STATE OF NEW YORK

2506

2025-2026 Regular Sessions

IN SENATE

January 21, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law and the state finance law, in relation to enacting the addiction prevention and recovery act

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

Section 1. Short title. This act shall be known and may be cited as the "addiction prevention and recovery act".

§ 2. Paragraphs (a), (b), (c), (d), (e) and (f) of subdivision 1 of section 424 of the tax law, paragraphs (a), (b), (c) and (d) as amended by section 1 of part X-1 of chapter 57 of the laws of 2009, paragraph (e) as amended by section 1 of part J of chapter 59 of the laws of 2020 and paragraph (f) as amended by chapter 508 of the laws of 1993, are amended and a new paragraph (h) is added to read as follows:

(a) [~~Fourteen~~] Twenty-eight cents per gallon upon beers;

(b) [~~Thirty~~] Sixty cents per gallon upon still wines, except cider containing more than three and two-tenths per centum of alcohol by volume, upon which the tax shall be [~~three~~] seven and [~~seventy-nine~~] fifty-eight hundredths cents per gallon;

(c) [~~Thirty~~] Sixty cents per gallon upon artificially carbonated sparkling wines, except artificially carbonated sparkling cider containing more than three and two-tenths per centum of alcohol by volume, upon which the tax shall be [~~three~~] seven and [~~seventy-nine~~] fifty-eight hundredths cents per gallon;

(d) [~~Thirty~~] Sixty cents per gallon upon natural sparkling wines, except natural sparkling cider containing more than three and two-tenths per centum of alcohol by volume, upon which the tax shall be [~~three~~] seven and [~~seventy-nine~~] fifty-eight hundredths cents per gallon;

(e) [~~Sixty-seven~~] One dollar and thirty-four cents per liter upon liquors containing not more than twenty-four per centum of alcohol by

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

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volume except liquors containing not more than two per centum of alcohol by volume, upon which the tax shall be zero; and

(f) [~~One dollar~~] Three dollars and [~~seventy~~] forty cents per liter upon all other liquors; when sold or used within this state, except when sold or used under such circumstances that this state is without power to impose such tax or when sold to the United States and except beers when sold to or by a voluntary unincorporated organization of the armed forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States, to the extent provided in such regulations, directives and policy statements of such an agency applicable to such sales, and except when sold to professional foreign consuls-general, consuls and vice-consuls who are nationals of the state appointing them and who are assigned to foreign consulates in this state, provided that American consular officers of equal rank who are citizens of the United States and who exercise their official functions at American consulates in such foreign country are granted reciprocal exemptions; provided, however, that the commissioner may permit the sale of alcohol without tax to a holder of any industrial alcohol permit, alcohol permit or alcohol distributor's permit, issued by the state liquor authority, and by the holder of an alcohol distributor's permit, class A, issued by such authority to a holder of a distiller's license, class B, or a winery license, issued by such authority and may also permit the use of alcohol for any purpose other than the production of alcoholic beverages by such holders without tax; provided also that the commissioner may permit the sale of cider without tax by a holder of a cider producer's license issued by the state liquor authority to a holder of a cider producer's license or a cider wholesaler's license issued by such authority.

(h) Notwithstanding any other provision of this article, half of all taxes, interest, penalties and fees collected or received by the commissioner from each gallon of beer, still wine, cider, artificially carbonated sparkling wines, artificially carbonated sparkling cider, natural sparkling wines, natural sparkling cider and from each liter of liquor under paragraphs (a) through (f) of this subdivision shall be allocated to the alcohol and substance abuse addiction prevention and recovery fund established pursuant to section ninety-nine-ss of the state finance law.

§ 3. The state finance law is amended by adding a new section 99-ss to read as follows:

§ 99-ss. Alcohol and substance abuse addiction prevention and recovery fund. 1. There is hereby established in the joint custody of the comptroller and the commissioner of taxation and finance a special fund to be known as the "alcohol and substance abuse addiction prevention and recovery fund".

2. (a) Such fund shall consist of all revenues received by the department of taxation and finance, pursuant to the provisions of paragraph (h) of subdivision one of section four hundred twenty-four of the tax law, and all other moneys appropriated, credited or transferred thereto from any other fund or source pursuant to law. Nothing contained in this section shall prevent the state from receiving grants, gifts or bequests for the purposes of the fund as defined in this section and depositing them into the fund according to law.

(b) Monies expended from such fund shall be used to supplement and not supplant any other funds which would otherwise have been expended for alcohol and substance abuse addiction prevention or recovery. All such funds shall be used to improve alcohol and substance abuse addiction

prevention and recovery services in the state. Nothing in this paragraph shall preclude the state from decreasing funds as long as the state demonstrates to the office of addiction services and supports that the quality of services has been maintained or enhanced notwithstanding the use of state funds.

3. Monies of the fund shall be expended only for alcohol and substance abuse addiction prevention and recovery. As used in this section, "alcohol and substance abuse addiction prevention and recovery" shall include educational projects, including grants for alcohol and substance abuse addiction education and prevention programs, and alcohol and substance abuse addiction recovery services and programs which are approved by the department of health.

4. Monies shall be payable from the fund on the audit and warrant of the comptroller on vouchers approved and certified by the commissioner of the office of addiction services and supports, provided however that fifty percent of the funds shall be expended on alcohol and substance abuse addiction prevention and fifty percent of the funds shall be expended on alcohol and substance abuse addiction recovery services and programs.

5. To the extent practicable, the commissioner of the office of addiction services and supports shall ensure that all monies received during a fiscal year are expended prior to the end of the fiscal year.

6. On or before the first day of February each year, the commissioner of the office of addiction services and supports shall provide a written report to the temporary president of the senate, speaker of the assembly, chair of the senate finance committee, chair of the assembly ways and means committee, chair of the senate committee on health, chair of the assembly health committee, the state comptroller and the public. Such report shall include how the monies of the fund were utilized during the preceding calendar year, and shall include:

(a) the amount of money disbursed from the fund and the award process used for such disbursements;

(b) recipients of awards from the fund;

(c) the amount awarded to each;

(d) the purposes for which such awards were granted; and

(e) a summary financial plan for such monies which shall include estimates of all receipts and all disbursements for the current and succeeding fiscal years, along with the actual results from the prior fiscal year.

§ 4. This act shall take effect on the first of April next succeeding the date on which 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.