 twenty-five and before January first, two thousand thirty for any
6 taxpayer with a business income base for the taxable year of more than
7 five million dollars but not over ten million dollars, the amount
8 prescribed by this paragraph shall be seven and one-quarter percent of
9 the taxpayer's income base. Provided, further, for taxable years begin-
10 ning on or after January first, two thousand twenty-five and before
11 January first, two thousand thirty for any taxpayer with a business
12 income base for the taxable year of more than ten million dollars, the
13 amount prescribed by this paragraph shall be nine and one-quarter
14 percent of the taxpayer's business income base. The taxpayer's business
15 income base shall mean the portion of the taxpayer's business income
16 apportioned within the state as hereinafter provided. However, in the
17 case of a small business taxpayer, as defined in paragraph (f) of this
18 subdivision, the amount prescribed by this paragraph shall be computed
19 pursuant to subparagraph (iv) of this paragraph and in the case of a
20 manufacturer, as defined in subparagraph (vi) of this paragraph, the
21 amount prescribed by this paragraph shall be computed pursuant to
22 subparagraph (vi) of this paragraph, and, in the case of a qualified
23 emerging technology company, as defined in subparagraph (vii) of this
24 paragraph, the amount prescribed by this paragraph shall be computed
25 pursuant to subparagraph (vii) of this paragraph.

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

29 (1) (i) The amount prescribed by this paragraph shall be computed
30 at .15 percent for each dollar of the taxpayer's total business capital,
31 or the portion thereof apportioned within the state as hereinafter
32 provided for taxable years beginning before January first, two thousand
33 sixteen. However, in the case of a cooperative housing corporation as
34 defined in the internal revenue code, the applicable rate shall be .04
35 percent until taxable years beginning on or after January first, two
36 thousand twenty and zero percent for taxable years beginning on or after
37 January first, two thousand twenty-one. The rate of tax for subsequent
38 tax years shall be as follows: .125 percent for taxable years beginning
39 on or after January first, two thousand sixteen and before January
40 first, two thousand seventeen; .100 percent for taxable years beginning
41 on or after January first, two thousand seventeen and before January
42 first, two thousand eighteen; .075 percent for taxable years beginning
43 on or after January first, two thousand eighteen and before January
44 first, two thousand nineteen; .050 percent for taxable years beginning
45 on or after January first, two thousand nineteen and before January
46 first, two thousand twenty; .025 percent for taxable years beginning on
47 or after January first, two thousand twenty and before January first,
48 two thousand twenty-one; and .1875 percent for years beginning on or
49 after January first, two thousand twenty-one and before January first,
50 two thousand [~~twenty-seven~~ thirty], and zero percent for taxable years
51 beginning on or after January first, two thousand [~~twenty-seven~~ thirty].
52 Provided however, for taxable years beginning on or after January first,
53 two thousand twenty-one, the rate of tax for a small business as defined
54 in paragraph (f) of this subdivision shall be zero percent. The rate of
55 tax for a qualified New York manufacturer shall be .132 percent for
56 taxable years beginning on or after January first, two thousand fifteen

1 and before January first, two thousand sixteen, .106 percent for taxable
2 years beginning on or after January first, two thousand sixteen and
3 before January first, two thousand seventeen, .085 percent for taxable
4 years beginning on or after January first, two thousand seventeen and
5 before January first, two thousand eighteen; .056 percent for taxable
6 years beginning on or after January first, two thousand eighteen and
7 before January first, two thousand nineteen; .038 percent for taxable
8 years beginning on or after January first, two thousand nineteen and
9 before January first, two thousand twenty; .019 percent for taxable
10 years beginning on or after January first, two thousand twenty and
11 before January first, two thousand twenty-one; and zero percent for
12 years beginning on or after January first, two thousand twenty-one. (ii)
13 In no event shall the amount prescribed by this paragraph exceed three
14 hundred fifty thousand dollars for qualified New York manufacturers and
15 for all other taxpayers five million dollars.
16 § 3. This act shall take effect immediately.

17 PART 00

18 Section 1. Subparagraph (A) of paragraph 39 of subsection (c) of
19 section 612 of the tax law, as amended by section 1 of part C of chapter
20 59 of the laws of 2022, is amended to read as follows:

21 (A) In the case of a taxpayer who is a small business or a taxpayer
22 who is a member, partner, or shareholder of a limited liability company,
23 partnership, or New York S corporation, respectively, that is a small
24 business, who or which has business income and/or farm income as defined
25 in the laws of the United States, an amount equal to [~~fifteen~~] twenty-
26 five percent of the net items of income, gain, loss and deduction
27 attributable to such business or farm entering into federal adjusted
28 gross income, but not less than zero.

29 § 2. This act shall take effect immediately and shall apply to taxable
30 years beginning on or after January 1, 2025.

31 PART PP

32 Section 1. Short title. This act shall be known and may be cited as
33 the "savings accounts for a variable economy (SAVE) for small businesses
34 act".

35 § 2. The tax law is amended by adding a new section 50 to read as
36 follows:

37 § 50. Small business savings accounts. (a) General. (1) The commis-
38 sioner shall establish a program to administer small business savings
39 accounts under this section.

40 (2) The commissioner shall establish minimum standards for small busi-
41 ness savings accounts and shall establish accounts, or enter into agree-
42 ments that meet these standards to administer such accounts. In estab-
43 lishing such standards and making such agreements the commissioner
44 shall, to the extent practicable, seek to minimize fees, minimize risk
45 of loss of principal, and ensure a range of investment risk options
46 available to account beneficiaries. Any eligible small business may
47 establish a small business savings account with respect to such business
48 under terms which meet the requirements of this section.

49 (b) Definition. For the purposes of this section, the term "small
50 business savings account" means a tax preferred savings account which is
51 designated at the time of establishment of the plan as a small business

1 savings account. Such designation shall be made in such manner as the
2 commissioner may by regulation prescribe.

3 (c) Contributions. (1) There shall be allowed as a deduction an amount
4 equal to the contributions to a small business savings account for the
5 taxable year.

