

STATE OF NEW YORK

S. 9009

A. 10009

SENATE - ASSEMBLY

January 21, 2026

IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to enhancing and reforming the child and dependent care credit (Part A); to amend the tax law, in relation to excluding certain tips earned from New York adjusted gross income (Part B); to amend the tax law, in relation to retaining the deductibility of certain charitable contributions (Part C); to amend the tax law, in relation to standardizing the definition of farmer for various credits; and to repeal certain provisions of such law relating thereto (Part D); to amend the tax law, in relation to extending the current corporate tax rates (Part E); to amend the tax law, in relation to exemptions from calculation of income in certain cases (Part F); to amend the administrative code of the city of New York, in relation to the treatment of certain deductions allowable under the internal revenue code in calculating New York city taxable income for corporations (Part G); to amend the tax law, in relation to the pass-through entity tax and New York city pass-through entity tax election deadline (Part H); to amend the executive law and the tax law, in relation to extending the commercial security tax credit (Part I); to amend the tax law, in relation to enhancing the New York city musical and theatrical production tax credit (Part J); to amend the tax law and the state finance law, in relation to alternative nicotine products (Part K); to amend the tax law and the public health law, in relation to the taxation of vapor products (Part L); to amend the tax law and the administrative code of the city of New York, in relation to extending the real estate transfer tax rate reduction for conveyances of real property to existing real estate investment funds (Part M); establishing a sales and use tax reregistration program and a sales and use tax penalty and interest discount program (Part N); to amend the tax law, in relation to establishing a sales tax exemption for electric vehicle charging stations (Part O); to amend the tax law, in relation to extending the sales tax exemption for certain sales

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

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made through a vending machine for three years (Part P); to amend part PP of chapter 58 of the laws of 2024 amending the tax law relating to establishing a sales tax exemption for residential energy storage, in relation to extending the residential energy storage exemption for two years (Part Q); to amend the tax law, in relation to the petroleum business tax filing deadline for commercial vessel operators (Part R); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions (Part S); to amend the real property tax law and the tax law, in relation to making technical corrections to the STAR exemption and STAR credit programs; and to repeal certain provisions of the real property tax law relating thereto (Part T); to amend chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, in relation to extending the assessment ceiling for local public utility mass real property to January 1, 2031 (Part U); to amend the real property tax law, in relation to expanding the rent increase exemption for senior citizens and persons with disabilities; to amend part U of chapter 55 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by senior citizens, in relation to the effectiveness thereof; to amend chapter 129 of the laws of 2014, amending the real property tax law relating to the tax abatement and exemption for rent regulated and rent controlled property occupied by persons with disabilities, in relation to the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part V); to amend the racing, pari-mutuel wagering and breeding law, in relation to conforming pari-mutuel tax provisions (Part W); to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the utilization of funds in the Capital off-track betting corporations' capital acquisition funds (Part X); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; and to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to the effectiveness thereof (Part Y); and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain seasonal employee licensing requirements for additional race dates at Saratoga Racetrack (Part Z)

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

1 Section 1. This act enacts into law major components of legislation
2 which are necessary to implement the state fiscal plan for the 2026-2027
3 state fiscal year. Each component is wholly contained within a Part
4 identified as Parts A through Z. The effective date for each particular
5 provision contained within such Part is set forth in the last section of
6 such Part. Any provision in any section contained within a Part,
7 including the effective date of the Part, which makes a reference to a
8 section "of this act", when used in connection with that particular

1 component, shall be deemed to mean and refer to the corresponding
2 section of the Part in which it is found. Section three of this act sets
3 forth the general effective date of this act.

4 PART A

5 Section 1. Paragraph 1 of subsection (c) of section 606 of the tax
6 law, as amended by section 1 of part M of chapter 63 of the laws of
7 2000, is amended to read as follows:

8 (1) [A] For taxable years beginning before January first, two thousand
9 twenty-six, a taxpayer shall be allowed a credit as provided herein
10 equal to the applicable percentage of the credit allowable under section
11 twenty-one of the internal revenue code for the same taxable year (with-
12 out regard to whether the taxpayer in fact claimed the credit under such
13 section twenty-one for such taxable year). The applicable percentage
14 shall be the sum of (i) twenty percent and (ii) a multiplier multiplied
15 by a fraction. For taxable years beginning in nineteen hundred ninety-
16 six and nineteen hundred ninety-seven, the numerator of such fraction
17 shall be the lesser of (i) four thousand dollars or (ii) fourteen thou-
18 sand dollars less the New York adjusted gross income for the taxable
19 year, provided, however, the numerator shall not be less than zero. For
20 the taxable year beginning in nineteen hundred ninety-eight, the numera-
21 tor of such fraction shall be the lesser of (i) thirteen thousand
22 dollars or (ii) thirty thousand dollars less the New York adjusted gross
23 income for the taxable year, provided, however, the numerator shall not
24 be less than zero. For taxable years beginning in nineteen hundred nine-
25 ty-nine, the numerator of such fraction shall be the lesser of (i)
26 fifteen thousand dollars or (ii) fifty thousand dollars less the New
27 York adjusted gross income for the taxable year, provided, however, the
28 numerator shall not be less than zero. For taxable years beginning after
29 nineteen hundred ninety-nine, the numerator of such fraction shall be
30 the lesser of (i) fifteen thousand dollars or (ii) sixty-five thousand
31 dollars less the New York adjusted gross income for the taxable year,
32 provided, however, the numerator shall not be less than zero. The denom-
33 inator of such fraction shall be four thousand dollars for taxable years
34 beginning in nineteen hundred ninety-six and nineteen hundred ninety-
35 seven, thirteen thousand dollars for the taxable year beginning in nine-
36 teen hundred ninety-eight, and fifteen thousand dollars for taxable
37 years beginning after nineteen hundred ninety-eight. The multiplier
38 shall be ten percent for taxable years beginning in nineteen hundred
39 ninety-six, forty percent for taxable years beginning in nineteen
40 hundred ninety-seven, and eighty percent for taxable years beginning
41 after nineteen hundred ninety-seven. Provided, however, for taxable
42 years beginning after nineteen hundred ninety-nine, for a person whose
43 New York adjusted gross income is less than forty thousand dollars, such
44 applicable percentage shall be equal to (i) one hundred percent, plus
45 (ii) ten percent multiplied by a fraction whose numerator shall be the
46 lesser of (i) fifteen thousand dollars or (ii) forty thousand dollars
47 less the New York adjusted gross income for the taxable year, provided
48 such numerator shall not be less than zero, and whose denominator shall
49 be fifteen thousand dollars. Provided, further, that if the reversion
50 event, as defined in this paragraph, occurs, the applicable percentage
51 shall, for taxable years ending on or after the date on which the rever-
52 sion event occurred, be determined using the rules specified in this
53 paragraph applicable to taxable years beginning in nineteen hundred
54 ninety-nine. The reversion event shall be deemed to have occurred on the

1 date on which federal action, including but not limited to, administra-
2 tive, statutory or regulatory changes, materially reduces or eliminates
3 New York state's allocation of the federal temporary assistance for
4 needy families block grant, or materially reduces the ability of the
5 state to spend federal temporary assistance for needy families block
6 grant funds for the credit for certain household and dependent care
7 services necessary for gainful employment or to apply state general fund
8 spending on the credit for certain household and dependent care services
9 necessary for gainful employment toward the temporary assistance for
10 needy families block grant maintenance of effort requirement, and the
11 commissioner of the office of temporary and disability assistance shall
12 certify the date of such event to the commissioner, the director of the
13 division of the budget, the speaker of the assembly and the temporary
14 president of the senate.

15 § 2. Section 606 of the tax law is amended by adding a new subsection
16 (c-2) to read as follows:

17 (c-2) New York state child and dependent care credit. (1) For taxable
18 years beginning on or after January first, two thousand twenty-six, an
19 eligible taxpayer shall be allowed a credit as provided herein to enable
20 the eligible taxpayer to be gainfully employed or a full-time student at
21 an educational institution for any period of the taxable year. If the
22 amount of the credit allowed under this subsection for any taxable year
23 shall exceed the eligible taxpayer's tax for such year, the excess shall
24 be treated as an overpayment of tax to be credited or refunded in
25 accordance with the provisions of six hundred eighty-six of this arti-
26 cle, provided, however, that no interest shall be paid thereon.

27 (2) For the purposes of this subsection:

28 (A) "Eligible taxpayer" shall mean a resident individual as defined in
29 paragraph one of subsection (b) of section six hundred five of this
30 article who, during the taxable year: (i) is not a dependent of another
31 taxpayer pursuant to section one hundred fifty-two of the internal
32 revenue code; and (ii) is not a resident married individual filing a
33 separate return unless such individual meets the conditions in paragraph
34 four of subdivision (e) of section twenty-one of the internal revenue
35 code. Provided, however, where married individuals file a joint federal
36 return, but are required to determine their New York taxes separately
37 pursuant to subsection (b) of section six hundred fifty-one of this
38 article, the credit allowed pursuant to this subsection may only be
39 applied against the tax imposed on the spouse with the lower New York
40 adjusted gross income.

41 (B) "Qualifying individual" shall mean an individual who: (i) is under
42 the age of thirteen at the close of the taxable year or is physically or
43 mentally incapable of caring for themselves during the taxable year;
44 (ii) resides with the eligible taxpayer for more than one-half of the
45 taxable year; and (iii) is claimed as a dependent pursuant to section
46 one hundred fifty-two of the internal revenue code, or could otherwise
47 be claimed as a dependent. Provided, a qualifying individual shall also
48 include an individual where a noncustodial parent claims such individual
49 under subsection (e) of section one hundred fifty-two of the internal
50 revenue code or the individual is the eligible taxpayer's spouse who is
51 physically or mentally incapable of caring for themselves during the
52 taxable year and resides with the eligible taxpayer for more than one-
53 half of the taxable year.

54 (C) "Earned income" shall mean the wages, salaries, tips and other
55 employee compensation, and those items of gross income which are inclu-
56 dible in the computation of net earnings from self-employment.

(D) (i) "Qualifying expenses" shall mean the sum of the amount incurred and paid in the taxable year directly by an eligible taxpayer for: a. services provided in and about the eligible taxpayer's residence to provide care for any qualifying individual, including such expenses for the room and board of any such caregiver; and b. non-over-night services provided outside of the eligible taxpayer's residence to provide care for any qualifying individual; provided, however, that amounts incurred or paid for which the primary purpose is educational shall not be included.

(ii) Provided, however, "qualifying expenses" shall not include: a. any amounts paid whereby the taxpayer receives reimbursement or are paid from funds provided by a government entity, dependent care account, or other third party; b. any amounts paid to a dependent of the taxpayer for which the taxpayer or the taxpayer's spouse is entitled to a deduction for the taxable year under subsection (c) of section one hundred fifty-one of the internal revenue code; or c. any amounts paid to a child of the taxpayer as defined in paragraph one of subsection (f) of section one hundred fifty-two of the internal revenue code who has not attained the age of nineteen at the close of the taxable year.

(iii) For the purposes of the credit provided pursuant to this subsection, an eligible taxpayer's qualifying expenses shall not exceed:

a. three thousand dollars, in the case of an eligible taxpayer with one qualifying individual;

b. six thousand dollars, in the case of an eligible taxpayer with two qualifying individuals;

c. seven thousand five hundred dollars, in the case of an eligible taxpayer with three qualifying individuals;

d. eight thousand five hundred dollars, in the case of an eligible taxpayer with four qualifying individuals; and

e. nine thousand dollars, in the case of an eligible taxpayer with five or more qualifying individuals.

Provided, further, that an eligible taxpayer's qualifying expenses shall not exceed such eligible taxpayer's earned income as defined in subparagraph (C) of this paragraph, or in the case of a married eligible taxpayer filing a joint return, the lesser of the earned income of each spouse determined separately.

(E) "Applicable percentage" shall mean: (i) fifty-five percent in the case of an eligible taxpayer with a New York adjusted gross income determined pursuant to section six hundred twelve of this article of fifteen thousand dollars or less; or (ii) fifty-five percent reduced by twenty-five hundred thousandths of a percentage point for each dollar of an eligible taxpayer's New York adjusted gross income determined pursuant to section six hundred twelve of this article in excess of fifteen thousand dollars. Provided, however, that the applicable percentage for an eligible taxpayer shall not be reduced below four percent.

(3) The amount of the credit allowed to an eligible taxpayer under this subsection shall be the product of the eligible taxpayer's qualifying expenses determined pursuant to subparagraph (D) of paragraph two of this subsection and the applicable percentage determined pursuant to subparagraph (E) of paragraph two of this subsection.

