

STATE OF NEW YORK

6607

2025-2026 Regular Sessions

IN ASSEMBLY

March 6, 2025

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

AN ACT 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 establishing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; to amend the tax law, in relation to the New York city musical and theatrical production tax credit

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

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

7 § 6. This act shall take effect immediately; provided however, that
8 sections one, two, three and four of this act shall apply to taxable
9 years beginning on or after January 1, 2021, and before January 1,
10 [~~2026~~] 2031 and shall expire and be deemed repealed January 1, [~~2026~~]
11 2031; provided further, however that the obligations under paragraph 3
12 of subdivision (g) of section 24-c of the tax law, as added by section
13 one of this act, shall remain in effect until December 31, [~~2027~~] 2032.

14 § 2. Paragraph 2 of subdivision (a) of section 24-c of the tax law, as
15 amended by section 2 of subpart E of part I of chapter 59 of the laws of
16 2023, is amended to read as follows:

17 (2) The amount of the credit shall be the product (or pro rata share
18 of the product, in the case of a member of a partnership) of twenty-five
19 percent and the sum of the qualified production expenditures paid for
20 during the qualified New York city musical and theatrical production's

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

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1 credit period. Provided however that the amount of the credit cannot
2 exceed three hundred fifty thousand dollars per qualified New York city
3 musical and theatrical production in a level two qualified New York city
4 production facility and three million dollars per qualified New York
5 city musical and theatrical production in a level one qualified New York
6 city production facility. In no event shall a qualified New York city
7 musical and theatrical production be eligible for more than one credit
8 under this program. Provided however, if a production located in a
9 level two production facility is approved for a credit under this
10 section and such production moves to a level one production facility,
11 any credit amount previously approved for the level two production shall
12 reduce any approved level one credit amount by such amount. A
13 production shall not have to withdraw a previous credit application if
14 such production moves from a level two production facility to a level
15 one production facility.

16 § 3. Subparagraph (i) of paragraph 3 of subdivision (b) of section
17 24-c of the tax law, as amended by section 2-a of subpart E of part I of
18 chapter 59 of the laws of 2023, is amended to read as follows:

19 (i) "Level one qualified New York city production facility" means a
20 facility located within the (A) borough of Manhattan, bounded by and
21 including forty-first street and ~~[fifty-fourth]~~ fifty-seventh street and
22 between sixth avenue and ~~[ninth]~~ tenth avenue, and bounded by and
23 including sixty-second street and sixty-fifth street between Columbus
24 Avenue and Amsterdam Avenue in which live theatrical productions are or
25 are intended to be primarily presented, (B) that contains at least one
26 stage, a seating capacity of five hundred or more seats, and dressing
27 rooms, storage areas, and other ancillary amenities necessary for the
28 qualified musical and theatrical production, and (C) for which receipts
29 attributable to live theatrical productions constitute seventy-five
30 percent or more of gross receipts of the facility.

31 § 4. Subparagraph (i) of paragraph 5 of subdivision (b) of section
32 24-c of the tax law, as amended by section 3 of subpart E of part I of
33 chapter 59 of the laws of 2023, is amended to read as follows:

34 (i) "The credit period of a qualified New York city musical and theat-
35 rical production company" is the period starting on the production start
36 date and ending on the earlier of the date the qualified musical and
37 theatrical production has expended sufficient qualified production
38 expenditures to reach its credit cap, September thirtieth, two thousand
39 ~~[twenty-five]~~ thirty or the date the qualified musical and theatrical
40 production closes.

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

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

49 § 6. Paragraphs 1 and 2 of subdivision (f) of section 24-c of the tax
50 law, as amended by section 5 of subpart E of part I of chapter 59 of the
51 laws of 2023, are amended to read as follows:

52 (1) The aggregate amount of tax credits allowed under this section,
53 subdivision fifty-seven of section two hundred ten-B and subsection
54 (mmm) of section six hundred six of this chapter shall be ~~[three]~~ eight
55 hundred million dollars. Such aggregate amount of credits shall be allo-
56 cated by the department of economic development among taxpayers based on

1 the date of first performance of the qualified musical and theatrical
2 production.

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

17 § 7. Subdivision (g) of section 24-c of the tax law, as amended by
18 section 5-a of subpart E of part I of chapter 59 of the laws of 2023, is
19 amended to read as follows:

20 (g) Any qualified New York city musical and theatrical production
21 company that performs in a level one or level two qualified New York
22 city production facility and applies to receive a credit under this
23 section shall be required to: (1) participate in a New York state diver-
24 sity and arts job training program; (2) create and implement a plan to
25 ensure that their production is available and accessible for low-or
26 no-cost to low income New Yorkers; and (3) after the tax credit funds
27 have been received by the production, contribute to the New York state
28 council on the arts, cultural program fund an amount up to fifty percent
29 of the total credits received if its production earns ongoing revenue
30 prospectively after the end of the credit period that is at least equal
31 to two hundred percent of its ongoing production costs, with such amount
32 payable from twenty-five percent of net operating profits, such amounts
33 payable on a monthly basis, up until such fifty percent of the total
34 credit amount is reached, provided that for productions located in level
35 one production facilities, up to five hundred thousand dollars in aggre-
36 gate contributions in the amount of twenty-five hundred dollars per paid
37 performance week, pro-rated up or down in increments of one eighth on
38 the basis of eight performances per week, shall be payable prospectively
39 upon such production for productions located in level one production
40 facilities having presented paid public performances for a consecutive
41 twenty-four month (i.e. one hundred four paid performance weeks) period,
42 with such contributions deemed a credit against any contributions
43 required on the basis of net operating profits in this paragraph. Any
44 funds deposited pursuant to this subdivision may be used for arts and
45 cultural grant programs of the New York state council on the arts as
46 specified in subdivision five of section ninety-nine-11 of the state
47 finance law.

48 § 8. This act shall take effect immediately and shall apply to taxable
49 years beginning on or after January 1, 2026; provided, however, that the
50 amendments to section 24-c of the tax law made by sections two, three,
51 four, five, six and seven of this act shall not affect the repeal of
52 such section and shall be deemed repealed therewith.