

# STATE OF NEW YORK

4590

2025-2026 Regular Sessions

## IN ASSEMBLY

February 4, 2025

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

AN ACT to amend the tax law, in relation to adding a surcharge on online  
delivery transactions within the city of New York

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

1 Section 1. The tax law is amended by adding a new article 30-C to read  
2 as follows:

### ARTICLE 30-C

#### DELIVERY SURCHARGE

##### Section 1350. Definitions.

1351. Imposition of tax.

1352. Liability for surcharge.

1353. Registration.

1354. Returns and payment of surcharge.

1355. Records to be kept.

1356. Secrecy of returns and reports.

1357. Practice and procedure.

1358. Deposit and disposition of revenue.

1359. Cooperation by regulatory agencies.

§ 1350. Definitions. (a) "Person" means an individual, partnership,  
limited liability company, society, association, joint stock company,  
corporation, estate, receiver, trustee, assignee, referee or any other  
person acting in a fiduciary or representative capacity, whether  
appointed by a court or otherwise, any combination of individuals and  
any other form of unincorporated enterprise owned or conducted by two or  
more persons.

(b) "Delivery transaction" means a transaction that results in the  
delivery of any item purchased online to the purchaser.

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

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1 (c) "Purchaser" means the person receiving the item in the delivery  
2 transaction.

3 § 1351. Imposition of tax. In addition to any other tax or assessment  
4 imposed by this chapter or other law, there is hereby imposed, beginning  
5 on January first, two thousand twenty-seven, a surcharge on all delivery  
6 transactions of three dollars for each delivery transaction where the  
7 delivery is made within the city of New York, except for deliveries of:

8 (a) drugs and medicines intended for use, internally or externally, in  
9 the cure, mitigation, treatment or prevention of illnesses or disease in  
10 human beings, medical equipment, including component parts thereof, and  
11 supplies required for such use or to correct or alleviate physical inca-  
12 capacity, and products consumed by humans for the preservation of health  
13 but not including cosmetics or toilet articles notwithstanding the pres-  
14 ence of medicinal ingredients therein or medical equipment, including  
15 component parts thereof, and supplies, other than such drugs and medi-  
16 cines, purchased at retail for use in performing medical and similar  
17 services for compensation, as such terms are defined in paragraph three  
18 of subdivision (a) of section eleven hundred fifteen of this chapter; or  
19 (b) diapers intended for human use including, but not limited to:  
20 disposable, reusable, adult, and children's diapers, as such terms are  
21 defined in paragraph thirty-a of subdivision (a) of section eleven  
22 hundred fifteen of this chapter; or

23 (c) baby formula intended for feeding infants; or

24 (d) any food or food products.

25 § 1352. Liability for surcharge. (a) Notwithstanding any provision of  
26 law to the contrary, any person that sells by any means any item to be  
27 delivered within the city of New York is subject to a surcharge imposed  
28 by this article shall be liable for the surcharge imposed by this arti-  
29 cle.

30 (b) Notwithstanding any law to the contrary, the surcharge imposed by  
31 this article shall be passed along to the purchaser and separately stat-  
32 ed on any receipt that is provided to such passenger. The passing along  
33 of such surcharge shall not be construed by any court or administrative  
34 body as the imposition of the surcharge on the person or entity that  
35 pays for the delivery transaction.

36 (c) Notwithstanding any law to the contrary, the surcharge imposed by  
37 this article shall not apply to any purchaser using the supplemental  
38 nutrition assistance program, special supplemental nutrition program for  
39 women, infants and children, or any successor programs as full or  
40 partial payment for the items purchased where all items purchased in the  
41 delivery transaction are purchasable using such programs.

42 § 1353. Registration. (a) Every person liable for the surcharge  
43 imposed by this article shall file with the commissioner a properly  
44 completed application for a certificate of registration, in a form  
45 prescribed by the commissioner. Such application shall be accompanied by  
46 a fee of one dollar and fifty cents, and shall set forth the name and  
47 address of the registrant, and any other information that the commis-  
48 sioner may require. Notwithstanding the foregoing, any person liable for  
49 a surcharge imposed by this article that will incur such liability no  
50 more than one time in any single calendar month shall not be subject to  
51 the provisions of this paragraph.