(4) To be eligible for the credit provided by this subsection, an eligible taxpayer shall provide the following information to the satisfaction of the commissioner: (i) the amount of qualifying expenses; (ii) identifying information related to the care provider; (iii) identifying information related to the qualifying individual for whom the expenses were incurred; and (iv) any other information as required.

1 (5) Any references to the internal revenue code in this subsection
2 shall be to the internal revenue code as it existed prior to January
3 first, two thousand twenty-five.

4 § 3. Paragraph 3 of subsection (e) of section 697 of the tax law, as
5 amended by chapter 284 of the laws of 2016, is amended to read as
6 follows:

7 (3) Nothing herein shall be construed to prohibit the department, its
8 officers or employees from furnishing information to the office of
9 temporary and disability assistance relating to the payment of the cred-
10 it for certain household and dependent care services necessary for gain-
11 ful employment under subsection (c) of section six hundred six of this
12 article, the New York state child and dependent care credit under
13 subsection (c-2) of section six hundred six of this article, and the
14 earned income credit under subsection (d) of section six hundred six of
15 this article and the enhanced earned income credit under subsection
16 (d-1) of section six hundred six of this article, or pursuant to a local
17 law enacted by a city having a population of one million or more pursu-
18 ant to subsection (f) of section thirteen hundred ten of this chapter,
19 only to the extent necessary to calculate qualified state expenditures
20 under paragraph seven of subdivision (a) of section four hundred nine of
21 the federal social security act or to document the proper expenditure of
22 federal temporary assistance for needy families funds under section four
23 hundred three of such act. The office of temporary and disability
24 assistance may redisclose such information to the United States depart-
25 ment of health and human services only to the extent necessary to calcu-
26 late such qualified state expenditures or to document the proper expend-
27 iture of such federal temporary assistance for needy families funds.
28 Nothing herein shall be construed to prohibit the delivery by the
29 commissioner to a commissioner of jurors, appointed pursuant to section
30 five hundred four of the judiciary law, or, in counties within cities
31 having a population of one million or more, to the county clerk of such
32 county, or to the clerk of the court or jury administrator of a United
33 States district court appointed pursuant to title twenty-eight of the
34 United States Code, section 1836(b)(2), of a mailing list of individuals
35 to whom income tax forms are mailed by the commissioner for the sole
36 purpose of compiling a list of prospective jurors as provided in article
37 sixteen of the judiciary law or title twenty-eight of the United States
38 Code. Provided, however, such delivery shall only be made pursuant to an
39 order of the chief administrator of the courts, appointed pursuant to
40 section two hundred ten of the judiciary law or an order of a chief
41 judge of any United States district court in New York State. No such
42 order may be issued unless such chief administrator or chief judge of
43 such United States district court is satisfied that such mailing list is
44 needed to compile a proper list of prospective jurors for the county or
45 such United States district court for which such order is sought and
46 that, in view of the responsibilities imposed by the various laws of the
47 state on the department, it is reasonable to require the commissioner to
48 furnish such list. Such order shall provide that such list shall be used
49 for the sole purpose of compiling a list of prospective jurors and that
50 such commissioner of jurors, or such county clerk, or clerk of the court
51 or jury administrator of such United States district court shall take
52 all necessary steps to insure that the list is kept confidential and
53 that there is no unauthorized use or disclosure of such list. Further-
54 more, nothing herein shall be construed to prohibit the delivery to a
55 taxpayer or ~~[his or her]~~ their duly authorized representative of a
56 certified copy of any return or report filed in connection with ~~[his or~~

1 ~~her~~] their tax or to prohibit the publication of statistics so classi-
2 fied as to prevent the identification of particular reports or returns
3 and the items thereof, or the inspection by the attorney general or
4 other legal representatives of the state of the report or return of any
5 taxpayer or of any employer filed under section one hundred
6 seventy-one-h of this chapter, where such taxpayer or employer shall
7 bring action to set aside or review the tax based thereon, or against
8 whom an action or proceeding under this chapter or under this chapter
9 and article eighteen of the labor law has been recommended by the
10 commissioner, the commissioner of labor with respect to unemployment
11 insurance matters, or the attorney general or has been instituted, or
12 the inspection of the reports or returns required under this article by
13 the comptroller or duly designated officer or employee of the state
14 department of audit and control, for purposes of the audit of a refund
15 of any tax paid by a taxpayer under this article, or the furnishing to
16 the state department of labor of unemployment insurance information
17 obtained or derived from quarterly combined withholding, wage reporting
18 and unemployment insurance returns required to be filed by employers
19 pursuant to paragraph four of subsection (a) of section six hundred
20 seventy-four of this article, for purposes of administration of such
21 department's unemployment insurance program, employment services
22 program, federal and state employment and training programs, employment
23 statistics and labor market information programs, worker protection
24 programs, federal programs for which the department has administrative
25 responsibility or for other purposes deemed appropriate by the commis-
26 sioner of labor consistent with the provisions of the labor law, and
27 redisclosure of such information in accordance with the provisions of
28 sections five hundred thirty-six and five hundred thirty-seven of the
29 labor law or any other applicable law, or the furnishing to the state
30 office of temporary and disability assistance of information obtained or
31 derived from New York state personal income tax returns as described in
32 paragraph (b) of subdivision two of section one hundred seventy-one-g of
33 this chapter for the purpose of reviewing support orders enforced pursu-
34 ant to title six-A of article three of the social services law to aid in
35 the determination of whether such orders should be adjusted, or the
36 furnishing of information obtained from the reports required to be
37 submitted by employers regarding newly hired or re-hired employees
38 pursuant to section one hundred seventy-one-h of this chapter to the
39 state office of temporary and disability assistance, the state depart-
40 ment of health, the state department of labor and the workers' compen-
41 sation board for purposes of administration of the child support
42 enforcement program, verification of individuals' eligibility for one or
43 more of the programs specified in subsection (b) of section eleven
44 hundred thirty-seven of the federal social security act and for other
45 public assistance programs authorized by state law, and administration
46 of the state's employment security and workers' compensation programs,
47 and to the national directory of new hires established pursuant to
48 section four hundred fifty-three-A of the federal social security act
49 for the purposes specified in such section, or the furnishing to the
50 state office of temporary and disability assistance of the amount of an
51 overpayment of income tax and interest thereon certified to the comp-
52 troller to be credited against past-due support pursuant to section one
53 hundred seventy-one-c of this chapter and of the name and social securi-
54 ty number of the taxpayer who made such overpayment, or the disclosing
55 to the commissioner of finance of the city of New York, pursuant to
56 section one hundred seventy-one-l of this chapter, of the amount of an

1 overpayment and interest thereon certified to the comptroller to be
2 credited against a city of New York tax warrant judgment debt and of the
3 name and social security number of the taxpayer who made such overpay-
4 ment, or the furnishing to the New York state higher education services
5 corporation of the amount of an overpayment of income tax and interest
6 thereon certified to the comptroller to be credited against the amount
7 of a default in repayment of any education loan debt, including judg-
8 ments, owed to the federal or New York state government that is being
9 collected by the New York state higher education services corporation,
10 and of the name and social security number of the taxpayer who made such
11 overpayment, or the furnishing to the state department of health of the
12 information required by paragraph (f) of subdivision two and subdivision
13 two-a of section two thousand five hundred eleven of the public health
14 law and by subdivision eight of section three hundred sixty-six-a of the
15 social services law, or the furnishing to the state university of New
16 York or the city university of New York respectively or the attorney
17 general on behalf of such state or city university the amount of an
18 overpayment of income tax and interest thereon certified to the comp-
19 troller to be credited against the amount of a default in repayment of a
20 state university loan pursuant to section one hundred seventy-one-e of
21 this chapter and of the name and social security number of the taxpayer
22 who made such overpayment, or the disclosing to a state agency, pursuant
23 to section one hundred seventy-one-f of this chapter, of the amount of
24 an overpayment and interest thereon certified to the comptroller to be
25 credited against a past-due legally enforceable debt owed to such agency
26 and of the name and social security number of the taxpayer who made such
27 overpayment, or the furnishing of employee and employer information
28 obtained through the wage reporting system, pursuant to section one
29 hundred seventy-one-a of this chapter, as added by chapter five hundred
30 forty-five of the laws of nineteen hundred seventy-eight, to the state
31 office of temporary and disability assistance, the department of health
32 or to the state office of the medicaid inspector general for the purpose
33 of verifying eligibility for and entitlement to amounts of benefits
34 under the social services law or similar law of another jurisdiction,
35 locating absent parents or other persons legally responsible for the
36 support of applicants for or recipients of public assistance and care
37 under the social services law and persons legally responsible for the
38 support of a recipient of services under section one hundred eleven-g of
39 the social services law and, in appropriate cases, establishing support
40 obligations pursuant to the social services law and the family court act
41 or similar provision of law of another jurisdiction for the purpose of
42 evaluating the effect on earnings of participation in employment, train-
43 ing or other programs designed to promote self-sufficiency authorized
44 pursuant to the social services law by current recipients of public
45 assistance and care and by former applicants and recipients of public
46 assistance and care, (except that with regard to former recipients,
47 information which relates to a particular former recipient shall be
48 provided with client identifying data deleted), to the state office of
49 temporary and disability assistance for the purpose of determining the
50 eligibility of any child in the custody, care and custody or custody and
51 guardianship of a local social services district or of the office of
52 children and family services for federal payments for foster care and
53 adoption assistance pursuant to the provisions of title IV-E of the
54 federal social security act by providing information with respect to the
55 parents, the stepparents, the child and the siblings of the child who
56 were living in the same household as such child during the month that

1 the court proceedings leading to the child's removal from the household
2 were initiated, or the written instrument transferring care and custody
3 of the child pursuant to the provisions of section three hundred fifty-
4 eight-a or three hundred eighty-four-a of the social services law was
5 signed, provided however that the office of temporary and disability
6 assistance shall only use the information obtained pursuant to this
7 subdivision for the purpose of determining the eligibility of such child
8 for federal payments for foster care and adoption assistance pursuant to
9 the provisions of title IV-E of the federal social security act, and to
10 the state department of labor, or other individuals designated by the
11 commissioner of labor, for the purpose of the administration of such
12 department's unemployment insurance program, employment services
13 program, federal and state employment and training programs, employment
14 statistics and labor market information programs, worker protection
15 programs, federal programs for which the department has administrative
16 responsibility or for other purposes deemed appropriate by the commis-
17 sioner of labor consistent with the provisions of the labor law, and
18 redisclosure of such information in accordance with the provisions of
19 sections five hundred thirty-six and five hundred thirty-seven of the
20 labor law, or the furnishing of information, which is obtained from the
21 wage reporting system operated pursuant to section one hundred seventy-
22 one-a of this chapter, as added by chapter five hundred forty-five of
23 the laws of nineteen hundred seventy-eight, to the state office of
24 temporary and disability assistance so that it may furnish such informa-
25 tion to public agencies of other jurisdictions with which the state
26 office of temporary and disability assistance has an agreement pursuant
27 to paragraph (h) or (i) of subdivision three of section twenty of the
28 social services law, and to the state office of temporary and disability
29 assistance for the purpose of fulfilling obligations and responsibil-
30 ities otherwise incumbent upon the state department of labor, under
31 section one hundred twenty-four of the federal family support act of
32 nineteen hundred eighty-eight, by giving the federal parent locator
33 service, maintained by the federal department of health and human
34 services, prompt access to such information as required by such act, or
35 to the state department of health to verify eligibility under the child
36 health insurance plan pursuant to subdivisions two and two-a of section
37 two thousand five hundred eleven of the public health law, to verify
38 eligibility under the medical assistance and family health plus programs
39 pursuant to subdivision eight of section three hundred sixty-six-a of
40 the social services law, and to verify eligibility for the program for
41 elderly pharmaceutical insurance coverage under title three of article
42 two of the elder law, or to the office of vocational and educational
43 services for individuals with disabilities of the education department,
44 the commission for the blind and any other state vocational rehabili-
45 tation agency, for purposes of obtaining reimbursement from the federal
46 social security administration for expenditures made by such office,
47 commission or agency on behalf of disabled individuals who have achieved
48 economic self-sufficiency or to the higher education services corpo-
49 ration for the purpose of assisting the corporation in default
50 prevention and default collection of education loan debt, including
51 judgments, owed to the federal or New York state government; provided,
52 however, that such information shall be limited to the names, social
53 security numbers, home and/or business addresses, and employer names of
54 defaulted or delinquent student loan borrowers, or to the office of the
55 state comptroller for purposes of verifying the income of a retired

1 member of a retirement system or pension plan administered by the state
2 or any of its political subdivisions who returns to public employment.