6 (2) The aggregate amount of contributions for any taxable year to all
7 small business savings accounts maintained for the benefit of an eligi-
8 ble small business shall not exceed an amount equal to ten percent of
9 the entire net income of greater than zero but less than two hundred
10 fifty thousand dollars for article nine-A taxpayers and ten percent of
11 the New York source gross income of greater than zero but less than two
12 hundred fifty thousand dollars for a limited liability company, partner-
13 ship, or New York S corporation.

14 (d) Distributions. (1) Any qualified distribution from a small busi-
15 ness savings account shall not be includible in gross income.

16 (2) Any amounts distributed out of a small business savings account
17 that are not qualified distributions shall be included in gross income
18 for the taxable year of the distribution.

19 (3) For purposes of this section:

20 (A) The term "qualified distribution" means any amount:

21 (i) distributed from a small business savings account during a speci-
22 fied period of economic hardship; and

23 (ii) the distribution of which is certified by the taxpayer as part of
24 a plan which provides for the reinvestment of such distribution for the
25 funding of worker hiring or financial stabilization for the purposes of
26 job retention or creation.

27 (B) The term "specified period of economic hardship" means:

28 (i) any one-year period beginning immediately after the end of any two
29 consecutive quarters during which the annual rate of real gross domestic
30 product (as determined by the Bureau of Economic Analysis of the Depart-
31 ment of Commerce) decreases, or

32 (ii) any period, in no event shorter than one year, specified by the
33 commissioner for purposes of this section.

34 (C) The commissioner may specify a period under clause (ii) of subpara-
35 graph (B) of this paragraph with respect to a specified area in the
36 case of an area determined by the governor to warrant assistance from
37 the Federal Government under the Robert T. Stafford Disaster Relief and
38 Emergency Assistance Act.

39 (D) The commissioner shall, for each specified period of economic
40 hardship establish a distribution limitation for qualified distributions
41 from eligible small business accounts with respect to such period. The
42 aggregate qualified distributions for any such period from all accounts
43 with respect to an eligible small business shall not exceed such limita-
44 tion.

45 (E) Any distribution not used in the manner certified under subpara-
46 graph (A) of this paragraph shall be treated as a distribution other
47 than a qualified distribution in the taxable year of such distribution.

48 (F) Any amount contributed to a small business savings account (and
49 any earnings attributable thereto), once distributed, shall not be
50 treated as a qualified distribution unless such distribution is made not
51 later than eight years after the date of such contribution. For purposes
52 of this subparagraph, amounts (and the earnings attributable thereto)
53 shall be treated as distributed on a first-in first-out basis.

54 (e) Eligible small business. For purposes of this section:

55 (1) The term "eligible small business" means, with respect to any
56 calendar year, any person if the annual average number of full-time

1 employees employed by such person during the preceding calendar year was
2 twenty-five or fewer and such person has an annual net income of less
3 than two hundred fifty thousand dollars. For purposes of this paragraph,
4 a preceding calendar year may be taken into account only if the person
5 was in existence throughout the year.

6 (2)(A) The term "full-time employee" means, with respect to any year,
7 an employee who is employed on average at least forty hours of service
8 per week.

9 (B) The commissioner shall prescribe such regulations, rules, and
10 guidance as may be necessary to determine the hours of service of an
11 employee, including rules for the application of this subdivision to
12 employees who are not compensated on an hourly basis.

13 (f) Effect of pledging account as security. If, during any taxable
14 year of the eligible small business for whose benefit an account is
15 established, the account or any portion thereof is pledged as security
16 for a loan, the portion so pledged shall be treated as distributed in a
17 distribution other than a qualified distribution.

18 (g) Annual report. The commissioner shall prepare and deliver an annu-
19 al report on the efficacy of small business savings accounts to the
20 temporary president of the senate and the speaker of the assembly. Such
21 report shall include, but not be limited to, an evaluation as to whether
22 small business savings accounts contribute to financial stabilization of
23 the small business during times of economic hardship, job retention or
24 creation.

25 § 3. Paragraph (a) of subdivision 9 of section 208 of the tax law is
26 amended by adding a new subparagraph 24 to read as follows:

27 (24) For taxable years beginning on or after January first, two thou-
28 sand twenty-five, contributions and qualified distributions by an eligi-
29 ble small business, as such term is defined pursuant to section fifty of
30 this chapter.

31 § 4. Paragraph (b) of subdivision 9 of section 208 of the tax law is
32 amended by adding a new subparagraph 28 to read as follows:

33 (28) For taxable years beginning on or after January first, two thou-
34 sand twenty-five, any amounts of ineligible contributions and distrib-
35 utions described in section fifty of this chapter.

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

38 (48) For taxable years beginning on or after January first, two thou-
39 sand twenty-five, contributions and qualified distributions by an eligi-
40 ble small business, as such term is defined pursuant to section fifty of
41 this chapter.

42 § 6. Subsection (b) of section 612 of the tax law is amended by adding
43 a new paragraph 44 to read as follows:

44 (44) For taxable years beginning on or after January first, two thou-
45 sand twenty-five, any amounts of ineligible contributions and distrib-
46 utions described in section fifty of this chapter.

47 § 7. This act shall take effect immediately and shall apply to taxable
48 years beginning on or after January 1, 2025.

49 PART QQ

50 Section 1. The tax law is amended by adding a new section 50 to read
51 as follows:

52 § 50. Work opportunity tax credit. (a) General. A taxpayer subject to
53 tax under article nine-A, twenty-two, or thirty-three of this chapter
54 shall be allowed a credit against such tax in an amount equal to one

1 hundred percent of the credit that is allowed to the taxpayer under
2 section 51 of the internal revenue code that is attributable to quali-
3 fied wages paid to a New York resident who is a member of a targeted
4 group and for whom a certificate to that effect has been issued by the
5 department of labor.

6 (b) Definitions. The terms "qualified wages" and "targeted group"
7 shall have the same meanings as in section 51 of the internal revenue
8 code.

9 (c) Effect on other tax credits. Wages which are the basis of the
10 credit under this section may not be used as the basis for any other
11 credit allowed under this chapter.

12 (d) Limit on tax credits issued. Over the lifetime of the tax credit,
13 the total amount of tax credits provided for under this section shall
14 not exceed thirty million dollars.