52 (b) Except as otherwise provided in this section, the commissioner  
53 shall issue a certificate of registration to each person that applies  
54 for one for a specified term of not less than three years. Any certif-  
55 icate of registration referred to in this paragraph shall be subject to  
56 renewal in accordance with rules promulgated by the commissioner, and

1 upon the payment of a fee of one dollar and fifty cents. Whether or not  
2 such certificate of registration is issued for a specified term, it  
3 shall be subject to suspension or revocation as provided for in this  
4 section. Each certificate shall state the registrant and the regis-  
5 trant's taxpayer ID number it is applicable to. Certificates of regis-  
6 tration issued pursuant to this article shall be non-assignable and  
7 non-transferable, and shall be surrendered to the commissioner imme-  
8 diately upon the registrant's ceasing to do business at the address  
9 provided in its application, unless the registrant amends its certifi-  
10 cate of registration in accordance with rules promulgated by the  
11 commissioner. All registrants must notify the commissioner of changes  
12 to any of the information stated on their certificate of registration,  
13 including vehicle changes, if any, on a calendar quarterly basis, and  
14 shall amend their certificates of registration accordingly.

15 (c) (1) The commissioner may refuse to issue a certificate of regis-  
16 tration to a person, or may suspend or revoke a certificate of registra-  
17 tion that was issued to a person, pursuant to this section upon finding  
18 that: (i) such person failed to pay any monies that are finally deter-  
19 mined to be due for any tax or imposition that is administered by the  
20 commissioner; (ii) such person failed to file any report or return that  
21 is due from it under this chapter; (iii) such person willfully filed a  
22 false report, return or other document due under this chapter; (iv) such  
23 person willfully violated any provisions of this article, or any rule or  
24 regulation of the commissioner promulgated under this article; or (v) a  
25 certificate of registration issued pursuant to this section to such  
26 person, or to any business or entity under control of such person, or  
27 that is subject to substantially the same ownership, direction or  
28 control of such person, that has been revoked or suspended within one  
29 year from the date on which a certificate of registration is filed.

30 (2) A notice of proposed revocation, suspension or refusal to issue  
31 shall be given to the person that applies for a certificate of registra-  
32 tion pursuant to this section in the manner prescribed for a notice of  
33 deficiency in subsection (a) of section one thousand eighty-one of this  
34 chapter, and except as otherwise provided herein, all the provisions of  
35 article twenty-seven of this chapter applicable to a notice of deficien-  
36 cy shall apply to a notice issued pursuant to this paragraph, insofar as  
37 such provisions can be made applicable to such notice, and with such  
38 modifications as may be necessary in order to adapt the language of such  
39 provisions to the notice authorized by this paragraph. All notices of  
40 proposed revocation, suspension or refusal to issue shall contain a  
41 statement advising the person to whom it is issued that the suspension,  
42 revocation or refusal to issue may be challenged through a hearing proc-  
43 ess and that the petition for such challenge must be filed with the  
44 division of tax appeals within ninety days after the giving of such  
45 notice.

46 (3) In the case of a proposed revocation or suspension, notice of  
47 such must be given to a person within three years from the date of the  
48 act or omission described in paragraph one of this subdivision, except  
49 that in the case of acts involving falsity or fraud, such notice may be  
50 issued at any time.

51 (4) In any of the foregoing instances where the commissioner may  
52 suspend or revoke or refuse to issue a certificate of registration, the  
53 commissioner may condition the retention or issuance of a certificate of  
54 registration upon the filing of a bond or the deposit of tax in the  
55 manner provided in paragraph two or three of subdivision (e) of section  
56 eleven hundred thirty-seven of this chapter.

1 (d) If the commissioner considers it necessary for the proper adminis-  
2 tration of the surcharge imposed by this article, they may require every  
3 person who holds a certificate of registration issued pursuant to this  
4 section to apply for a new certificate of registration in such form and  
5 at such time as the commissioner may prescribe, and to surrender each  
6 previously issued certificate of registration. The commissioner may  
7 require such filing and such surrender not more often than once every  
8 three years. Upon the filing of an application for a new certificate of  
9 registration and the surrender of all previous such certificates, the  
10 commissioner shall issue, within such time as the commissioner may  
11 prescribe, a new certificate of registration, without charge, to each  
12 registrant.