3 Provided, however, that with respect to employee information the
4 office of temporary and disability assistance shall only be furnished
5 with the names, social security account numbers and gross wages of those
6 employees who are (A) applicants for or recipients of benefits under the
7 social services law, or similar provision of law of another jurisdiction
8 (pursuant to an agreement under subdivision three of section twenty of
9 the social services law) or, (B) absent parents or other persons legally
10 responsible for the support of applicants for or recipients of public
11 assistance and care under the social services law or similar provision
12 of law of another jurisdiction (pursuant to an agreement under subdivi-
13 sion three of section twenty of the social services law), or (C) persons
14 legally responsible for the support of a recipient of services under
15 section one hundred eleven-g of the social services law or similar
16 provision of law of another jurisdiction (pursuant to an agreement under
17 subdivision three of section twenty of the social services law), or (D)
18 employees about whom wage reporting system information is being
19 furnished to public agencies of other jurisdictions, with which the
20 state office of temporary and disability assistance has an agreement
21 pursuant to paragraph (h) or (i) of subdivision three of section twenty
22 of the social services law, or (E) employees about whom wage reporting
23 system information is being furnished to the federal parent locator
24 service, maintained by the federal department of health and human
25 services, for the purpose of enabling the state office of temporary and
26 disability assistance to fulfill obligations and responsibilities other-
27 wise incumbent upon the state department of labor, under section one
28 hundred twenty-four of the federal family support act of nineteen
29 hundred eighty-eight, and, only if, the office of temporary and disabili-
30 ty assistance certifies to the commissioner that such persons are such
31 applicants, recipients, absent parents or persons legally responsible
32 for support or persons about whom information has been requested by a
33 public agency of another jurisdiction or by the federal parent locator
34 service and further certifies that in the case of information requested
35 under agreements with other jurisdictions entered into pursuant to
36 subdivision three of section twenty of the social services law, that
37 such request is in compliance with any applicable federal law. Provided,
38 further, that where the office of temporary and disability assistance
39 requests employee information for the purpose of evaluating the effects
40 on earnings of participation in employment, training or other programs
41 designed to promote self-sufficiency authorized pursuant to the social
42 services law, the office of temporary and disability assistance shall
43 only be furnished with the quarterly gross wages (excluding any refer-
44 ence to the name, social security number or any other information which
45 could be used to identify any employee or the name or identification
46 number of any employer) paid to employees who are former applicants for
47 or recipients of public assistance and care and who are so certified to
48 the commissioner by the commissioner of the office of temporary and
49 disability assistance. Provided, further, that with respect to employee
50 information, the department of health shall only be furnished with the
51 information required pursuant to the provisions of paragraph (f) of
52 subdivision two and subdivision two-a of section two thousand five
53 hundred eleven of the public health law and subdivision eight of section
54 three hundred sixty-six-a of the social services law, with respect to
55 those individuals whose eligibility under the child health insurance
56 plan, medical assistance program, and family health plus program is to

1 be determined pursuant to such provisions and with respect to those
2 members of any such individual's household whose income affects such
3 individual's eligibility and who are so certified to the commissioner or
4 by the department of health. Provided, further, that wage reporting
5 information shall be furnished to the office of vocational and educa-
6 tional services for individuals with disabilities of the education
7 department, the commission for the blind and any other state vocational
8 rehabilitation agency only if such office, commission or agency, as
9 applicable, certifies to the commissioner that such information is
10 necessary to obtain reimbursement from the federal social security
11 administration for expenditures made on behalf of disabled individuals
12 who have achieved self-sufficiency. Reports and returns shall be
13 preserved for three years and thereafter until the commissioner orders
14 them to be destroyed.

15 § 4. This act shall take effect immediately.

16 PART B

17 Section 1. Subsection (c) of section 612 of the tax law is amended by
18 adding a new paragraph 48 to read as follows:

19 (48) For taxable years beginning on or after January first, two thou-
20 sand twenty-six, an amount of up to twenty-five thousand dollars to the
21 extent allowed as a federal deduction pursuant to section two hundred
22 twenty-four of the internal revenue code.

23 § 2. This act shall take effect immediately.

24 PART C

25 Section 1. Subsection (g) of section 615 of the tax law, as amended by
26 section 1 of part Q of chapter 59 of the laws of 2019, paragraph 2 as
27 amended by section 1 of part A of chapter 59 of the laws of 2024, is
28 amended to read as follows:

29 (g) Notwithstanding subsection (a) of this section, the New York item-
30 ized deduction for charitable contributions shall be the amount allowed
31 under section one hundred seventy of the internal revenue code or the
32 amount allowable pursuant to paragraph three of this subsection, as
33 modified by paragraph nine of subsection (c) of this section and as
34 limited by this subsection. (1) With respect to an individual whose New
35 York adjusted gross income is over one million dollars and no more than
36 ten million dollars, the New York itemized deduction shall be an amount
37 equal to fifty percent of any charitable contribution deduction allowed
38 under section one hundred seventy of the internal revenue code or allow-
39 able pursuant to paragraph three of this subsection for taxable years
40 beginning after two thousand nine and before two thousand twenty-five.
41 With respect to an individual whose New York adjusted gross income is
42 over one million dollars, the New York itemized deduction shall be an
43 amount equal to fifty percent of any charitable contribution deduction
44 allowed under section one hundred seventy of the internal revenue code
45 or allowable pursuant to paragraph three of this subsection for taxable
46 years beginning in two thousand nine or after two thousand twenty-four.

47 (2) With respect to an individual whose New York adjusted gross income
48 is over ten million dollars, the New York itemized deduction shall be an
49 amount equal to twenty-five percent of any charitable contribution
50 deduction allowed under section one hundred seventy of the internal
51 revenue code or allowable pursuant to paragraph three of this subsection

1 for taxable years beginning after two thousand nine and ending before
2 two thousand thirty.

3 (3) Contributions to an organization that meets the definition of an
4 exempt organization under paragraph four of subdivision (a) of section
5 eleven hundred sixteen of this chapter or to organizations that have
6 applied for, and were approved for tax-exempt status under subsection
7 (c) of section five hundred one of the internal revenue code by the
8 internal revenue service before January first, two thousand twenty-five,
9 will continue to qualify as charitable contributions allowable as a New
10 York itemized deduction under this subsection, to the extent otherwise
11 allowable under section one hundred seventy of the internal revenue
12 code, even if the internal revenue service revokes such organization's
13 tax-exempt status, so long as the organization establishes that the
14 revocation was unrelated to the organization's charitable mission and
15 that it continues to meet the statutory requirements of paragraph three
16 of subsection (c) of section five hundred one of the internal revenue
17 code and the regulations and authorities promulgated thereunder.

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

20 PART D

21 Section 1. Paragraph (c) of section 42 of the tax law, as amended by
22 section 1 of part N of chapter 59 of the laws of 2019, is amended to
23 read as follows:

24 (c) For purposes of this section, the term "eligible farmer" ~~[means a~~
25 ~~taxpayer whose federal gross income from farming as defined]~~ shall have
26 the same meaning as set forth in subsection (n) of section six hundred
27 six of this chapter ~~[for the taxable year is at least two-thirds of~~
28 ~~excess federal gross income. Excess federal gross income means the~~
29 ~~amount of federal gross income from all sources for the taxable year in~~
30 ~~excess of thirty thousand dollars. For purposes of this section,~~
31 ~~payments from the state's farmland protection program, administered by~~
32 ~~the department of agriculture and markets, shall be included as federal~~
33 ~~gross income from farming for otherwise eligible farmers].~~

34 § 2. Paragraph (b) of section 42-a of the tax law, as amended by
35 section 2 of part KK of chapter 59 of the laws of 2025, is amended to
36 read as follows:

37 (b) For purposes of this section, the term "eligible farm employer"
38 means a taxpayer who received an overtime expense certificate pursuant
39 to section three hundred thirty-five of the agriculture and markets law
40 and ~~[whose federal gross income from farming]~~ who is an eligible farmer,
41 as defined in subsection (n) of section six hundred six of this chapter
42 for the taxable year ~~[is at least two-thirds of excess federal gross~~
43 ~~income. Excess federal gross income means the amount of federal gross~~
44 ~~income from all sources for the taxable year in excess of thirty thou-~~
45 ~~sand dollars. For purposes of this section, payments from the state's~~
46 ~~farmland protection program, administered by the department of agricul-~~
47 ~~ture and markets, shall be included as federal gross income from farming~~
48 ~~for otherwise eligible farmers].~~

49 § 3. Subdivision 11 of section 210-B of the tax law is amended by
50 adding a new paragraph (a-1) to read as follows:

51 (a-1) New York gross income from farming. For purposes of this subdi-
52 vision, the term "New York gross income from farming" means a taxpayer's
53 federal gross income from farming, plus payments from the state's farm-
54 land protection program, administered by the department of agriculture

and markets, income from a commercial horse boarding operation as defined by subdivision thirteen of section three hundred one of the agriculture and markets law, and income from the production or sale of maple syrup, Christmas trees, and cider or wine from a licensed New York state farm cidery or winery, as provided for in section fifty-eight-c and article six of the alcoholic beverage control law.

§ 4. Paragraph (b) of subdivision 11 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(b) Eligible farmer. For purposes of this subdivision, the term "eligible farmer" means a taxpayer whose ~~[federal]~~ New York gross income from farming for the taxable year, or whose average New York gross income from farming for the current year and two prior taxable years, is at least two-thirds of ~~[excess]~~ such taxpayer's federal gross income from all sources less thirty thousand dollars. The term "eligible farmer" also includes a corporation other than the taxpayer of record for qualified agricultural land which has paid the school district property taxes on such land pursuant to a contract for the future purchase of such land; provided that such corporation ~~[has a federal gross income from farming for the taxable year which is at least two-thirds of excess federal gross income; and provided further that, in determining such income eligibility, a taxpayer may, for any taxable year, use the average of such federal gross income from farming for that taxable year and such income for the two consecutive taxable years immediately preceding such taxable year. Excess federal gross income means the amount of federal gross income from all sources for the taxable year in excess of thirty thousand dollars. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ meets the definition of eligible farmer pursuant to this paragraph.

§ 5. Paragraph (i) of subdivision 11 of section 210-B of the tax law is REPEALED.

§ 6. Paragraph (b) of subdivision 52 of section 210-B of the tax law, as added by section 4 of part DDD of chapter 59 of the laws of 2017, is amended to read as follows:

(b) Eligible farmer. For purposes of this subdivision, the term "eligible farmer" ~~[means a taxpayer whose federal gross income from farming for the taxable year is at least two-thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year in excess of thirty thousand dollars. For purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ shall have the same meaning as set forth subdivision eleven of this section.

§ 7. Subsection (n) of section 606 of the tax law is amended by adding a new paragraph 1-a to read as follows:

(1-a) New York gross income from farming. For purposes of this subsection, the term "New York gross income from farming" means a taxpayer's federal gross income from farming, plus payments from the state's farmland protection program, administered by the department of agriculture and markets, income from a commercial horse boarding operation as defined by subdivision thirteen of section three hundred one of the agriculture and markets law, and income from the production or sale of maple syrup, Christmas trees, and cider or wine from a licensed New

York state farm cidery or winery, as provided for in section fifty-eight-c and article six of the alcoholic beverage control law.

§ 8. Paragraph 2 of subsection (n) of section 606 of the tax law, as amended by chapter 297 of the laws of 2010, is amended to read as follows:

(2) Eligible farmer. For purposes of this subsection, the term "eligible farmer" means a taxpayer whose ~~[federal]~~ New York gross income from farming for the taxable year, or whose average New York gross income from farming for the current year and two prior taxable years, is at least two-thirds of ~~[excess]~~ such taxpayer's federal gross income from all sources less thirty thousand dollars. The term "eligible farmer" also includes an individual other than the taxpayer of record for qualified agricultural land who has paid the school district property taxes on such land pursuant to a contract for the future purchase of such land; provided that such individual ~~[has a federal gross income from farming for the taxable year which is at least two thirds of excess federal gross income; and provided further that, in determining such income eligibility, a taxpayer may, for any taxable year, use the average of such federal gross income from farming for that taxable year and such income for the two consecutive taxable years immediately preceding such taxable year. Excess federal gross income means the amount of federal gross income from all sources for the taxable year reduced by the sum (not to exceed thirty thousand dollars) of those items included in federal gross income which consist of (i) earned income, (ii) pension payments, including social security payments, (iii) interest, and (iv) dividends. For purposes of this paragraph, the term "earned income" shall mean wages, salaries, tips and other employee compensation, and those items of gross income which are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ meets the definition of "eligible farmer" pursuant to this paragraph.

§ 9. Paragraph 8 of subsection (n) of section 606 of the tax law is REPEALED.