15 (e) Cross-references. For application of the credit provided for in
16 this section, see the following provisions of this chapter:

17 (1) article 9-A: section 210-B, subdivision 61;

18 (2) article 22: section 606, subsection (bbb);

19 (3) article 33: section 1511, subdivision (ff).

20 § 2. Section 210-B of the tax law is amended by adding a new subdivi-
21 sion 61 to read as follows:

22 61. Work opportunity tax credit. (a) Allowance of credit. A taxpayer
23 shall be allowed a credit, to be computed as provided in section fifty
24 of this chapter, against the tax imposed by this article. Such credit
25 may not exceed five hundred dollars per eligible employee per year in
26 any given tax year.

27 (b) Application of credit. The credit allowed under this subdivision
28 for any taxable year may not reduce the tax due for such year to less
29 than the amount prescribed in paragraph (d) of subdivision one of
30 section two hundred ten of this article. However, if the amount of the
31 credit allowed under this subdivision for any taxable year reduces the
32 tax to such amount or if the taxpayer otherwise pays tax based on the
33 fixed dollar minimum amount, any amount of credit thus not deductible in
34 such taxable year will be treated as an overpayment of tax to be credit-
35 ed in accordance with the provisions of section one thousand eighty-six
36 of this chapter. Provided, however, the provisions of subsection (c) of
37 section one thousand eighty-eight of this chapter notwithstanding, no
38 interest shall be paid thereon.

39 § 3. Section 606 of the tax law is amended by adding a new subsection
40 (bbb) to read as follows:

41 (bbb) Work opportunity tax credit. (1) Allowance of credit. A taxpayer
42 shall be allowed a credit, to be computed as provided in section fifty
43 of this chapter, against the tax imposed by this article. Such credit
44 may not exceed five hundred dollars per eligible employee per year in
45 any given tax year.

46 (2) Application of credit. If the amount of the credit allowed under
47 this subsection for any taxable year shall exceed the taxpayer's tax for
48 such year, the excess shall be treated as an overpayment of tax to be
49 credited or refunded in accordance with the provisions of section six
50 hundred eighty-six of this article, provided, however, that no interest
51 shall be paid thereon.

52 § 4. Section 1511 of the tax law is amended by adding a new subdivi-
53 sion (ff) to read as follows:

54 (ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer
55 shall be allowed a credit, to be computed as provided in section fifty
56 of this chapter, against the tax imposed by this article. Such credit

1 may not exceed five hundred dollars per eligible employee per year in
2 any given tax year.

3 (2) Application of credit. The credit allowed under this subdivision
4 shall not reduce the tax due for such year to be less than the minimum
5 fixed by paragraph four of subdivision (a) of section fifteen hundred
6 two or section fifteen hundred two-a of this article, whichever is
7 applicable. However, if the amount of the credit allowed under this
8 subdivision for any taxable year reduces the taxpayer's tax to such
9 amount, any amount of credit thus not deductible will be treated as an
10 overpayment of tax to be credited in accordance with the provisions of
11 section one thousand eighty-six of this chapter. Provided, however, the
12 provisions of subsection (c) of section one thousand eighty-eight of
13 this chapter notwithstanding, no interest shall be paid thereon.

14 § 5. This act shall take effect immediately and shall apply to taxable
15 years beginning on and after January 1, 2025 and shall apply to wages
16 paid to individuals hired on and after such effective date and shall
17 expire and be deemed repealed December 31, 2027.

18 PART RR

19 Section 1. Subdivision (e) of section 42 of the tax law, as amended by
20 section 1 of subpart B of part B of chapter 59 of the laws of 2022, is
21 amended to read as follows:

22 (e) For taxable years beginning on or after January first, two thou-
23 sand seventeen and before January first, two thousand eighteen, the
24 amount of the credit allowed under this section shall be equal to the
25 product of the total number of eligible farm employees and two hundred
26 fifty dollars. For taxable years beginning on or after January first,
27 two thousand eighteen and before January first, two thousand nineteen,
28 the amount of the credit allowed under this section shall be equal to
29 the product of the total number of eligible farm employees and three
30 hundred dollars. For taxable years beginning on or after January first,
31 two thousand nineteen and before January first, two thousand twenty, the
32 amount of the credit allowed under this section shall be equal to the
33 product of the total number of eligible farm employees and five hundred
34 dollars. For taxable years beginning on or after January first, two
35 thousand twenty and before January first, two thousand twenty-one, the
36 amount of the credit allowed under this section shall be equal to the
37 product of the total number of eligible farm employees and four hundred
38 dollars. For taxable years beginning on or after January first, two
39 thousand twenty-one and before January first, two thousand twenty-two,
40 the amount of the credit allowed under this section shall be equal to
41 the product of the total number of eligible farm employees and six
42 hundred dollars. For taxable years beginning on or after January first,
43 two thousand twenty-two and before January first, two thousand ~~twenty-~~
44 ~~six~~ twenty-nine, the amount of the credit allowed under this section
45 shall be equal to the product of the total number of eligible farm
46 employees and twelve hundred dollars.

47 § 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending
48 the tax law relating to creating a farm workforce retention credit, as
49 amended by section 2 of subpart B of part B of chapter 59 of the laws of
50 2022, is amended to read as follows:

51 § 5. This act shall take effect immediately and shall apply only to
52 taxable years beginning on or after January 1, 2017 and before January
53 1, ~~2026~~ 2029.

54 § 3. This act shall take effect immediately.

1 PART SS

2 Section 1. Section 1115 of the tax law is amended by adding a new
3 subdivision (mm) to read as follows:

4 (mm) The following shall be exempt from tax under this article: (1)
5 Receipts from the retail sale of, and consideration given or contracted
6 to be given for, or for the use of, commercial energy storage systems
7 equipment and the costs of installing such systems. For the purposes of
8 this subdivision, "commercial energy storage systems equipment" shall
9 mean an arrangement or combination of components installed upon non-re-
10 sidential premises that stores electricity for use at a later time to
11 provide heating, cooling, hot water and/or electricity.

12 (2) Receipts from the sale of electricity by a person primarily
13 engaged in the sale of energy storage system equipment and/or electric-
14 ity generated by such equipment pursuant to a written agreement under
15 which the electricity is generated by commercial energy system equipment
16 that is: (A) owned by a person other than the purchaser of such elec-
17 tricity; (B) installed on the non-residential premises of the purchaser
18 of such electricity; and (C) used to provide heating, cooling, hot water
19 or electricity to such premises.

