

# STATE OF NEW YORK

625--A

2025-2026 Regular Sessions

## IN SENATE

(Prefiled)

January 8, 2025

Introduced by Sens. SKOUFIS, FERNANDEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the timing of annual tax elections

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

1 Section 1. Subsection (c) of section 861 of the tax law, as amended by  
2 section 2 of subpart C of part J of chapter 59 of the laws of 2023, is  
3 amended to read as follows:

4 (c) The annual election must be made on or before [~~the due date of the~~  
5 ~~first estimated payment under section eight hundred sixty four of this~~  
6 ~~article~~] September fifteenth and will take effect for the current tax-  
7 ble year. Only one election may be made during each calendar year. An  
8 election made under this section is irrevocable after [~~the due date~~]  
9 September fifteenth of the taxable year.

10 § 2. Subsection (b) of section 864 of the tax law, as added by section  
11 1 of part C of chapter 59 of the laws of 2021, paragraph 3 as amended by  
12 chapter 555 of the laws of 2022, is amended to read as follows:

13 (b) General. The estimated tax shall be paid as follows for an elect-  
14 ing partnership and an electing S corporation:

15 (1) [~~The estimated tax shall be paid~~] For an election to be taxed  
16 pursuant to this article that is made on or before March fifteenth of  
17 the taxable year, the electing partnership or electing S corporation is  
18 required to make estimated tax payments in four equal installments on  
19 March fifteenth, June fifteenth, September fifteenth and December  
20 fifteenth in the calendar year prior to the year in which the due date

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

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1 of the return required by this article falls. The amount of each  
2 installment shall be twenty-five percent of the required annual payment.

3 (2) [~~The amount of any required installment shall be twenty-five~~  
4 ~~percent of the required annual payment.~~] For an election to be taxed  
5 pursuant to this article that is made after March fifteenth but before  
6 June fifteenth in the taxable year, the electing partnership or electing  
7 S corporation is required to make an estimated tax payment with its  
8 election that represents twenty-five percent of the required annual  
9 payment. The electing partnership or electing S corporation shall  
10 further make payments on June fifteenth, September fifteenth, and Decem-  
11 ber fifteenth in the calendar year prior to the year in which the due  
12 date of the return required by this article falls, which shall each  
13 represent twenty-five percent of the required annual payment.

14 (3) For an election to be taxed pursuant to this article that is made  
15 on or after June fifteenth but before September fifteenth in the taxable  
16 year, the electing partnership or electing S corporation is required to  
17 make an estimated tax payment with its election that represents fifty  
18 percent of the required annual payment. The electing partnership or  
19 electing S corporation shall further make payments on September  
20 fifteenth and December fifteenth in the calendar year prior to the year  
21 in which the due date of the return required by this article falls,  
22 which shall each represent twenty-five percent of the required annual  
23 payment.

24 (4) For an election to be taxed pursuant to this article that is made  
25 on September fifteenth in the taxable year, the electing partnership or  
26 electing S corporation is required to make an estimated tax payment with  
27 its election that represents seventy-five percent of the required annual  
28 payment. The electing partnership or electing S corporation shall  
29 further make a payment on December fifteenth in the calendar year prior  
30 to the year in which the due date of the return required by this article  
31 falls, which shall represent twenty-five percent of the required annual  
32 payment.

33 [~~3~~] (5) Notwithstanding paragraph four of subsection (c) of section  
34 six hundred eighty-five of this chapter, the required annual payment is  
35 the lesser of: (A) ninety percent of the tax shown on the return for the  
36 taxable year; or (B) one hundred percent of the tax shown on the return  
37 of the electing partnership or electing S corporation for the preceding  
38 taxable year.

39 § 3. Subsection (c) of section 868 of the tax law, as amended by  
40 section 7 of subpart C of part J of chapter 59 of the laws of 2023, is  
41 amended to read as follows:

42 (c) The annual election to be taxed pursuant to this article must be  
43 made on or before [~~the due date of the first estimated payment under~~  
44 ~~section eight hundred sixty-four of this chapter~~] September fifteenth  
45 and will take effect for the current taxable year. Only one election to  
46 be taxed pursuant to this article may be made during each calendar year.  
47 An election made under this section is irrevocable after [~~such due date~~  
48 September fifteenth of the taxable year]. To the extent an election made  
49 under section eight hundred sixty-one of this chapter is revoked or  
50 otherwise invalidated an election made under this section is automat-  
51 ically invalidated.

52 § 4. Subsection (b) of section 871 of the tax law, as added by section  
53 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3  
54 as amended by chapter 555 of the laws of 2022, is amended to read as  
55 follows:

1 (b) General. Except as provided in subsection (c) of this section, the  
2 estimated tax shall be paid as follows for an electing city partnership  
3 and an electing city resident S corporation:

4 (1) [~~The estimated tax shall be paid~~] For an election to be taxed  
5 pursuant to this article that is made on or before March fifteenth in  
6 the taxable year, the electing city partnership or electing city S  
7 corporation is required to make estimated tax payments in four equal  
8 installments on March fifteenth, June fifteenth, September fifteenth and  
9 December fifteenth in the calendar year prior to the year in which the  
10 due date of the return required by this article falls. The amount of  
11 each installment shall be twenty-five percent of the required annual  
12 payment.

13 (2) [~~The amount of any required installment shall be twenty-five~~  
14 ~~percent of the required annual payment.~~] For an election to be taxed  
15 pursuant to this article that is made after March fifteenth but before  
16 June fifteenth in the taxable year, the electing city partnership or  
17 electing city S corporation is required to make an estimated tax payment  
18 with its election that represents twenty-five percent of the required  
19 annual payment. The electing city partnership or electing city S corpo-  
20 ration shall further make payments on June fifteenth, September  
21 fifteenth, and December fifteenth in the calendar year prior to the year  
22 in which the due date of the return required by this article falls,  
23 which shall each represent twenty-five percent of the required annual  
24 payment.

25 (3) For an election to be taxed pursuant to this article that is made  
26 after June fifteenth but before September fifteenth in the taxable year,  
27 the electing city partnership or electing city S corporation is required  
28 to make an estimated tax payment with its election that represents fifty  
29 percent of the required annual payment. The electing city partnership or  
30 electing city S corporation shall further make payments on September  
31 fifteenth and December fifteenth in the calendar year prior to the year  
32 in which the due date of the return required by this article falls,  
33 which shall each represent twenty-five percent of the required annual  
34 payment.

35 (4) For an election to be taxed pursuant to this article that is made  
36 on September fifteenth in the taxable year, the electing city partner-  
37 ship or electing city S corporation is required to make an estimated tax  
38 payment with its election that represents seventy-five percent of the  
39 required annual payment. The electing city partnership or electing city  
40 S corporation shall further make a payment on December fifteenth in the  
41 calendar year prior to the year in which the due date of the return  
42 required by this article falls, which shall represent twenty-five  
43 percent of the required annual payment.

44 [~~3~~] (5) Without regard to paragraph four of subsection (c) of  
45 section six hundred eighty-five of this chapter, the required annual  
46 payment is the lesser of: (A) ninety percent of the tax shown on the  
47 return for the taxable year; or (B) one hundred percent of the tax shown  
48 on the return of the electing city partnership or electing city resident  
49 S corporation for the preceding taxable year.

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