13 § 1354. Returns and payment of surcharge. (a) Every person liable for  
14 the surcharge imposed by this article shall file a return with the  
15 commissioner on a monthly basis. Each return shall show the number of  
16 delivery transactions completed subject to the surcharge imposed by this  
17 article in the month for which the return is filed, along with such  
18 other information as the commissioner may require. The returns required  
19 by this section shall be filed within twenty days after the end of the  
20 month covered thereby. If the commissioner deems it necessary to ensure  
21 the payment of the surcharge imposed by this article, they may require  
22 returns to be made for shorter periods than prescribed by the foregoing  
23 provisions of this section, and upon such dates as may be specified. The  
24 form of returns shall be prescribed by the commissioner and shall  
25 contain such information as the commissioner may deem necessary for the  
26 proper administration of this article. The commissioner may require that  
27 returns be filed electronically.

28 (b) Every person liable for the surcharge imposed by this article  
29 shall, at the time of filing such return, pay to the commissioner the  
30 total amount of all surcharges due under this article. Such amount shall  
31 be due and payable on the date specified for the filing of the return  
32 for such period, without regard to whether a return is filed, or whether  
33 the return that is filed correctly shows the correct number of delivery  
34 transactions are subject to the surcharge, or the correct surcharge  
35 amount due thereon. The commissioner may require that the surcharge be  
36 paid electronically.

37 (c) In addition to any other penalty or interest provided for under  
38 this article or other law, and unless it is shown that such failure is  
39 due to reasonable cause and not due to willful neglect, any person  
40 liable for the surcharge imposed by this article that fails to pay such  
41 surcharge when due shall be liable for a penalty in an amount equal to  
42 two hundred percent of the total surcharge amount that is due.

43 § 1355. Records to be kept. Every person liable for the surcharge  
44 imposed by this article shall keep, and shall make available for review  
45 upon demand by the commissioner:

46 (a) records of delivery transaction completed by such person, includ-  
47 ing all amounts paid, charged or due thereon, in such form as the  
48 commissioner may require;

49 (b) true and complete copies of any records required to be kept by any  
50 applicable regulatory department or agency; and

51 (c) such other records and information as the commissioner may require  
52 to perform their duties under this article.

53 § 1356. Secrecy of returns and reports. (a) Except in accordance with  
54 proper judicial order or as otherwise provided by law, it shall be  
55 unlawful for the commissioner, any officer or employee of the depart-  
56 ment, any person engaged or retained by the department on an independent

1 contract basis, or any person who in any manner may acquire knowledge of  
2 the contents of a return or report filed with the commissioner pursuant  
3 to this article, to divulge or make known in any manner any particulars  
4 set forth or disclosed in any such return or report. The officers  
5 charged with the custody of such returns and reports shall not be  
6 required to produce any of them or evidence of anything contained in  
7 them in any action or proceeding in any court, except on behalf of the  
8 commissioner in an action or proceeding under the provisions of this  
9 chapter, or in any other action or proceeding involving the collection  
10 of a tax due under this chapter to which the state, the commissioner or  
11 an agency that is authorized to permit or regulate the provision of any  
12 relevant transportation is a party or a claimant, or on behalf of any  
13 party to any action, proceeding or hearing under the provisions of this  
14 article, when the returns or the reports or the facts shown thereby are  
15 directly involved in such action, proceeding or hearing, in any of which  
16 events the court, or in the case of a hearing, the division of tax  
17 appeals, may require the production of, and may admit in evidence so  
18 much of said returns or reports or of the facts shown thereby as are  
19 pertinent to the action or proceeding and no more. Nothing herein shall  
20 be construed, however, to prohibit the commissioner, in their  
21 discretion, from allowing the inspection or delivery of a certified copy  
22 of any return or report filed under this article, or from providing any  
23 information contained in any such return or report, by or to a duly  
24 authorized officer or employee of the comptroller; nor to prohibit the  
25 inspection or delivery of a certified copy of any return or report filed  
26 under this article, or the provision of any information contained there-  
27 in, by or to the attorney general or other legal representatives of the  
28 state when an action shall have been recommended or commenced pursuant  
29 to this chapter in which such returns or reports or the facts shown  
30 thereby are directly involved; nor to prohibit the commissioner from  
31 providing or certifying to the division of budget or the comptroller the  
32 total number of returns or reports filed under this article in any  
33 reporting period and the total collections received therefrom; nor to  
34 prohibit the delivery to a person liable for the surcharge imposed by  
35 this article, or a duly authorized representative of such, a certified  
36 copy of any return or report filed by such person pursuant to this arti-  
37 cle, nor to prohibit the publication of statistics so classified as to  
38 prevent the identification of particular returns or reports and the  
39 items thereof; nor to prohibit the disclosure, in such manner as the  
40 commissioner deems appropriate, of the names and other appropriate iden-  
41 tifying information of those persons required to pay the surcharge  
42 imposed by this article.