§ 10. Paragraph 2 of subsection (n-2) of section 606 of the tax law, as added by section 1 of part DDD of chapter 59 of the laws of 2017, is amended to read as follows:

(2) Eligible farmer. For purposes of this subsection, the term "eligible farmer" ~~[means a taxpayer whose federal gross income from farming for the taxable year is at least two thirds of excess federal gross income. Excess federal gross income means the amount of federal gross income from all sources for the taxable year reduced by the sum (not to exceed thirty thousand dollars) of those items included in federal gross income that consist of: (i) earned income, (ii) pension payments, including social security payments, (iii) interest, and (iv) dividends. For purposes of this paragraph, the term "earned income" shall mean wages, salaries, tips and other employee compensation, and those items of gross income that are includible in the computation of net earnings from self-employment. For the purposes of this paragraph, payments from the state's farmland protection program, administered by the department of agriculture and markets, shall be included as federal gross income from farming for otherwise eligible farmers]~~ shall have the same meaning as set forth in subsection (n) of this section.

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

1

PART E

2 Section 1. The opening paragraph of paragraph (a) of subdivision 1 of
3 section 210 of the tax law, as amended by section 1 of subpart A of part
4 I of chapter 59 of the laws of 2023, is amended to read as follows:

5 For taxable years beginning before January first, two thousand
6 sixteen, the amount prescribed by this paragraph shall be computed at
7 the rate of seven and one-tenth percent of the taxpayer's business
8 income base. For taxable years beginning on or after January first, two
9 thousand sixteen, the amount prescribed by this paragraph shall be six
10 and one-half percent of the taxpayer's business income base. For taxable
11 years beginning on or after January first, two thousand twenty-one and
12 before January first, two thousand [~~twenty-seven~~ thirty for any taxpay-
13 er with a business income base for the taxable year of more than five
14 million dollars, the amount prescribed by this paragraph shall be seven
15 and one-quarter percent of the taxpayer's business income base. The
16 taxpayer's business income base shall mean the portion of the taxpayer's
17 business income apportioned within the state as hereinafter provided.
18 However, in the case of a small business taxpayer, as defined in para-
19 graph (f) of this subdivision, the amount prescribed by this paragraph
20 shall be computed pursuant to subparagraph (iv) of this paragraph and in
21 the case of a manufacturer, as defined in subparagraph (vi) of this
22 paragraph, the amount prescribed by this paragraph shall be computed
23 pursuant to subparagraph (vi) of this paragraph, and, in the case of a
24 qualified emerging technology company, as defined in subparagraph (vii)
25 of this paragraph, the amount prescribed by this paragraph shall be
26 computed pursuant to subparagraph (vii) of this paragraph.

27 § 2. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210
28 of the tax law, as amended by section 2 of subpart A of part I of chap-
29 ter 59 of the laws of 2023, is amended to read as follows:

30 (1) (i) The amount prescribed by this paragraph shall be computed
31 at .15 percent for each dollar of the taxpayer's total business capital,
32 or the portion thereof apportioned within the state as hereinafter
33 provided for taxable years beginning before January first, two thousand
34 sixteen. However, in the case of a cooperative housing corporation as
35 defined in the internal revenue code, the applicable rate shall be .04
36 percent until taxable years beginning on or after January first, two
37 thousand twenty and zero percent for taxable years beginning on or after
38 January first, two thousand twenty-one. The rate of tax for subsequent
39 tax years shall be as follows: .125 percent for taxable years beginning
40 on or after January first, two thousand sixteen and before January
41 first, two thousand seventeen; .100 percent for taxable years beginning
42 on or after January first, two thousand seventeen and before January
43 first, two thousand eighteen; .075 percent for taxable years beginning
44 on or after January first, two thousand eighteen and before January
45 first, two thousand nineteen; .050 percent for taxable years beginning
46 on or after January first, two thousand nineteen and before January
47 first, two thousand twenty; .025 percent for taxable years beginning on
48 or after January first, two thousand twenty and before January first,
49 two thousand twenty-one; and .1875 percent for years beginning on or
50 after January first, two thousand twenty-one and before January first,
51 two thousand [~~twenty-seven~~ thirty, and zero percent for taxable years
52 beginning on or after January first, two thousand [~~twenty-seven~~ thirty.
53 Provided however, for taxable years beginning on or after January first,
54 two thousand twenty-one, the rate of tax for a small business as defined
55 in paragraph (f) of this subdivision shall be zero percent. The rate of

1 tax for a qualified New York manufacturer shall be .132 percent for
2 taxable years beginning on or after January first, two thousand fifteen
3 and before January first, two thousand sixteen, .106 percent for taxable
4 years beginning on or after January first, two thousand sixteen and
5 before January first, two thousand seventeen, .085 percent for taxable
6 years beginning on or after January first, two thousand seventeen and
7 before January first, two thousand eighteen; .056 percent for taxable
8 years beginning on or after January first, two thousand eighteen and
9 before January first, two thousand nineteen; .038 percent for taxable
10 years beginning on or after January first, two thousand nineteen and
11 before January first, two thousand twenty; .019 percent for taxable
12 years beginning on or after January first, two thousand twenty and
13 before January first, two thousand twenty-one; and zero percent for
14 years beginning on or after January first, two thousand twenty-one. (ii)
15 In no event shall the amount prescribed by this paragraph exceed three
16 hundred fifty thousand dollars for qualified New York manufacturers and
17 for all other taxpayers five million dollars.
18 § 3. This act shall take effect immediately.

19 PART F

20 Section 1. Paragraph (a) of subdivision 9 of section 208 of the tax
21 law is amended by adding three new subparagraphs 24, 25 and 26 to read
22 as follows:

23 (24) For taxable years beginning on or after January first, two thou-
24 sand twenty-five, in the case of qualified production property described
25 in paragraph two of subsection (n) of section one hundred sixty-eight of
26 the internal revenue code, the amount of any deduction allowed pursuant
27 to subsection (a) of section one hundred sixty-seven of the internal
28 revenue code as if the taxpayer has not made an election pursuant to
29 subsection (n) of section one hundred sixty-eight of the internal reven-
30 ue code.

31 (25) For taxable years beginning on or after January first, two thou-
32 sand twenty-five, the amount of any foreign and domestic research or
33 experimental expenditures, as defined in sections one hundred seventy-
34 four and 174A of the internal revenue code, paid or incurred in each
35 taxable year on and after January first, two thousand twenty-five, amor-
36 tized over a sixty-month period as if the election in subsection (c) of
37 section 174A of the internal revenue code applied to such foreign and
38 domestic research or experimental expenditures.

39 (26) For taxable years beginning on or after January first, two thou-
40 sand twenty-five, the remaining amount of any foreign and domestic
41 research or experimental expenditures, as defined in sections one
42 hundred seventy-four and 174A of the internal revenue code, paid or
43 incurred prior to January first, two thousand twenty-five, determined as
44 if section one hundred seventy-four of the internal revenue code in
45 effect as of January first, two thousand twenty-two, applied to such
46 expenditures.

47 § 2. Paragraph (b) of subdivision 9 of section 208 of the tax law is
48 amended by adding two new subparagraphs 28 and 29 to read as follows:

49 (28) For taxable years beginning on or after January first, two thou-
50 sand twenty-five, in the case of qualified production property described
51 in paragraph two of subsection (n) of section one hundred sixty-eight of
52 the internal revenue code, any amount which the taxpayer claimed as a
53 deduction under subsection (a) of section one hundred sixty-seven of the
54 internal revenue code that included an allowance solely as a result of

1 an election made pursuant to subsection (n) of section one hundred
2 sixty-eight of the internal revenue code.

3 (29) For taxable years beginning on or after January first, two thou-
4 sand twenty-five, any amount claimed as a deduction under sections one
5 hundred seventy-four and 174A of the internal revenue code in effect as
6 of January first, two thousand twenty-five, and any amount claimed as a
7 deduction pursuant to federal Public Law 119-21, title VII, section
8 70302(f)(2)(a), for foreign and domestic research or experimental
9 expenditures, as defined in sections one hundred seventy-four and 174A
10 of the internal revenue code.

11 § 3. Subsection (b) of section 612 of the tax law is amended by adding
12 two new paragraphs 44 and 45 to read as follows:

13 (44) For taxable years beginning on or after January first, two thou-
14 sand twenty-five, in the case of qualified production property described
15 in paragraph two of subsection (n) of section one hundred sixty-eight of
16 the internal revenue code, any amount which the taxpayer claimed as a
17 deduction under subsection (a) of section one hundred sixty-seven of the
18 internal revenue code that included an allowance solely as a result of
19 an election made pursuant to subsection (n) of section one hundred
20 sixty-eight of the internal revenue code.

21 (45) For taxable years beginning on or after January first, two thou-
22 sand twenty-five, any amount claimed as a deduction under sections one
23 hundred seventy-four and 174A of the internal revenue code in effect as
24 of January first, two thousand twenty-five, and any amount claimed as a
25 deduction pursuant to federal Public Law 119-21, title VII, section
26 70302(f)(2)(a), for foreign and domestic research or experimental
27 expenditures, as defined in sections one hundred seventy-four and 174A
28 of the internal revenue code.

29 § 4. Subsection (c) of section 612 of the tax law is amended by adding
30 three new paragraphs 48, 49 and 50 to read as follows:

31 (48) For taxable years beginning on or after January first, two thou-
32 sand twenty-five, in the case of qualified production property described
33 in paragraph two of subsection (n) of section one hundred sixty-eight of
34 the internal revenue code, the amount of any deduction allowed pursuant
35 to subsection (a) of section one hundred sixty-seven of the internal
36 revenue code as if the taxpayer has not made an election pursuant to
37 subsection (n) of section one hundred sixty-eight of the internal reven-
38 ue code.

39 (49) For taxable years beginning on or after January first, two thou-
40 sand twenty-five, the amount of any foreign and domestic research or
41 experimental expenditures, as defined in sections one hundred seventy-
42 four and 174A of the internal revenue code, paid or incurred in each
43 taxable year on and after January first, two thousand twenty-five, amor-
44 tized over a sixty-month period as if the election in subsection (c) of
45 section 174A of the internal revenue code applied to such foreign and
46 domestic research or experimental expenditures.

47 (50) For taxable years beginning on or after January first, two thou-
48 sand twenty-five, the remaining amount of any foreign and domestic
49 research or experimental expenditures, as defined in sections one
50 hundred seventy-four and 174A of the internal revenue code, paid or
51 incurred prior to January first, two thousand twenty-five, determined as
52 if section one hundred seventy-four of the internal revenue code in
53 effect as of January first, two thousand twenty-two, applied to such
54 expenditures.

§ 5. Paragraph 1 of subdivision (b) of section 1503 of the tax law is amended by adding three new subparagraphs (X), (Y) and (Z) to read as follows:

(X) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, the amount of any deduction allowed pursuant to subsection (a) of section one hundred sixty-seven of the internal revenue code as if the taxpayer has not made an election pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(Y) For taxable years beginning on or after January first, two thousand twenty-five, the amount of any foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code, paid or incurred in each taxable year on and after January first, two thousand twenty-five, amortized over a sixty-month period as if the election in subsection (c) of section 174A of the internal revenue code applied to such foreign and domestic research or experimental expenditures.

(Z) For taxable years beginning on or after January first, two thousand twenty-five, the remaining amount of any foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code, paid or incurred prior to January first, two thousand twenty-five, determined as if section one hundred seventy-four of the internal revenue code in effect as of January first, two thousand twenty-two, applied to such expenditures.

§ 6. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding two new subparagraphs (AA) and (BB) to read as follows:

(AA) For taxable years beginning on or after January first, two thousand twenty-five, in the case of qualified production property described in paragraph two of subsection (n) of section one hundred sixty-eight of the internal revenue code, any amount which the taxpayer claimed as a deduction under subsection (a) of section one hundred sixty-seven of the internal revenue code that included an allowance solely as a result of an election made pursuant to subsection (n) of section one hundred sixty-eight of the internal revenue code.

(BB) For taxable years beginning on or after January first, two thousand twenty-five, any amount claimed as a deduction under sections one hundred seventy-four and 174A of the internal revenue code in effect as of January first, two thousand twenty-five, and any amount claimed as a deduction pursuant to federal Public Law 119-21, title VII, section 70302(f)(2)(a), for foreign and domestic research or experimental expenditures, as defined in sections one hundred seventy-four and 174A of the internal revenue code.

§ 7. This act shall take effect immediately, and shall apply to tax years beginning on or after January 1, 2025.

PART G

Section 1. Subdivision (b) of section 11-506 of the administrative code of the city of New York is amended by adding four new paragraphs 19, 20, 21 and 22 to read as follows:

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in

1 determining federal gross income of any depreciation of qualified
2 production property described in subsection (n) of section one hundred
3 sixty-eight of the internal revenue code. For the purposes of this chap-
4 ter, such property shall not be treated as a 1245 property as described
5 in section twelve hundred forty-five of the internal revenue code.

