

# STATE OF NEW YORK

10460

## IN SENATE

May 15, 2026

Introduced by Sen. BOTTCHER -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

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 part L of chapter 59 of the  
6 laws of 2025, 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10 [~~2028~~ 2031 and shall expire and be deemed repealed January 1, [~~2028~~  
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, [~~2029~~ 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  
21 credit period. Provided however that the amount of the credit cannot  
22 exceed three hundred fifty thousand dollars per qualified New York city

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

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

14 § 3. Subparagraph (i) of paragraph 3 of subdivision (b) of section  
15 24-c of the tax law, as amended by section 2-a of subpart E of part I of  
16 chapter 59 of the laws of 2023, is amended to read as follows:

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

29 § 4. Subparagraph (i) of paragraph 5 of subdivision (b) of section  
30 24-c of the tax law, as amended by section 2 of part L of chapter 59 of  
31 the laws of 2025, is amended to read as follows:

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

39 § 5. Subdivision (c) of section 24-c of the tax law, as amended by  
40 section 3 of part L of chapter 59 of the laws of 2025, is amended to  
41 read as follows:

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

47 § 6. Subdivision (f) of section 24-c of the tax law, as amended by  
48 section 4 of part L of chapter 59 of the laws of 2025, is amended to  
49 read as follows:

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

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

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

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

46 § 8. This act shall take effect immediately and shall apply to taxable  
47 years beginning on or after January 1, 2027; provided, however, that the  
48 amendments to section 24-c of the tax law made by sections two, three,  
49 four, five, six and seven of this act shall not affect the repeal of  
50 such section and shall be deemed repealed therewith.