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

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

chapter. (ii) Any local law, ordinance or resolution enacted by any city, county or school district, imposing the taxes authorized by this subdivision, shall omit the residential solar energy systems equipment and electricity exemption provided for in subdivision (ee), the commercial solar energy systems equipment and electricity exemption provided for in subdivision (ii), the commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption provided for in subdivision (kk), the commercial energy storage systems equipment and electricity exemption provided for in subdivision (mm) and the clothing and footwear exemption provided for in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, unless such city, county or school district elects otherwise as to such residential solar energy systems equipment and electricity exemption, such commercial solar energy systems equipment and electricity exemption, commercial fuel cell electricity generating systems equipment and electricity generated by such equipment exemption, such commercial energy storage systems equipment and electricity exemption, or such clothing and footwear exemption.

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

(d) A local law, ordinance or resolution imposing any tax pursuant to this section, increasing or decreasing the rate of such tax, repealing or suspending such tax, exempting from such tax the energy sources and services described in paragraph three of subdivision (a) or of subdivision (b) of this section or changing the rate of tax imposed on such energy sources and services or providing for the credit or refund described in clause six of subdivision (a) of section eleven hundred nineteen of this chapter, or electing or repealing the exemption for residential solar equipment and electricity in subdivision (ee) of section eleven hundred fifteen of this article, or the exemption for commercial solar equipment and electricity in subdivision (ii) of section eleven hundred fifteen of this article, or electing or repealing the exemption for commercial fuel cell electricity generating systems equipment and electricity generated by such equipment in subdivision (kk) of section eleven hundred fifteen of this article, or the exemption for commercial energy storage equipment and electricity in subdivision (mm) of section eleven hundred fifteen of this article must go into effect only on one of the following dates: March first, June first, September first or December first; provided, that a local law, ordinance or resolution providing for the exemption described in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter or repealing any such exemption or a local law, ordinance or resolution providing for a refund or credit described in subdivision (d) of section eleven hundred nineteen of this chapter or repealing such provision so provided must go into effect only on March first. No such local law, ordinance or resolution shall be effective unless a certified copy of such law, ordinance or resolution is mailed by registered or certified mail to the commissioner at the commissioner's office in Albany at least ninety days prior to the date it is to become effective. However, the commissioner may waive and reduce such ninety-day minimum notice requirement to a mailing of such certified copy by registered or certified mail within a period of not less than thirty days prior to such effective date if the commissioner deems such action to be consistent with the commissioner's duties under section twelve hundred fifty of this article and the commissioner acts by resolution. Where the

1 restriction provided for in section twelve hundred twenty-three of this
2 article as to the effective date of a tax and the notice requirement
3 provided for therein are applicable and have not been waived, the
4 restriction and notice requirement in section twelve hundred twenty-
5 three of this article shall also apply.

6 § 4. Section 2 of part PP of chapter 58 of the laws of 2024 amending
7 the tax law relating to establishing a sales tax exemption for residen-
8 tial energy storage, is amended to read as follows:

9 § 2. This act shall take effect June 1, 2024 and shall expire and be
10 deemed repealed June 1, ~~2026~~ 2027.

11 § 5. This act shall take effect immediately; provided, however, that
12 sections one, two and three of this act shall take effect June 1, 2025;
13 and provided, further sections one, two and three of this act shall
14 expire June 1, 2027 when upon such date the provisions of such sections
15 shall be deemed repealed.

16 PART TT

17 Section 1. Subdivision (a) of section 495 of the tax law, as added by
18 chapter 92 of the laws of 2021, is amended to read as follows:

19 (a) Every person on whom tax is imposed under this article shall, on
20 or before the twentieth day of the month following each quarterly period
21 ending on the last day of February, May, August, and November, respec-
22 tively, file electronically with the commissioner a return on forms to
23 be prescribed by the commissioner, showing the total amount of tax due
24 in such quarterly period, and including such other information as the
25 commissioner may require; provided, however, that a distributor on whom
26 tax is imposed pursuant to this article may elect to file electronically
27 with the commissioner for an annual period instead of a quarterly peri-
28 od, in a manner prescribed by the commissioner. If a distributor elects
29 to file electronically for an annual period, the distributor shall file
30 electronically with the commissioner, on or before March twentieth of
31 each year, a return on forms to be prescribed by the commissioner, show-
32 ing the total amount of tax due in such annual period, and including any
33 such other information as the commissioner may require.

34 § 2. This act shall take effect immediately and shall apply to taxa-
35 ble years beginning on and after January 1, 2026.

36 PART UU

37 Section 1. Section 1180 of the tax law is amended by adding five new
38 subdivisions (c), (d), (e), (f), and (g) to read as follows:

39 (c) "Flavored nicotine analogue product" means a flavored vapor prod-
40 uct that contains a nicotine analogue.

41 (d) "Flavored vapor product" shall have the same meaning as described
42 in section thirteen hundred ninety-nine-mm-1 of the public health law.

43 (e) "Nicotine analogue" means a substance:

44 (1) (A) The chemical structure of which is substantially similar to
45 the chemical structure of nicotine; or

46 (B) which has, purports to have, or is represented to have, an effect
47 on the central nervous system that is similar to or greater than effect
48 on the central nervous system of nicotine.

49 (2) Factors relevant to determining whether a substance is a nicotine
50 analogue include, but are not limited to, the marketing, advertising and
51 labeling of the substance, and whether the substance has been manufac-
52 tured, formulated, sold, distributed, or marketed with the intent to

1 avoid the provisions of this subdivision and other applicable provisions
2 of law.

3 (f) "Vapor products distributor" means any person who imports or caus-
4 es to be imported into this state any vapor products for sale, or who
5 manufactures any vapor product in this state, and any person within or
6 without the state who is authorized by the commissioner to make returns
7 and pay the tax on vapor products sold, shipped, or delivered by such
8 person to any person in the state.

9 (g) "Wholesale price" means the price at which a vapor products dealer
10 purchases vapor products from a vapor products distributor.