43 (b) Notwithstanding the provisions of subdivision (a) of this section,  
44 the commissioner may permit the secretary of the treasury of the United  
45 States or such secretary's delegate, or the authorized representative of  
46 either such officer, to inspect any return filed under this article, or  
47 may furnish to such officer of such officer's authorized representative  
48 an abstract of any such return or supply such person with information  
49 concerning an item contained in any such return, or disclosed by any  
50 investigation of liability under this article, but such permission shall  
51 be granted or such information furnished only if the laws of the United  
52 States grant substantially similar privileges to the commissioner or  
53 officer of this state charged with the administration of the surcharge  
54 imposed by this article, and only if such information is to be used for  
55 purposes of tax administration only; and provided further the commis-  
56 sioner may furnish to the commissioner of internal revenue or such

1 commissioner's authorized representative such returns filed under this  
2 article and other tax information, as such commissioner may consider  
3 proper, for use in court actions or proceedings under the internal  
4 revenue code, whether civil or criminal, where a written request there-  
5 for has been made to the commissioner by the secretary of the treasury  
6 of the United States or such secretary's delegate, provided the laws of  
7 the United States grant substantially similar powers to the secretary of  
8 the treasury of the United States or their delegate. Where the commis-  
9 sioner has so authorized use of returns and other information in such  
10 actions or proceedings, officers and employees of the department may  
11 testify in such actions or proceedings in respect to such returns or  
12 other information.

13 (c)(1) Any officer or employer of the state who willfully violates the  
14 provisions of subdivision (a) of this section shall be dismissed from  
15 office and be incapable of holding any public office for a period of  
16 five years thereafter.

17 (2) Cross-reference: For criminal penalties, see article thirty-seven  
18 of this chapter.

19 § 1357. Practice and procedure. The provisions of article twenty-seven  
20 of this chapter shall apply with respect to the administration of and  
21 procedure with respect to the surcharge imposed by this article in the  
22 same manner and with the same force and effect as if the language of  
23 such article twenty-seven had been incorporated in full into this arti-  
24 cle and had expressly referred to the surcharge imposed by this article,  
25 except to the extent that any such provision is either inconsistent with  
26 a provision of this article or is not relevant to this article.

27 § 1358. Deposit and disposition of revenue. Any surcharge, interest,  
28 and penalties collected or received by the commissioner under this arti-  
29 cle shall be daily remitted to the general transportation account of the  
30 New York city transportation assistance fund established by section  
31 twelve hundred seventy-i of the public authorities law for the purposes  
32 of funding the operating costs of buses and subways within the city of  
33 New York.

34 § 1359. Cooperation by regulatory agencies. All regulatory agencies  
35 shall cooperate with and assist the commissioner to effectuate the  
36 purposes of this article and the commissioner's responsibilities here-  
37 under. Such cooperation shall also include furnishing to the commis-  
38 ioner all written, computerized, automated or electronic records in the  
39 regulatory agency's possession, or in the possession of any of its  
40 agents, instrumentalities, contractors, or any other person authorized  
41 or required to obtain or possess such records or information, that  
42 account for any person or entity liable under this article. Such infor-  
43 mation shall be provided to the commissioner without cost, and in a  
44 format prescribed by the commissioner.

45 § 2. This act shall take effect on the first of January next succeed-  
46 ing the date upon which it shall have become a law. Effective immediate-  
47 ly, the addition, amendment and/or repeal of any rule or regulation  
48 necessary for the implementation of this act on its effective date are  
49 authorized to be made and completed on or before such date.