6 (20) For taxable years beginning after December thirty-first, two
7 thousand twenty-four, the amount allowed as an exclusion or deduction in
8 determining federal gross income pursuant to subsection (a) of section
9 one hundred seventy-nine of the internal revenue code.

10 (21) For taxable years beginning after December thirty-first, two
11 thousand twenty-four, the amount allowed as an exclusion or deduction in
12 determining federal gross income for domestic research or experimental
13 expenditures pursuant to section one hundred seventy-four-A of the
14 internal revenue code.

15 (22) For taxable years beginning on or after January first, two thou-
16 sand twenty-five, the increase in the amount allowed as a federal inter-
17 est deduction pursuant to section one hundred sixty-three of the inter-
18 nal revenue code attributable to additional adjusted taxable income that
19 is attributable to depreciation, amortization, or depletion. For the
20 purposes of this subdivision, "additional adjusted taxable income that
21 is attributable to depreciation, amortization, or depletion" means the
22 difference between the amount of adjusted taxable income computed pursu-
23 ant to paragraph eight of subsection (j) of section one hundred sixty-
24 three of the internal revenue code and such amount calculated without
25 regard to clause (v) of subparagraph (A) of such paragraph.

26 § 2. Paragraph (c) of section 11-506 of the administrative code of the
27 city of New York is amended by adding three new paragraphs 14, 15 and 16
28 to read as follows:

29 (14) For taxable years beginning after December thirty-first, two
30 thousand twenty-four, for taxpayers that have made an election pursuant
31 to paragraph six of subsection (n) of section one hundred sixty-eight of
32 the internal revenue code with respect to any qualified production prop-
33 erty as defined in such subsection, the amount allowed as an exclusion
34 or deduction in determining federal gross income of any depreciation of
35 such qualified production property, pursuant to subsection (a) of
36 section one hundred sixty-seven of such code so that the depreciation
37 deduction and adjusted basis reduction or any other deduction or exclu-
38 sion allowed by subsection (n) of section one hundred sixty-eight of
39 such code shall not apply.

40 (15) For taxable years beginning after December thirty-first, two
41 thousand twenty-four, the amount allowed as an exclusion or deduction in
42 determining federal gross income pursuant to subsection (a) of section
43 one hundred seventy-nine of the internal revenue code subject to the
44 dollar limitations in paragraphs one and two of subsection (b) of such
45 section that were in effect for the last tax year beginning before Janu-
46 ary first, two thousand twenty-five, adjusted in accordance with para-
47 graph six of such subsection using the amounts in paragraphs one and two
48 that were in effect for such tax year and, for the purposes of applying
49 clause (ii) of paragraph three of subsection (f) of section one of the
50 internal revenue code, substituting "calendar year 2017" for "calendar
51 year 2016".

52 (16) For taxable years beginning after December thirty-first, two
53 thousand twenty-four, the amount allowed as an exclusion or deduction in
54 determining federal gross income for domestic research or experimental
55 expenditures pursuant to section one hundred seventy-four-A of the
56 internal revenue code, provided that such exclusion or deduction is

1 calculated in the same manner as an exclusion or deduction for a foreign
2 research or experimental expenditure described in section one hundred
3 seventy-four of such code, except that the amortization deduction of
4 such expenditures shall be rated over the five-year period beginning
5 with the midpoint of the taxable year in which such expenditures are
6 paid or incurred.

7 § 3. Paragraph (a) of subdivision 8 of section 11-602 of the adminis-
8 trative code of the city of New York is amended by adding three new
9 subparagraphs 18, 19 and 20 to read as follows:

10 (18) for taxable years beginning after December thirty-first, two
11 thousand twenty-four, for taxpayers that have made an election pursuant
12 to paragraph six of subsection (n) of section one hundred sixty-eight of
13 the internal revenue code with respect to any qualified production prop-
14 erty defined in such subsection, the amount allowed as an exclusion or
15 deduction in determining federal taxable income of any depreciation of
16 such qualified production property, pursuant to subsection (a) of
17 section one hundred sixty-seven of such code so that the depreciation
18 deduction and adjusted basis reduction or any other deduction or exclu-
19 sion allowed by subsection (n) of section one hundred sixty-eight of
20 such code shall not apply.

21 (19) for taxable years beginning after December thirty-first, two
22 thousand twenty-four, the amount allowed as an exclusion or deduction in
23 determining federal taxable income pursuant to subsection (a) of section
24 one hundred seventy-nine of the internal revenue code subject to the
25 dollar limitations in paragraphs one and two of subsection (b) of such
26 section that were in effect for the last tax year beginning before Janu-
27 ary first, two thousand twenty-five, adjusted in accordance with para-
28 graph six of such subsection using the amounts in paragraphs one and two
29 that were in effect for such tax year and, for the purposes of applying
30 clause (ii) of paragraph three of subsection (f) of section one of the
31 internal revenue code, substituting "calendar year 2017" for "calendar
32 year 2016".

33 (20) for taxable years beginning after December thirty-first, two
34 thousand twenty-four, the amount allowed as an exclusion or deduction in
35 determining federal taxable income for domestic research or experimental
36 expenditures pursuant to section one hundred seventy-four-A of the
37 internal revenue code, provided that such exclusion or deduction is
38 calculated in the same manner as an exclusion or deduction for a foreign
39 research or experimental expenditure described in section one hundred
40 seventy-four of such code, except that the amortization deduction of
41 such expenditures shall be rated over the five-year period beginning
42 with the midpoint of the taxable year in which such expenditures are
43 paid or incurred.

44 § 4. Paragraph (b) of subdivision 8 of section 11-602 of the adminis-
45 trative code of the city of New York is amended by adding four new
46 subparagraphs 23, 24, 25 and 26 to read as follows:

47 (23) For taxable years beginning after December thirty-first, two
48 thousand twenty-four, the amount allowed as an exclusion or deduction in
49 determining federal taxable income of any depreciation of qualified
50 production property described in subsection (n) of section one hundred
51 sixty-eight of the internal revenue code. For the purposes of this
52 subchapter, such property shall not be treated as a 1245 property as
53 described in section one thousand two hundred forty-five of the internal
54 revenue code.

55 (24) For taxable years beginning after December thirty-first, two
56 thousand twenty-four, the amount allowed as an exclusion or deduction in

determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(25) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(26) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 5. Subdivision (b) of section 11-641 of the administrative code of the city of New York is amended by adding four new paragraphs 18, 19, 20 and 21 to read as follows:

(18) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as a 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(19) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(20) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(21) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 6. Subdivision (e) of section 11-641 of the administrative code of the city of New York is amended by adding three new paragraphs 17, 18 and 19 to read as follows:

(17) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production prop-

erty defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(18) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 7. Paragraph (a) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding three new subparagraphs 19, 20 and 21 to read as follows:

(19) for taxable years beginning after December thirty-first, two thousand twenty-four, for taxpayers that have made an election pursuant to paragraph six of subsection (n) of section one hundred sixty-eight of the internal revenue code with respect to any qualified production property defined in such subsection, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of such qualified production property, pursuant to subsection (a) of section one hundred sixty-seven of such code so that the depreciation deduction and adjusted basis reduction or any other deduction or exclusion allowed by subsection (n) of section one hundred sixty-eight of such code shall not apply.

(20) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code subject to the dollar limitations in paragraphs one and two of subsection (b) of such section that were in effect for the last tax year beginning before January first, two thousand twenty-five, adjusted in accordance with paragraph six of such subsection using the amounts in paragraphs one and two that were in effect for such tax year and, for the purposes of applying clause (ii) of paragraph three of subsection (f) of section one of the internal revenue code, substituting "calendar year 2017" for "calendar year 2016".

(21) for taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code, provided that such exclusion or deduction is calculated in the same manner as an exclusion or deduction for a foreign research or experimental expenditure described in section one hundred seventy-four of such code, except that the amortization deduction of such expenditures shall be rated over the five-year period beginning with the midpoint of the taxable year in which such expenditures are paid or incurred.

§ 8. Paragraph (b) of subdivision 8 of section 11-652 of the administrative code of the city of New York is amended by adding four new subparagraphs 24, 25, 26 and 27 to read as follows:

(24) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income of any depreciation of qualified production property described in subsection (n) of section one hundred sixty-eight of the internal revenue code. For the purposes of this subchapter, such property shall not be treated as a 1245 property as described in section one thousand two hundred forty-five of the internal revenue code.

(25) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income pursuant to subsection (a) of section one hundred seventy-nine of the internal revenue code.

(26) For taxable years beginning after December thirty-first, two thousand twenty-four, the amount allowed as an exclusion or deduction in determining federal taxable income for domestic research or experimental expenditures pursuant to section one hundred seventy-four-A of the internal revenue code.

(27) For taxable years beginning on or after January first, two thousand twenty-five, the increase in the amount allowed as a federal interest deduction pursuant to section one hundred sixty-three of the internal revenue code attributable to additional adjusted taxable income that is attributable to depreciation, amortization, or depletion. For the purposes of this subdivision, "additional adjusted taxable income that is attributable to depreciation, amortization, or depletion" means the difference between the amount of adjusted taxable income computed pursuant to paragraph eight of subsection (j) of section one hundred sixty-three of the internal revenue code and such amount calculated without regard to clause (v) of subparagraph (A) of such paragraph.

§ 9. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after December 31, 2024, and shall apply to taxable years beginning after December 31, 2024.

PART H

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

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

election made under this section is irrevocable after ~~[the due date]~~
September fifteenth of the taxable year.

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

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

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

(2) ~~[The amount of any required installment shall be twenty-five percent of the required annual payment]~~ For a partnership or S corporation that made an election to be taxed pursuant to this article after March fifteenth but on or before June fifteenth in the taxable year, the electing partnership or electing S corporation shall make payments on June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the June fifteenth payment shall be fifty percent of the required annual amount. The amount of the September fifteenth payment shall be twenty-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(2-a) For a partnership or S corporation that made an election to be taxed pursuant to this article after June fifteenth but on or before September fifteenth in the taxable year, the electing partnership or electing S corporation shall make payments on September fifteenth and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the September fifteenth payment shall be seventy-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

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

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

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

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

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

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

(2) ~~[The amount of any required installment shall be twenty-five percent of the required annual payment]~~ For an electing city partnership or electing city S corporation that made an election to be taxed pursuant to this article after March fifteenth but on or before June fifteenth in the taxable year, the electing city partnership or electing city S corporation shall make payments on June fifteenth, September fifteenth, and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the June fifteenth payment shall be fifty percent of the required annual amount. The amount of the September fifteenth payment shall be twenty-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

(2-a) For an electing city partnership or electing city S corporation that made an election to be taxed pursuant to this article after June fifteenth but on or before September fifteenth in the taxable year, the electing city partnership or electing city S corporation shall make payments on September fifteenth and December fifteenth in the calendar year prior to the year in which the due date of the return required by this article falls. The amount of the September fifteenth payment shall be seventy-five percent of the required annual amount. The amount of the December fifteenth payment shall be twenty-five percent of the required annual amount.

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

§ 5. This act shall take effect immediately and shall apply to all taxable years beginning on or after January 1, 2027.

PART I

Section 1. Paragraph (a) of subdivision 5 of section 845-e of the executive law, as added by section 1 of part E of chapter 59 of the laws of 2024, is amended to read as follows:

(a) For taxable years beginning on or after January first, two thousand twenty-four and before January first, two thousand ~~[twenty-six]~~ twenty-nine, a business entity in the commercial security tax credit

1 program that meets the eligibility requirements of subdivision two of
2 this section may be eligible to claim a credit equal to three thousand
3 dollars for each retail location of the business entity located in New
4 York state.

5 § 2. Subdivision (a) of section 49 of the tax law, as added by section
6 2 of part E of chapter 59 of the laws of 2024, is amended to read as
7 follows:

8 (a) Allowance of credit. For taxable years beginning on or after Janu-
9 ary first, two thousand twenty-four and before January first, two thou-
10 sand [~~twenty-six~~] twenty-nine, a taxpayer required to file a return
11 pursuant to articles nine, nine-A or twenty-two of this chapter shall be
12 allowed a credit against such tax, pursuant to the provisions referenced
13 in subdivision (f) of this section. The amount of the credit is equal to
14 the amount determined pursuant to section eight hundred forty-five-e of
15 the executive law. No cost or expense paid or incurred by the taxpayer
16 that is included as part of the calculation of this credit shall be the
17 basis of any other tax credit allowed under this chapter.

18 § 3. This act shall take effect immediately.