11 § 2. Section 1181 of the tax law, as amended by chapter 92 of the laws
12 of 2021, is amended to read as follows:

13 § 1181. Imposition of tax. (a) In addition to any other tax imposed
14 by this chapter or other law, there is hereby imposed a tax of twenty
15 percent on ~~[receipts from the retail sale of vapor products sold]~~ the
16 wholesale price of vapor products sold by a vapor products distributor
17 to a vapor products dealer in this state. The tax is imposed on the
18 [purchaser] vapor products dealer and collected by the vapor products
19 ~~dealer as defined in subdivision (b) of section eleven hundred eighty~~
20 ~~of this article~~ distributor, in trust for and on account of the state.
21 The taxes imposed under this section shall not apply to adult-use canna-
22 bis products subject to tax under article twenty-C of this chapter.

23 (b) The vapor products distributor shall be liable for the payment of
24 the tax on vapor products which the vapor products distributor imports
25 or causes to be imported into the state, or which the vapor products
26 distributor manufactures in the state, and every vapor products distrib-
27 utor authorized by the commissioner to make returns and pay the tax on
28 tobacco products sold, shipped or delivered by the vapor products
29 distributor to any person in the state shall be liable for the payment
30 of the tax on all vapor products so sold, shipped or delivered.

31 (c) Every vapor products dealer shall be liable for the tax on all
32 vapor products in the vapor products distributor's possession at any
33 time, upon which tax has not been paid or assumed by a vapor products
34 distributor appointed by the commissioner, and the failure of any vapor
35 products dealer to produce and exhibit to the commissioner or the
36 commissioner's authorized representative upon demand, an invoice by a
37 vapor products distributor for any vapor products in the vapor products
38 distributor's possession shall be presumptive evidence that the tax
39 thereon has not been paid, and that such dealer is liable for the tax
40 thereon unless evidence of such invoice, payment or assumption shall
41 later be produced.

42 § 3. The tax law is amended by adding two new sections 1183-a and
43 1183-b to read as follows:

44 § 1183-a. Vapor products distributor license and renewal. (a) Every
45 person who intends to be a vapor products distributor in this state must
46 receive from the commissioner a license prior to engaging in business.
47 In addition to the requirements of section eleven hundred eighty-three
48 of this article, a vapor products dealer who purchases or receives vapor
49 products from a manufacturer or out-of-state distributor shall be
50 required to obtain a vapor products distributor license. The applicant
51 for a vapor products distributor license must electronically submit a
52 properly completed application for a license for each location at which
53 the business shall be conducted in this state, on a form prescribed by
54 the commissioner, and shall be accompanied by a non-refundable applica-
55 tion fee of three hundred dollars.

1 (b) A vapor products distributor license shall be valid for the calen-
2 dar year for which it is issued unless earlier suspended or revoked.
3 Upon the expiration of the term stated on the license, such license
4 shall be null and void. A license shall not be assignable or transfera-
5 ble and shall be destroyed immediately upon the vapor products distribu-
6 tor ceasing to do business as specified in such license or in the event
7 that such business never commenced.

8 (c) Every vapor products distributor shall publicly display in the
9 vapor products distributor's place of business a license from the
10 department.

11 (d) (1) The commissioner shall refuse to issue a license to any appli-
12 cant who does not possess a valid certificate of authority under section
13 eleven hundred thirty-four of this chapter. In addition, the commis-
14 sioner may refuse to issue a license, or suspend, cancel or revoke a license
15 issued to any person who:

16 (A) has a past-due liability as that term is defined in section one
17 hundred seventy-one-v of this chapter;

18 (B) has had a license under this article or any license or registra-
19 tion provided for in this chapter revoked within one year from the date
20 on which such application was filed;

21 (C) has been convicted of a crime provided for in this chapter within
22 one year from the date on which such application was filed;

23 (D) willfully fails to file a report or return required by this arti-
24 cle;

25 (E) willfully files, causes to be filed, gives or causes to be given a
26 report, return, certificate or affidavit required by this article which
27 is false;

28 (F) willfully fails to collect or truthfully account for or pay over
29 any tax imposed by this article; or

30 (G) whose place of business is at the same premises as that of a
31 person whose vapor products distributor license has been revoked and
32 where such revocation is still in effect, unless the applicant or vapor
33 products distributor provides the commissioner with adequate documenta-
34 tion demonstrating that such applicant or vapor products distributor
35 acquired the premises or business through an arm's length transaction as
36 defined in paragraph (e) of subdivision one of section four hundred
37 eighty-a of this chapter.

38 (2) In addition to the grounds provided in paragraph one of this
39 subdivision, the commissioner shall refuse to issue a license and shall
40 cancel or suspend a license as directed by an enforcement officer pursu-
41 ant to article thirteen-F of the public health law. Notwithstanding any
42 provision of law to the contrary, an applicant whose application for a
43 license is refused or a vapor products distributor whose license is
44 cancelled or suspended under this paragraph shall have no right to a
45 hearing under this chapter and shall have no right to commence a court
46 action or proceeding or to any other legal recourse against the commis-
47 sioner with respect to such refusal, suspension or cancellation;
48 provided, however, that nothing herein shall be construed to deny a
49 vapor products distributor a hearing under article thirteen-F of the
50 public health law or to prohibit vapor products distributors from
51 commencing a court action or proceeding against an enforcement officer
52 as defined in section thirteen hundred ninety-nine-aa of the public
53 health law.

54 (e) If a vapor products distributor license is suspended, cancelled or
55 revoked and such vapor products distributor distributes or sells vapor
56 products through more than one place of business in this state, the

vapor products distributor's license issued to that place of business where such violation occurred shall be suspended, revoked, or cancelled. Provided, however, upon a vapor products distributor's third suspension, cancellation, or revocation within a five-year period for any one or more businesses owned or operated by the vapor products distributor, such suspension, cancellation, or revocation of the vapor products distributor's license shall apply to all places of business where the vapor products distributor distributes or sells vapor products in this state.

(f) Every holder of a license must notify the commissioner of changes to any of the information stated on the license or changes to any information contained in the application for the license. Such notification must be made on or before the last day of the month in which a change occurs and must be made electronically on a form prescribed by the commissioner.

