STATE OF NEW YORK

8709

2025-2026 Regular Sessions

IN ASSEMBLY

June 2, 2025

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

AN ACT to amend the tax law, in relation to providing a personal income tax exemption for certain professional athletes residing in New York state

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

Section 1. This act shall be known and may be cited as "The Professional Athletes' Local Monetary Tax Relief and Exemption Enactment (PALM TREE) Act".

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

(z) Income exemption for certain professional athletes. 1. For purposes of this subsection:

(i) "Qualifying professional athlete" shall mean an individual who:

(A) is a natural person domiciled in the state of New York.

(B) has a current, valid, and enforceable written player contract with a qualified sports franchise.

(C) maintains their primary place of residence in the state of New York for at least one hundred eighty-three days during the taxable year.

(ii) "Qualified sports franchise" shall mean a professional sports team or franchise:

(A) based in the state of New York.

(B) plays its home games at a facility located within the state of New York.

(C) which competes in:

(1) Major League Baseball (MLB).

(2) National Football League (NFL).

(3) National Basketball Association (NBA).

(4) National Hockey League (NHL).

(5) Major League Soccer (MLS).

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

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(6) National Women's Soccer League (NWSL).

(7) Women's National Basketball Association (WNBA).

(8) Professional Women's Hockey League (PWHL).

2. Notwithstanding any other provision of this section, there may be subtracted from federal adjusted gross income the first two hundred fifty thousand dollars of compensation received by a qualifying professional athlete from a qualified sports franchise.

3. The exemption under this subsection shall apply only to income derived from services performed directly in connection with the qualifying athlete's duties as a professional athlete, including but not limited to salaries, bonuses, performance incentives, and signing bonuses received under the qualifying contract.

4. The commissioner shall promulgate such rules and regulations as may be necessary to implement the provisions of this subsection.

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