19 PART J

20 Section 1. Paragraph 1 of subdivision (f) of section 24-c of the tax
21 law, as amended by section 4 of part L of chapter 59 of the laws of
22 2025, is amended to read as follows:

23 (1) The aggregate amount of tax credits allowed under this section,
24 subdivision fifty-seven of section two hundred ten-B and subsection
25 (mmm) of section six hundred six of this chapter shall be [~~four~~] five
26 hundred fifty million dollars. Such aggregate amount of credits shall be
27 allocated by the department of economic development among taxpayers
28 based on the date of first performance of the qualified musical and
29 theatrical production.

30 § 2. This act shall take effect immediately and apply to qualified New
31 York city musical and theatrical production companies whose first
32 performance was on or after December 1, 2025; provided, however, that
33 the amendments to section 24-c of the tax law made by section one of
34 this act shall not affect the repeal of such section and shall be deemed
35 repealed therewith.

36 PART K

37 Section 1. Subdivisions 2 and 12 of section 470 of the tax law, subdi-
38 vision 2 as amended by chapter 728 of the laws of 2019 and subdivision
39 12 as added by chapter 61 of the laws of 1989, are amended and a new
40 subdivision 22 is added to read as follows:

41 2. "Tobacco products." Any cigar, including a little cigar, [~~or~~]
42 tobacco, or alternative nicotine product, other than cigarettes,
43 intended for consumption by smoking, chewing, or as snuff. "Tobacco
44 products" shall not include research tobacco products.

45 12. "Distributor." Any person who imports or causes to be imported
46 into this state any tobacco product (in excess of fifty cigars [~~or~~], one
47 pound of tobacco, or fifteen units of alternative nicotine products) for
48 sale, or who manufactures any tobacco product in this state, and any
49 person within or without the state who is authorized by the commissioner
50 of taxation and finance to make returns and pay the tax on tobacco
51 products sold, shipped or delivered by [~~him~~] them to any person in the
52 state.

1 22. "Alternative nicotine product." Any noncombustible product, other
2 than vapor products, which contains nicotine but not tobacco and is
3 intended for human consumption, whether chewed, absorbed, dissolved, or
4 ingested by any other means. "Alternative nicotine product" does not
5 include any product regulated as a drug or device by the U.S. Food and
6 Drug Administration (FDA) under Chapter V (21 U.S.C. § 351 et seq.) of
7 the Federal Food, Drug, and Cosmetic Act. The term "unit" as it relates
8 to alternative nicotine products means any cannister, pack, box, carton,
9 or container of any kind or, if no other container, any wrapping, in
10 which an alternative nicotine product is offered for sale, sold, or
11 otherwise distributed to consumers.

12 § 2. The opening paragraph of subdivision (a) of section 471-c of the
13 tax law, as amended by section 2 of part I1 of chapter 57 of the laws of
14 2009, is amended to read as follows:

15 There is hereby imposed and shall be paid a tax on all tobacco
16 products used in the state by any person, except that no such tax shall
17 be imposed (1) if the tax provided in section four hundred seventy-one-b
18 of this article is paid, or (2) on the use of tobacco products which are
19 exempt from the tax imposed by said section, or (3) on the use of two
20 hundred fifty cigars or less, or five pounds or less of tobacco other
21 than roll-your-own tobacco, or thirty-six ounces or less of roll-your-
22 own tobacco, or seventy-five units or less of alternative nicotine
23 products, brought into the state on, or in the possession of, any
24 person.

25 § 3. Subdivisions 2 and 3 of section 474 of the tax law, subdivision 2
26 as amended by chapter 552 of the laws of 2008 and subdivision 3 as added
27 by chapter 61 of the laws of 1989, are amended to read as follows:

28 2. Every person who shall possess or transport more than two hundred
29 fifty cigars, or more than five pounds of tobacco other than roll-your-
30 own tobacco, or more than thirty-six ounces of roll-your-own tobacco, or
31 more than seventy-five units of alternative nicotine products, upon the
32 public highways, roads or streets of the state, shall be required to
33 have in [~~his~~] their actual possession invoices or delivery tickets for
34 such tobacco products. Such invoices or delivery tickets shall show the
35 name and address of the consignor or seller, the name and address of the
36 consignee or purchaser, the quantity and brands of the tobacco products
37 transported, and the name and address of the person who has or shall
38 assume the payment of the tax and the wholesale price or the tax paid or
39 payable. The absence of such invoices or delivery tickets shall be prima
40 facie evidence that such person is a dealer in tobacco products in this
41 state and subject to the requirements of this article.

42 3. Every dealer or distributor or employee thereof, or other person
43 acting on behalf of a dealer or distributor, who shall possess or trans-
44 port more than fifty cigars [~~or~~], more than one pound of tobacco, or
45 more than fifteen units of alternative nicotine products, upon the
46 public highways, roads or streets of the state, shall be required to
47 have in [~~his~~] their actual possession invoices or delivery tickets for
48 such tobacco products. Such invoices or delivery tickets shall show the
49 name and address of the consignor or seller, the name and address of the
50 consignee or purchaser, the quantity and brands of the tobacco products
51 transported, and the name and address of the person who has or shall
52 assume the payment of the tax and the wholesale price or the tax paid or
53 payable. The absence of such invoices or delivery tickets shall be prima
54 facie evidence that the tax imposed by this article on tobacco products
55 has not been paid and is due and owing.

§ 4. Subparagraph (i) of paragraph (b) of subdivision 1 of section 481 of the tax law, as amended by section 1 of part 0 of chapter 59 of the laws of 2013, is amended to read as follows:

(i) In addition to any other penalty imposed by this article, the commissioner may (A) impose a penalty of not more than six hundred dollars for each two hundred cigarettes, or fraction thereof, in excess of one thousand cigarettes in unstamped or unlawfully stamped packages in the possession or under the control of any person or (B) impose a penalty of not more than two hundred dollars for each ten unaffixed false, altered or counterfeit cigarette tax stamps, imprints or impressions, or fraction thereof, in the possession or under the control of any person. In addition, the commissioner may impose a penalty of not more than seventy-five dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of two hundred fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of alternative nicotine products, in the possession or under the control of any person and a penalty of not more than one hundred fifty dollars for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of five hundred cigars ~~[or]~~, ten pounds of tobacco, or one hundred fifty units of alternative nicotine products, in the possession or under the control of any person, with respect to which the tobacco products tax has not been paid or assumed by a distributor or tobacco products dealer; provided, however, that any such penalty imposed shall not exceed seven thousand five hundred dollars in the aggregate. The commissioner may impose a penalty of not more than seventy-five dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alternative nicotine products, in the possession or under the control of any tobacco products dealer or distributor appointed by the commissioner, and a penalty of not more than one hundred fifty dollars for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of two hundred fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of alternative nicotine products, in the possession or under the control of any such dealer or distributor, with respect to which the tobacco products tax has not been paid or assumed by a distributor or a tobacco products dealer; provided, however, that any such penalty imposed shall not exceed fifteen thousand dollars in the aggregate.

§ 5. Clauses (B) and (C) of subparagraph (ii) of paragraph (b) of subdivision 1 of section 481 of the tax law, as added by chapter 262 of the laws of 2000, are amended to read as follows:

(B)(I) not less than twenty-five dollars but not more than one hundred dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of two hundred fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of alternative nicotine products, knowingly in the possession or knowingly under the control of any person, with respect to which the tobacco products tax has not been paid or assumed by a distributor or tobacco products dealer; and

(II) not less than fifty dollars but not more than two hundred dollars for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alternative nicotine products, or fraction thereof, in excess of five hundred cigars ~~[or]~~, ten pounds of tobacco, or one hundred fifty units of alternative nicotine products, knowingly in the possession or knowingly under

1 the control of any person, with respect to which the tobacco products
2 tax has not been paid or assumed by a distributor or tobacco products
3 dealer; provided, however, that any such penalty imposed under this
4 clause shall not exceed ten thousand dollars in the aggregate.

5 (C)(I) not less than twenty-five dollars but not more than one hundred
6 dollars for each fifty cigars ~~[or]~~, one pound of tobacco, or fifteen
7 units of alternative nicotine products, or fraction thereof, in excess
8 of fifty cigars ~~[or]~~, one pound of tobacco, or fifteen units of alterna-
9 tive nicotine products, knowingly in the possession or knowingly under
10 the control of any person, with respect to which the tobacco products
11 tax has not been paid or assumed by a distributor or tobacco products
12 dealer; and

13 (II) not less than fifty dollars but not more than two hundred dollars
14 for each fifty cigars ~~[or]~~, pound of tobacco, or fifteen units of alter-
15 native nicotine products, or fraction thereof, in excess of two hundred
16 fifty cigars ~~[or]~~, five pounds of tobacco, or seventy-five units of
17 alternative nicotine products, knowingly in the possession or knowingly
18 under the control of any person, with respect to which the tobacco
19 products tax has not been paid or assumed by a distributor or a tobacco
20 products dealer; provided, however, that any such penalty imposed under
21 this clause shall not exceed twenty thousand dollars in the aggregate.

22 § 6. Paragraph (a) of subdivision 2 of section 481 of the tax law, as
23 amended by chapter 552 of the laws of 2008, is amended to read as
24 follows:

25 (a) The possession within this state of more than four hundred ciga-
26 rettes in unstamped or unlawfully stamped packages or more than two
27 hundred fifty cigars, or more than five pounds of tobacco other than
28 roll-your-own tobacco, or more than thirty-six ounces of roll-your-own
29 tobacco, or more than seventy-five units of alternative nicotine
30 products, by any person other than an agent or distributor, as the case
31 may be, at any one time shall be presumptive evidence that such ciga-
32 rettes or tobacco products are subject to tax as provided by this arti-
33 cle.

34 § 7. Section 482 of the tax law is amended by adding a new subdivision
35 (c) to read as follows:

36 (c) From the taxes, interest and penalties collected or received by
37 the commissioner under section four hundred seventy-one-b of this arti-
38 cle, effective April first, two thousand twenty-seven, fifty million
39 dollars from the moneys collected or received under such section shall
40 be deposited annually to the credit of the tobacco control and insurance
41 initiatives pool to be established and distributed by the commissioner
42 of health in accordance with section twenty-eight hundred seven-v of the
43 public health law.

44 § 8. Subdivisions (a) and (h) of section 1814 of the tax law, as
45 amended by section 28 of subpart I of part V1 of chapter 57 of the laws
46 of 2009, are amended to read as follows:

47 (a) Any person who willfully attempts in any manner to evade or defeat
48 the taxes imposed by article twenty of this chapter or payment thereof
49 on (i) ten thousand cigarettes or more, (ii) twenty-two thousand cigars
50 or more, ~~[or]~~ (iii) four hundred forty pounds of tobacco or more, or
51 (iv) six thousand six hundred units of alternative nicotine products or
52 more, or has previously been convicted two or more times of a violation
53 of paragraph one of this subdivision shall be guilty of a class E felo-
54 ny.

55 (h) (1) Any dealer, other than a distributor appointed by the commis-
56 sioner of taxation and finance under article twenty of this chapter, who

1 shall knowingly transport or have in [~~his~~] their custody, possession or
2 under [~~his~~] their control more than ten pounds of tobacco [~~or~~], more
3 than five hundred cigars, or more than one hundred fifty units of alter-
4 native nicotine products, upon which the taxes imposed by article twenty
5 of this chapter have not been assumed or paid by a distributor appointed
6 by the commissioner of taxation and finance under article twenty of this
7 chapter, or other person treated as a distributor pursuant to section
8 four hundred seventy-one-d of this chapter, shall be guilty of a misde-
9 meanor punishable by a fine of not more than five thousand dollars or by
10 a term of imprisonment not to exceed thirty days.

11 (2) Any person, other than a dealer or a distributor appointed by the
12 commissioner under article twenty of this chapter, who shall knowingly
13 transport or have in [~~his~~] their custody, possession or under [~~his~~]
14 their control more than fifteen pounds of tobacco [~~or~~], more than seven
15 hundred fifty cigars, or more than two hundred twenty-five units of
16 alternative nicotine products, upon which the taxes imposed by article
17 twenty of this chapter have not been assumed or paid by a distributor
18 appointed by the commissioner under article twenty of this chapter, or
19 other person treated as a distributor pursuant to section four hundred
20 seventy-one-d of this chapter shall be guilty of a misdemeanor punisha-
21 ble by a fine of not more than five thousand dollars or by a term of
22 imprisonment not to exceed thirty days.