(g) Every vapor products distributor who holds a license under this article shall be required to reapply for a license for the following calendar year on or before the twentieth day of September and such reapplication shall be subject to the same requirements and conditions, including grounds for refusal, as an initial license under this article, including but not limited to the payment of the three hundred dollar application fee for each business location.

(h) In addition to any other penalty imposed by this chapter, any vapor products distributor who violates the provisions of this section, (1) for a first violation is liable for a civil fine not less than five thousand dollars but not to exceed twenty-five thousand dollars and such license may be suspended for a period of not more than six months; and (2) for a second or subsequent violation within three years following a prior violation of this section, is liable for a civil fine not less than ten thousand dollars but not to exceed thirty-five thousand dollars and such license may be suspended for a period of up to thirty-six months; or (3) for a third violation within a period of five years, the license issued to each place of business owned or operated by the vapor products distributor in this state shall be revoked for a period of up to five years.

§ 1183-b. Restrictions on sale. No person, including a vapor products dealer or any agent or employee of a vapor products dealer, shall sell or offer for sale at retail in the state or to any person in the state any flavored nicotine analogue product.

§ 4. Section 1184 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1184. Administrative provisions. (a) ~~[Except as otherwise provided for in this article, the taxes imposed by this article shall be administered and collected in a like manner as and jointly with the taxes imposed by sections eleven hundred five and eleven hundred ten of this chapter. In addition, except as otherwise provided in this article, all of the provisions of article twenty-eight of this chapter (except sections eleven hundred seven, eleven hundred eight, eleven hundred nine, and eleven hundred forty-eight) relating to or applicable to the administration, collection and review of the taxes imposed by such sections eleven hundred five and eleven hundred ten, including, but not limited to, the provisions relating to definitions, returns, exemptions, penalties, tax secrecy, personal liability for the tax, and collection of tax from the customer, shall apply to the taxes imposed by this article so far as such provisions can be made applicable to the taxes imposed by this article with such limitations as set forth in this arti-~~

~~ele and such modifications as may be necessary in order to adapt such language to the taxes so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.~~

~~(b) Notwithstanding the provisions of subdivision (a) of this section, the exemptions provided in paragraph ten of subdivision (a) of section eleven hundred fifteen of this chapter, and the provisions of section eleven hundred sixteen, except those provided in paragraphs one, two, three and six of subdivision (a) of such section, shall not apply to the taxes imposed by this article.]~~

Every vapor products distributor authorized by the commissioner to make returns and pay the tax on vapor products sold, shipped, or delivered by the vapor products distributor to a person in the state shall file a return showing the quantity and wholesale price of all vapor products so sold, shipped, or delivered during the preceding calendar month. Provided, however, the commissioner may, if the commissioner deems it necessary in order to ensure the payment of the taxes imposed by this article, require returns to be made at such times and covering such periods as the commissioner may deem necessary, and, by regulation, may permit the filing of returns on a quarterly, semi-annual or annual basis, or may waive the filing of returns by a vapor products distributor for such time and upon such terms as the commissioner may deem proper if satisfied that no tax imposed by this article is or will be payable during the time for which returns are waived. Such returns shall contain such further information as the commissioner may require.

(b) Every vapor product distributor shall pay to the commissioner with the filing of such return the tax on vapor products for such month imposed under this article, less two percent, to cover the distributor's expense in the collection and remittance of the said tax.

(c) Notwithstanding the provisions of this section or section eleven hundred forty-six of this chapter, the commissioner may, in ~~[his or her]~~ the commissioner's discretion, permit the commissioner of health or ~~[his or her]~~ such commissioner's authorized representative to inspect any return related to the tax imposed by this article and may furnish to the commissioner of health any such return or supply ~~[him or her]~~ such commissioner with information concerning an item contained in any such return, or disclosed by any investigation of a liability under this article.

§ 5. The tax law is amended by adding two new sections 1184-a and 1184-b to read as follows:

§ 1184-a. Enforcement. (a) The commissioner or the commissioner's duly authorized representatives are hereby authorized:

(1) To enforce the provisions in this article and the provisions in section thirteen hundred ninety-nine-mm-1 of the public health law concerning flavored vapor products.

(2) To conduct regulatory inspections during normal business hours of any place of business, including a vehicle used for such business, where vapor products are distributed, stored, or sold. For the purposes of this section, "place of business" shall not include a residence or other real property, or any personal vehicle, not held out as open to the public or otherwise being utilized in a business or commercial manner, unless probable cause exists to believe that such residence, real property or vehicle is being used in such a business or commercial manner for the buying or selling of vapor products.

(b) If any person registered or who has obtained a license under this article, or their agents, refuses to give the commissioner, or the commissioner's duly authorized representatives, the means, facilities and opportunity for the inspections and examinations required by this section, the commissioner, after notice and an opportunity for a hearing, may revoke their license to distribute vapor products or to sell vapor products at retail:

(1) for a period of one year for the first such failure;

(2) for a period of up to three years for a second such failure within a period of three years; and

(3) for a period of up to seven years for a third such failure within five years.

(c) The commissioner or the commissioner's duly authorized representatives shall seize any non-tax-paid vapor products, flavored vapor products, or flavored nicotine analogue products found in any place of business or vehicle used for such business where vapor products are distributed, stored, or sold by any person who does not possess a license as described in section eleven hundred eighty-three-a of this article.

(d) All non-tax-paid vapor products, flavored vapor products, or flavored nicotine analogue products seized pursuant to the authority of this chapter or any other law of this state shall be turned over to the department or its authorized representative. Such seized non-tax-paid vapor products shall, after notice and an opportunity for a hearing, be forfeited to the state. If the department determines the non-tax-paid vapor products cannot be used for law enforcement purposes, it may, within a reasonable time after the forfeiture of such non-tax-paid vapor products, upon publication in the state registry, destroy such forfeited non-tax-paid vapor products.

(e) Whenever a police officer designated in section 1.20 of the criminal procedure law or a peace officer designated in subdivision four of section 2.10 of such law, acting pursuant to such officer's special duties, shall discover any flavored vapor products or flavored nicotine analogue products offered for retail sale in violation of the provisions in section thirteen hundred ninety-nine-mm-1 of the public health law or section eleven hundred eighty-three-b of this article, respectively, such police officer or peace officer shall notify the commissioner or the commissioner's duly authorized representatives.