23 (3) Any person, other than a distributor appointed by the commissioner
24 under article twenty of this chapter, who shall knowingly transport or
25 have in [~~his~~] their custody, possession or under [~~his~~] their control
26 twenty-five hundred or more cigars [~~or~~], fifty or more pounds of
27 tobacco, or seven hundred fifty units or more of alternative nicotine
28 products, upon which the taxes imposed by article twenty of this chapter
29 have not been assumed or paid by a distributor appointed by the commis-
30 sioner under article twenty of this chapter, or other person treated as
31 a distributor pursuant to section four hundred seventy-one-d of this
32 chapter shall be guilty of a misdemeanor. Provided further, that any
33 person who has twice been convicted under this subdivision shall be
34 guilty of a class E felony for any subsequent violation of this section,
35 regardless of the amount of tobacco products involved in such violation.

36 (4) For purposes of this subdivision, such person shall knowingly
37 transport or have in [~~his~~] their custody, possession or under [~~his~~]
38 their control tobacco [~~or~~], cigars, or alternative nicotine products, on
39 which such taxes have not been assumed or paid by a distributor
40 appointed by the commissioner where such person has knowledge of the
41 requirement of the tax on tobacco products and, where to [~~his~~] their
42 knowledge, such taxes have not been assumed or paid on such tobacco
43 products by a distributor appointed by the commissioner of taxation and
44 finance.

45 § 9. Section 1814-a of the tax law, as added by chapter 61 of the laws
46 of 1989, is amended to read as follows:

47 § 1814-a. Person not appointed as a tobacco products distributor. (a)
48 Any person who, while not appointed as a distributor of tobacco products
49 pursuant to the provisions of article twenty of this chapter, imports or
50 causes to be imported into the state more than fifty cigars [~~or~~], more
51 than one pound of tobacco, or more than fifteen units of alternative
52 nicotine products, for sale within the state, or produces, manufactures
53 or compounds tobacco products within the state shall be guilty of a
54 misdemeanor punishable by a fine of not more than five thousand dollars
55 or by a term of imprisonment not to exceed thirty days. If, within any
56 ninety day period, one thousand or more cigars, or five hundred pounds

1 or more of tobacco, or seven thousand five hundred units or more of
2 alternative nicotine products, are imported or caused to be imported
3 into the state for sale within the state or are produced, manufactured
4 or compounded within the state by any person while not appointed as a
5 distributor of tobacco products, such person shall be guilty of a misde-
6 meanor. Provided further, that any person who has twice been convicted
7 under this section shall be guilty of a class E felony for any subse-
8 quent violation of this section, regardless of the amount of tobacco
9 products involved in such violation.

10 (b) For purposes of this section, the possession or transportation
11 within this state by any person, other than a tobacco products distribu-
12 tor appointed by the commissioner of taxation and finance, at any one
13 time of seven hundred fifty or more cigars ~~[or]~~, fifteen pounds or more
14 of tobacco, or two hundred twenty-five units or more of alternative
15 nicotine products, shall be presumptive evidence that such tobacco
16 products are possessed or transported for the purpose of sale and are
17 subject to the tax imposed by section four hundred seventy-one-b of this
18 chapter. With respect to such possession or transportation, any
19 provisions of article twenty of this chapter providing for a time period
20 during which the tax imposed by such article may be paid shall not
21 apply.

22 § 10. Subdivision (a) of section 1846-a of the tax law, as amended by
23 chapter 556 of the laws of 2011, is amended to read as follows:

24 (a) Whenever a police officer designated in section 1.20 of the crimi-
25 nal procedure law or a peace officer designated in subdivision four of
26 section 2.10 of such law, acting pursuant to ~~[his]~~ their special duties,
27 shall discover any tobacco products in excess of five hundred cigars
28 ~~[or]~~, ten pounds of tobacco, or one hundred fifty units of alternative
29 nicotine products, which are ~~[being imported for]~~ possessed for the
30 purpose of sale in the state ~~[where the person importing or causing]~~
31 ~~when the excise taxes on~~ such tobacco products ~~[to be imported has not~~
32 ~~been appointed as]~~ have not been assumed or paid by a distributor
33 appointed pursuant to section four hundred seventy-two of this chapter,
34 such police officer or peace officer is hereby authorized and empowered
35 forthwith to seize and take possession of such tobacco products. Such
36 tobacco products seized by a police officer or peace officer shall be
37 turned over to the commissioner. Such seized tobacco products shall be
38 forfeited to the state. All tobacco products forfeited to the state
39 shall be destroyed or used for law enforcement purposes, except that
40 tobacco products that violate, or are suspected of violating, federal
41 trademark laws or import laws shall not be used for law enforcement
42 purposes. If the commissioner determines the tobacco products may not be
43 used for law enforcement purposes, the commissioner must, within a
44 reasonable time thereafter, upon publication in the state registry of a
45 notice to such effect before the day of destruction, destroy such
46 forfeited tobacco products. The commissioner may, prior to any
47 destruction of tobacco products, permit the true holder of the trademark
48 rights in the tobacco products to inspect such forfeited products in
49 order to assist in any investigation regarding such tobacco products.

50 § 11. Subdivision (b) of section 1847 of the tax law, as added by
51 chapter 61 of the laws of 1989, is amended to read as follows:

52 (b) Any peace officer designated in subdivision four of section 2.10
53 of the criminal procedure law, acting pursuant to ~~[his]~~ their special
54 duties, or any police officer designated in section 1.20 of the criminal
55 procedure law may seize any vehicle or other means of transportation
56 used to import tobacco products in excess of five hundred cigars ~~[or]~~.

1 ten pounds of tobacco, or one hundred fifty units of alternative nico-
2 tine products, for sale where the person importing or causing such
3 tobacco products to be imported has not been appointed a distributor
4 pursuant to section four hundred seventy-two of this chapter, other than
5 a vehicle or other means of transportation used by any person as a
6 common carrier in transaction of business as such common carrier, and
7 such vehicle or other means of transportation shall be subject to
8 forfeiture as hereinafter in this section provided.

9 § 12. Subdivisions (a) and (b) of section 92-dd of the state finance
10 law, subdivision (a) as amended by section 2 of part UU of chapter 59 of
11 the laws of 2019 and subdivision (b) as amended by section 3 of part T
12 of chapter 61 of the laws of 2011, are amended to read as follows:

13 (a) On and after April first, two thousand five, such fund shall
14 consist of the revenues heretofore and hereafter collected or required
15 to be deposited pursuant to paragraph (a) of subdivision eighteen of
16 section twenty-eight hundred seven-c, and sections twenty-eight hundred
17 seven-j, twenty-eight hundred seven-s and twenty-eight hundred seven-t
18 of the public health law, [~~subdivision~~ subdivisions (b) and (c) of
19 section four hundred eighty-two and section eleven hundred eighty-six of
20 the tax law and required to be credited to the tobacco control and
21 insurance initiatives pool, subparagraph (0) of paragraph four of
22 subsection (j) of section four thousand three hundred one of the insur-
23 ance law, section twenty-seven of part A of chapter one of the laws of
24 two thousand two and all other moneys credited or transferred thereto
25 from any other fund or source pursuant to law.

26 (b) The pool administrator under contract with the commissioner of
27 health pursuant to section twenty-eight hundred seven-y of the public
28 health law shall continue to collect moneys required to be collected or
29 deposited pursuant to paragraph (a) of subdivision eighteen of section
30 twenty-eight hundred seven-c, and sections twenty-eight hundred seven-j,
31 twenty-eight hundred seven-s and twenty-eight hundred seven-t of the
32 public health law, and shall deposit such moneys in the HCRA resources
33 fund. The comptroller shall deposit moneys collected or required to be
34 deposited pursuant to [~~subdivision~~ subdivisions (b) and (c) of section
35 four hundred eighty-two of the tax law and required to be credited to
36 the tobacco control and insurance initiatives pool, subparagraph (0) of
37 paragraph four of subsection (j) of section four thousand three hundred
38 one of the insurance law, section twenty-seven of part A of chapter one
39 of the laws of two thousand two and all other moneys credited or trans-
40 ferred thereto from any other fund or source pursuant to law in the HCRA
41 resources fund.

42 § 13. Notwithstanding any other provision of law to the contrary, the
43 units of alternative nicotine products possessed in New York state as of
44 11:59 pm eastern standard time on August 31, 2026, by any person for
45 sale shall be subject to tax pursuant to section 471-b of the tax law,
46 and shall be remitted by September 21, 2026, in the form and manner
47 prescribed by the commissioner of taxation and finance.

48 § 14. This act shall take effect immediately, and shall apply to all
49 sales of alternative nicotine products on or after September 1, 2026.

50 PART L

51 Section 1. The article heading of article 28-C of the tax law, as
52 added by section 1 of part UU of chapter 59 of the laws of 2019, is
53 amended to read as follows:

[SUPPLEMENTAL] TAX ON VAPOR PRODUCTS

§ 2. Section 1180 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1180. Definitions. For the purposes of the taxes imposed by this article, the following ~~[terms shall mean]~~ definitions shall apply:

(a) "Vapor product" means any noncombustible liquid or gel, regardless of the presence of nicotine therein, that is manufactured ~~[in-to]~~ into a finished product for use in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, vaping pen, hookah pen or other similar device. "Vapor product" shall not include any product approved by the United States food and drug administration as a drug or medical device, or manufactured and dispensed pursuant to title five-A of article thirty-three of the public health law.

(b) "Vapor products dealer" means a person ~~[licensed by the commissioner to sell]~~ who sells vapor products at retail to a person in this state.

(c) "Vapor products distributor" means any person who imports or causes to be imported into this state any vapor products or who manufactures any vapor products in this state; provided, however, where a vapor products dealer also imports vapor products or causes vapor products to be imported into this state for sale, or manufactures vapor products for sale in this state, such vapor products dealer shall also be a vapor products distributor.

(d) "Contraband vapor products" means any vapor products that are: (1) possessed by a vapor products dealer or vapor products distributor who does not possess a valid certificate of registration or whose certificate of registration has been revoked; (2) possessed by a vapor products distributor or vapor products dealer upon which the tax imposed by this article is due and has not been paid; or (3) possessed in this state that are not listed on the vapor products registry pursuant to section eleven hundred eighty-seven of this article.

(e) "Unit" means the individual package, box, carton, canister or container of any kind, or, if no other container, any wrapping in or from which retail sales of vapor products are made or intended to be made as such vapor product is packaged by the manufacturer of such vapor products.

§ 3. Section 1181 of the tax law, as amended by chapter 92 of the laws of 2021, is amended to read as follows:

§ 1181. Imposition of tax. (a)(1) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax on each unit of vapor products first imported into or manufactured in the state by a vapor products distributor at the rate of fifty-five cents per unit of vapor product that shall accrue at the time of first import or manufacture in the state.

(2) The tax imposed by this subdivision shall be passed through from the vapor products distributor to the vapor products dealer at the time the vapor products distributor sells or transfers such vapor products to a vapor products dealer. Upon each sale or transfer of vapor products, other than a sale at retail, the vapor products distributor shall provide to the vapor products dealer at the time of delivery of such products, a certification containing such information as the commissioner shall require that shall include a statement to the effect that such vapor products distributor paid the taxes imposed by this subdivision and, in each case, is passing through such taxes.

(3) It shall be presumed that all vapor products possessed within the state by a vapor products dealer are subject to the vapor products

distributor tax until the contrary is established and the burden to establish that any vapor products are not taxable hereunder shall be upon the vapor products dealer in possession or control of such vapor products.

(4) Every vapor products dealer shall be liable for the tax on vapor products in their possession upon which tax has not been paid by a distributor, and the failure of any vapor products dealer to produce and exhibit to the commissioner upon demand the invoice provided by a vapor products distributor for any vapor products in their possession shall be presumptive evidence that the tax thereon has not been paid, and that such dealer is liable for the tax thereon unless evidence of such invoice or payment shall later be produced.

(b) In addition to any other tax imposed by this chapter or other law, there is hereby imposed a tax of twenty percent on receipts from the retail sale of vapor products sold in this state. The tax is imposed on the purchaser and collected by the vapor products dealer as defined in subdivision (b) of section eleven hundred eighty of this article, in trust for and on account of the state.

(c) The taxes imposed under this section shall not apply to adult-use cannabis products subject to tax under article twenty-C of this chapter.

§ 4. Section 1183 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1183. Vapor products [~~dealer~~] registration and renewal. (a) Every [~~person who intends to sell vapor products~~] vapor products distributor and vapor products dealer in this state must [~~receive from the commissioner~~] file with the commissioner a properly completed application for a certificate of registration and obtain such certificate twenty days prior to [engaging in business] the first import, manufacture, or sale of vapor products. Such person must electronically submit a properly completed application for a certificate of registration [~~for each location at which vapor products will be sold in this state,~~] on a form prescribed by the commissioner[~~7~~] and such application shall be accompanied by a non-refundable application fee of three hundred dollars. A vapor products dealer shall apply for a certificate of registration for each location at which vapor products will be sold at retail in this state.