§ 1184-b. General powers of the tax commission. The powers conferred upon the tax commission by sections one hundred seventy-one and one hundred seventy-one-b of this chapter shall, so far as applicable, be exercisable with respect to the provisions of this article. Such commission may require returns to be filed with it at such times and containing such information as it may prescribe and in such event the fact that a person's name is signed to the return shall be prima facie evidence for all purposes that the return was actually signed by such person. Notwithstanding any other provision of this article, the tax commission may enter into an agreement with any city of this state which is authorized to impose a tax similar to that imposed by this article to provide for the joint administration, in whole or in part, of such taxes.

§ 6. This act shall take effect immediately.

PART VV

Section 1. Subsection (g-1) of section 606 of the tax law, as amended by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by

chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the laws of 2007, is amended to read as follows:

(g-1) Solar energy system equipment credit. (1) General. An individual taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty-six percent of qualified solar energy system equipment expenditures, except as provided in subparagraph (D) of paragraph two of this subsection. This credit shall not exceed three thousand seven hundred fifty dollars for qualified solar energy equipment placed in service before September first, two thousand six, ~~and~~ five thousand dollars for qualified solar energy equipment placed in service on or after September first, two thousand six and before January first, two thousand twenty-six, and ten thousand dollars for qualified solar energy equipment placed in service on or after January first, two thousand twenty-six.

(2) Qualified solar energy system equipment expenditures. (A) The term "qualified solar energy system equipment expenditures" means expenditures for:

(i) the purchase of solar energy system equipment which is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as ~~his or her~~ their principal residence at the time the solar energy system equipment is placed in service;

(ii) the lease of solar energy system equipment under a written agreement that spans at least ten years where such equipment owned by a person other than the taxpayer is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as ~~his or her~~ their principal residence at the time the solar energy system equipment is placed in service; or

(iii) the purchase of power under a written agreement that spans at least ten years whereunder the power purchased is generated by solar energy system equipment owned by a person other than the taxpayer which is installed in connection with residential property which is (I) located in this state and (II) which is used by the taxpayer as ~~his or her~~ their principal residence at the time the solar energy system equipment is placed in service.

(B) Such qualified expenditures shall include expenditures for materials, labor costs properly allocable to on-site preparation, assembly and original installation, architectural and engineering services, and designs and plans directly related to the construction or installation of the solar energy system equipment.

(C) Such qualified expenditures for the purchase of solar energy system equipment shall not include interest or other finance charges.

(D) Such qualified expenditures for the lease of solar energy system equipment or the purchase of power under an agreement described in clauses (ii) or (iii) of subparagraph (A) of this paragraph shall include an amount equal to all payments made during the taxable year under such agreement. Provided, however, such credits shall only be allowed for fourteen years after the first taxable year in which such credit is allowed. Provided further, however, the twenty-five percent limitation in paragraph one of this subsection shall only apply to the total aggregate amount of all payments to be made pursuant to an agreement referenced in clauses (ii) or (iii) of subparagraph (A) of this paragraph, and shall not apply to individual payments made during a taxable year under such agreement except to the extent such limitation on an aggregate basis has been reached.

(3) Solar energy system equipment. The term "solar energy system equipment" shall mean an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces and may store energy designed to provide heating, cooling, hot water or electricity for use in such residence. Such arrangement or components may include electric energy storage equipment but shall not include any other equipment connected to solar energy system equipment that is a component of part or parts of a non-solar energy system or which uses any sort of recreational facility or equipment as a storage medium. Solar energy system equipment that generates and stores electricity for use in a residence must conform to applicable requirements set forth in section sixty-six-j of the public service law. Provided, however, where solar energy system equipment is purchased and installed by a condominium management association or a cooperative housing corporation, for purposes of this subsection only, the term "ten kilowatts" in such section sixty-six-j shall be read as [~~"fifty"~~] "ten kilowatts multiplied by the number of owner-occupied units in the cooperative or condominium management association."

(4) Multiple taxpayers. Where solar energy system equipment is purchased and installed in a principal residence shared by two or more taxpayers, the amount of the credit allowable under this subsection for each such taxpayer shall be prorated according to the percentage of the total expenditure for such solar energy system equipment contributed by each taxpayer.

(5) Proportionate share. Where solar energy system equipment is purchased and installed by a condominium management association or a cooperative housing corporation, a taxpayer who is a member of the condominium management association or who is a tenant-stockholder in the cooperative housing corporation may for the purpose of this subsection claim a proportionate share of the total expense as the expenditure for the purposes of the credit attributable to [~~his~~] their principal residence.

(6) Grants. For purposes of determining the amount of the expenditure incurred in purchasing and installing solar energy system equipment, the amount of any federal, state or local grant received by the taxpayer, which was used for the purchase and/or installation of such equipment and which was not included in the federal gross income of the taxpayer, shall not be included in the amount of such expenditures.

(7) When credit allowed. The credit provided for herein shall be allowed with respect to the taxable year, commencing after nineteen hundred ninety-seven, in which the solar energy system equipment is placed in service.

(8) Carryover of credit and refundability. If the amount of the credit, and carryovers of such credit, allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, such excess amount may be carried over to the five taxable years next following the taxable year with respect to which the credit is allowed and may be deducted from the taxpayer's tax for such year or years. For taxable years beginning on or after January first, two thousand twenty-six, if the amount of the credit allowable under this subsection shall exceed the taxpayer's tax liability for such year, and the taxpayer meets the definition of low to moderate income, as defined in subdivision (c) of section nine hundred seventy-c of the general municipal law, or resides in a disadvantaged community, as defined in subdivision five of section 75-0101 of the environmental conservation law, the excess shall be treated as an overpayment of tax to be credited or refunded in accord-

ance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

§ 2. This act shall take effect immediately.

PART WW

Section 1. Paragraph 22 of subsection (c) of section 612 of the tax law, as amended by chapter 606 of the laws of 1984, subparagraph (A) as amended by chapter 28 of the laws of 1987, and subparagraph (B) as amended by chapter 190 of the laws of 1990, is amended to read as follows:

(22) In the case of a shareholder of an S corporation (A) where the election provided for in subsection (a) of section six hundred sixty of this article has not been made with respect to such corporation, any item of income of the corporation included in federal gross income pursuant to section thirteen hundred sixty-six of the internal revenue code, ~~and~~

(B) in the case of a New York S termination year, subparagraph (A) of this paragraph shall apply to the amounts of income determined under subsection (s) of this section, and

(C) in the case of distributions as defined by sections three hundred one and thirteen hundred sixty-eight of the internal revenue code from corporations described in subparagraph (A) of this paragraph, and that are qualified New York manufacturers as defined by subparagraph (vi) of paragraph (a) of subdivision one of section two hundred ten of this chapter, received during the tax year of the shareholder, the lesser of:

(1) the shareholder's combined separately stated items of income, loss, or deduction, described in paragraph two of subsection (a) of section thirteen hundred sixty-six of the internal revenue code and regulations promulgated thereunder, that are includable in, or deductible from, a shareholder's federal taxable income, multiplied by the highest marginal federal tax rate for individuals in section one of the internal revenue code, in effect for the shareholder's tax year, provided, however, that if there is more than one such rate in effect during such year, a blended rate, considering each rate and the number of months in effect, shall be used, and

(2) the amount of actual distributions made to the shareholder during the shareholder's tax year.

§ 2. Paragraph 2 of subsection (e) of section 612 of the tax law, as amended by chapter 166 of the laws of 1991, is amended to read as follows:

(2) Shareholders of S corporations which are New York C corporations. In the case of a shareholder of an S corporation which is a New York C corporation, (A) the modifications under this section which relate to the corporation's items of income, loss and deduction shall not apply, except for the modifications provided under paragraph nineteen of subsection (b) and paragraph twenty-two of subsection (c) of this section, and

(B) the modification for corporate distributions described in subparagraph (C) of paragraph twenty-two of subsection (c) of this section shall apply.

§ 3. Paragraph 2 of subsection (a) of section 631 of the tax law, as amended by chapter 170 of the laws of 1994, is amended to read as follows:

(2) The portion of the modifications described in subsections (b) and (c) of section six hundred twelve of this article which relate to income

1 derived from New York sources (including any modifications attributable
2 to ~~him~~ such individual as a partner or shareholder of a New York S
3 corporation), provided, however, that modifications for corporate
4 distributions described in subparagraph (C) of paragraph twenty-two of
5 subsection (c) of section six hundred twelve of this article shall be
6 limited to the amount of the distributions which relate to income
7 derived from New York sources and are included in the shareholder's New
8 York adjusted gross income.

9 § 4. This act shall take effect on the first of January next succeed-
10 ing the date on which it shall have become a law and shall apply to all
11 tax years commencing on or after such date.

12 PART XX

13 Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of
14 section 1612 of the tax law is amended by adding a new clause (E) to
15 read as follows:

16 (E) notwithstanding clause (B) of this subparagraph, beginning on
17 April first, two thousand twenty-five, when the vendor track is located
18 in the county of Genesee and within forty miles of a Native American
19 class III gaming facility as defined in 25 U.S.C. §2703(8), at a rate of
20 forty-four percent of the total revenue wagered at the vendor track
21 after payout for prizes pursuant to this chapter;

22 § 2. This act shall take effect immediately.

23 PART YY

24 Section 1. Subdivision (a) of section 1421 of the tax law, as amended
25 by section 1 of part PP of chapter 58 of the laws of 2022, is amended
26 to read as follows:

27 (a) From the taxes, interest and penalties attributable to the tax
28 imposed pursuant to section fourteen hundred two of this article, the
29 amount of one hundred ninety-nine million three hundred thousand dollars
30 shall be deposited by the comptroller in the environmental protection
31 fund established pursuant to section ninety-two-s of the state finance
32 law for the fiscal year beginning April first, two thousand nine; the
33 amount of one hundred nineteen million one hundred thousand dollars
34 shall be deposited in such fund for the fiscal year beginning April
35 first, two thousand ten; the amount of two hundred fifty-seven million
36 three hundred fifty thousand dollars shall be deposited into such fund
37 for the fiscal year beginning April first, two thousand twenty-two; the
38 amount of three hundred fifty-seven million three hundred fifty thousand
39 dollars shall be deposited into such fund for the fiscal year beginning
40 April first, two thousand twenty-five; and for each fiscal year there-
41 after. On or before June twelfth, nineteen hundred ninety-five and on or
42 before the twelfth day of each month thereafter (excepting the first and
43 second months of each fiscal year), the comptroller shall deposit into
44 such fund from the taxes, interest and penalties collected pursuant to
45 such section fourteen hundred two of this article which have been depos-
46 ited and remain to the comptroller's credit in the banks, banking houses
47 or trust companies referred to in section one hundred seventy-one-a of
48 this chapter at the close of business on the last day of the preceding
49 month, an amount equal to one-tenth of the annual amount required to be
50 deposited in such fund pursuant to this section for the fiscal year in
51 which such deposit is required to be made. In the event such amount of
52 taxes, interest and penalties so remaining to the comptroller's credit

1 is less than the amount required to be deposited in such fund by the
2 comptroller, an amount equal to the shortfall shall be deposited in such
3 fund by the comptroller with subsequent deposits, as soon as the revenue
4 is available. Beginning April first, nineteen hundred ninety-seven, the
5 comptroller shall transfer monthly to the clean water/clean air fund
6 established pursuant to section ninety-seven-bbb of the state finance
7 law, all moneys remaining from such taxes, interest and penalties
8 collected that are not required for deposit in the environmental
9 protection fund.

10 § 2. This act shall take effect immediately.

11 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
12 sion, section or part of this act shall be adjudged by any court of
13 competent jurisdiction to be invalid, such judgment shall not affect,
14 impair, or invalidate the remainder thereof, but shall be confined in
15 its operation to the clause, sentence, paragraph, subdivision, section
16 or part thereof directly involved in the controversy in which such judg-
17 ment shall have been rendered. It is hereby declared to be the intent of
18 the legislature that this act would have been enacted even if such
19 invalid provisions had not been included herein.

20 § 3. This act shall take effect immediately provided, however, that
21 the applicable effective date of Parts A through YY of this act shall be
22 as specifically set forth in the last section of such Parts.