(b) A [~~vapor products dealer~~] certificate of registration shall be valid for the calendar year for which it is issued unless earlier [~~suspended or~~] revoked. Upon the expiration of the term stated on the certificate of registration, such certificate shall be null and void. A certificate of registration shall not be assignable or transferable and shall be destroyed immediately upon [~~the vapor products dealer~~] the person to whom such certificate is issued ceasing to do business as specified in such certificate or in the event that such business never commenced.

(c) (1) Every [~~vapor product dealer~~] person to whom a certificate is issued under this article shall publicly display a vapor products [~~dealer~~] certificate of registration in each place of business in this state where vapor products are first imported, manufactured, or sold [at retail]. A vapor products dealer who has no regular place of business shall publicly display such valid certificate on each of its carts, stands, trucks or other merchandising devices through which it sells vapor products.

(2) No vapor products distributor shall sell any vapor product to any vapor products dealer who is not registered pursuant to this section, or whose registration has been revoked. No vapor products dealer shall

purchase any vapor products from a vapor products distributor who is not registered pursuant to this section, or whose registration has been revoked.

(d) (1) The commissioner shall refuse to issue a certificate of registration pursuant to this section to any applicant who is required to but does not possess a valid certificate of authority under section eleven hundred thirty-four of this chapter. In addition, the commissioner may refuse to issue a certificate of registration~~[, or suspend, cancel]~~ or revoke a certificate of registration issued to any person who: (A) has a past-due liability as that term is defined in section one hundred seventy-one-v of this chapter; (B) has had a certificate of registration under this article or any license or registration provided for in this chapter revoked ~~[within one year from the date on which such application was filed]~~; (C) has been convicted of a crime provided for in this chapter ~~[within one year from the date on which such application was filed]~~; (D) willfully fails to file a report or return required by this article; (E) willfully files, causes to be filed, gives or causes to be given a report, return, certificate or affidavit required by this article which is false; (F) willfully fails to collect or truthfully account for or pay over any tax imposed by this ~~[article]~~ chapter; ~~[or]~~ (G) has had a penalty imposed pursuant to paragraph three, four, five, or six of subdivision (b) of section eleven hundred eighty-five of this article within one year from the date on which such application was filed; or (H) whose place of business is at the same premises as that of a person whose vapor products distributor registration or vapor products dealer registration has been revoked and where such revocation is still in effect, unless the applicant or vapor products distributor or vapor products dealer, as the case may be, provides the commissioner with adequate documentation demonstrating that such applicant or vapor products distributor or vapor products dealer acquired the premises or business through an arm's length transaction as defined in paragraph (e) of subdivision one of section four hundred eighty-a of this chapter and the sale or lease was not conducted, in whole or in part, for the purpose of permitting the original registrant to avoid the effect of the previous revocation for the same premises.

(2) In addition to the grounds provided in paragraph one of this subdivision, the commissioner shall refuse to issue a certificate of registration and shall ~~[cancel or suspend]~~ revoke a certificate of registration as directed by an enforcement officer pursuant to article thirteen-F of the public health law. Notwithstanding any provision of law to the contrary, an applicant whose application for a certificate of registration is refused or a vapor products distributor or vapor products dealer whose registration is ~~[cancelled or suspended]~~ revoked under this paragraph shall have no right to a hearing under this chapter and shall have no right to commence a court action or proceeding or to any other legal recourse against the commissioner with respect to such refusal~~[, suspension or cancellation]~~ or revocation; provided, however, that nothing herein shall be construed to deny a vapor products distributor or vapor products dealer a hearing under article thirteen-F of the public health law or to prohibit vapor products distributor or vapor products dealers from commencing a court action or proceeding against an enforcement officer as defined in section thirteen hundred ninety-nine-aa of the public health law.

(3) No person whose registration has been revoked or was refused pursuant to this section shall possess vapor products in any place of business, cart, stand, truck or other merchandising device in this state

1 beginning on the tenth day after such revocation and continuing for the
2 duration of the same; provided, however, that such person shall not be
3 prohibited before the tenth day after such revocation from selling or
4 transferring such inventory of vapor product properly listed on the
5 vapor products registry pursuant to section eleven hundred eighty-seven
6 of this article on which taxes imposed by this article have been paid to
7 a properly registered vapor products dealer whose registration has not
8 been revoked.

9 (e) If a vapor products ~~[dealer]~~ certificate of registration is
10 ~~[suspended, cancelled or]~~ revoked and ~~[such vapor products dealer]~~ the
11 holder of such certificate sells vapor products through more than one
12 place of business in this state, the ~~[vapor products dealer's]~~ certifi-
13 cate of registration issued to that place of business, cart, stand,
14 truck or other merchandising device, where such violation occurred,
15 shall be ~~[suspended,]~~ revoked ~~[or cancelled]~~. Provided, however, upon a
16 ~~[vapor products dealer's]~~ holder of a certificate of registration's
17 third ~~[suspension, cancellation or]~~ revocation within a five-year period
18 for any one or more businesses owned or operated by ~~[the vapor products~~
19 ~~dealer]~~ such person, such ~~[suspension, cancellation, or]~~ revocation of
20 the ~~[vapor products dealer's]~~ certificate of registration shall apply to
21 all places of business where ~~[he or she]~~ such person sells vapor
22 products in this state.

23 (f) Every holder of a certificate of registration must notify the
24 commissioner of changes to any of the information stated on the certifi-
25 cate or changes to any information contained in the application for the
26 certificate of registration. Such notification must be made on or before
27 the last day of the month in which a change occurs and must be made
28 electronically on a form prescribed by the commissioner.

29 (g) Every vapor products distributor and vapor products dealer who
30 holds a certificate of registration under this ~~[article]~~ section shall
31 be required to reapply for a certificate of registration for the follow-
32 ing calendar year on or before the twentieth day of September and such
33 reapplication shall be subject to the same requirements and conditions,
34 including grounds for refusal, as an initial registration under this
35 ~~[article]~~ section, including but not limited to the payment of the three
36 hundred dollar application fee for each retail location.

37 (h) In addition to any other penalty imposed by this chapter, any
38 vapor products distributor or vapor products dealer who violates the
39 provisions of this section, (1) for a first violation is liable for a
40 civil ~~[fine]~~ penalty not less than five thousand dollars but not to
41 exceed twenty-five thousand dollars and such certificate of registration
42 may be ~~[suspended]~~ revoked for a period of not more than six months; and
43 (2) for a second or subsequent violation within three years following a
44 prior violation of this section, is liable for a civil ~~[fine]~~ penalty
45 not less than ten thousand dollars but not to exceed thirty-five thou-
46 sand dollars and such certificate of registration may be ~~[suspended]~~
47 revoked for a period of up to thirty-six months; or (3) for a third
48 violation within a period of five years, its vapor products certificate
49 or certificates of registration issued to each place of business owned
50 or operated by the vapor products distributor or vapor products dealer
51 in this state, shall be revoked for a period of up to five years.

52 § 5. Section 1184 of the tax law, as added by section 1 of part UU of
53 chapter 59 of the laws of 2019, is amended to read as follows:

54 § 1184. Administrative provisions. (a) Except as otherwise provided
55 for in this article, the taxes imposed by this article shall be adminis-
56 tered and collected in a like manner as and jointly with the taxes

1 imposed by sections eleven hundred five and eleven hundred ten of this
2 chapter. In addition, except as otherwise provided in this article, all
3 of the provisions of article twenty-eight of this chapter (except
4 sections eleven hundred seven, eleven hundred eight, eleven hundred
5 nine, and eleven hundred forty-eight) relating to or applicable to the
6 administration, collection and review of the taxes imposed by such
7 sections eleven hundred five and eleven hundred ten, including, but not
8 limited to, the provisions relating to definitions, returns, exemptions,
9 penalties, tax secrecy, personal liability for the tax, and collection
10 of tax from the customer, shall apply to the taxes imposed by this arti-
11 cle so far as such provisions can be made applicable to the taxes
12 imposed by this article with such limitations as set forth in this arti-
13 cle and such modifications as may be necessary in order to adapt such
14 language to the taxes so imposed. Such provisions shall apply with the
15 same force and effect as if the language of those provisions had been
16 set forth in full in this article except to the extent that any
17 provision is either inconsistent with a provision of this article or is
18 not relevant to the taxes imposed by this article.

19 (b) Notwithstanding the provisions of subdivision (a) of this section,
20 the exemptions provided in paragraph ten of subdivision (a) of section
21 eleven hundred fifteen of this chapter, and the provisions of section
22 eleven hundred sixteen, except those provided in paragraphs one, two,
23 three and six of subdivision (a) of such section, shall not apply to the
24 taxes imposed by this article.

25 (c) Notwithstanding the provisions of this section or section eleven
26 hundred forty-six of this chapter, the commissioner may, in [~~his or her~~]
27 their discretion, permit the commissioner of health or [~~his or her~~]
28 their authorized representative to inspect any return related to the
29 [~~tax~~] taxes imposed by this article and may furnish to the commissioner
30 of health any such return or supply [~~him or her~~] such commissioner with
31 information concerning an item contained in any such return, or
32 disclosed by any investigation of a liability under this article.

33 (d) Every vapor products distributor and vapor products dealer on whom
34 tax is imposed under this article shall maintain complete and accurate
35 records in such form as the commissioner may require and shall provide
36 such records to the commissioner upon request. Each vapor products
37 distributor shall make a true duplicate invoice, in the form and manner
38 prescribed by the commissioner, that identifies the name and address of
39 the vapor products distributor, such distributor's certificate of regis-
40 tration number issued by the commissioner, the names and addresses of
41 any consignors or sellers, the names and addresses of the vapor products
42 dealer or any consignees or purchasers, the date of delivery or
43 purchase, the quantities, brands and purchase price of the vapor
44 products transported, purchased or delivered, the amount of taxes paid
45 by such distributor pursuant to section eleven hundred eighty-one of
46 this article on such vapor products, and any other record or information
47 the commissioner may require. A vapor products distributor shall provide
48 such invoice to the vapor products dealer when such vapor products are
49 purchased or received. Such records shall be preserved for a period of
50 four years after the filing of the return to which such records relate
51 and shall be provided to the commissioner upon request.

52 (e) (1) In addition to any other penalty provided in this chapter or
53 otherwise imposed by law, every person subject to the taxes imposed
54 under this article who fails to maintain or make available to the
55 commissioner the records required by this section shall be subject to a
56 penalty not to exceed one thousand dollars for each month, or part ther-

eof, for which the failure occurs. Such penalty may not be imposed more than once for failures for the same monthly period or part thereof. If the commissioner determines that a failure to maintain and make available records in any month was entirely due to reasonable cause and not due to willful neglect, the commissioner shall abate the penalty for that month.

(2) The failure of any vapor products distributor or vapor products dealer on whom tax is imposed under this article to meet the requirements made applicable by subdivision (a) of this section for such vapor products possessed by such distributor or such dealer shall be presumptive evidence that the taxes imposed pursuant to section eleven hundred eighty-one of this article have not been paid, and that such distributor or dealer is liable for the taxes thereon unless evidence of such invoice, receipt or payment shall later be produced.

§ 6. Section 1185 of the tax law, as added by section 1 of part UU of chapter 59 of the laws of 2019, is amended to read as follows:

§ 1185. ~~[Criminal penalties]~~ Enforcement. (a) For purposes of the efficient administration of the taxes imposed by this article, it is the intent of the legislature that the distribution and sale of vapor products be deemed a heavily regulated industry subject to supervision by the commissioner. The commissioner is hereby authorized to conduct regulatory inspections in the same manner as a regulatory inspection pursuant to article twenty of this chapter of any place of business or vehicle where vapor products are distributed, placed, stored, sold or offered for sale and to examine the books, papers, invoices and other records of any place of business or vehicle where vapor products are distributed, placed, stored, sold or offered for sale. Any vapor products distributor or vapor products dealer in possession, control or occupancy of any such business or vehicle is hereby directed and required upon demand to give to the commissioner the means, facilities, and opportunity for such inspections and examinations.

(b) Penalties. (1) The criminal penalties in sections eighteen hundred one through eighteen hundred seven and eighteen hundred seventeen of this chapter shall apply to this article with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the taxes imposed by this article.

(2) If any person registered under section eleven hundred eighty-three of this article refuses to give the commissioner the means, facilities and opportunity for the inspections and examinations provided for in this article, such person's registration to distribute or to sell vapor products in this state shall be revoked for a period of one year or, for a second such failure within a period of three years, such registration shall be permanently revoked.

(3) If any person required to be registered under section eleven hundred eighty-three of this article who does not possess a valid registration, or whose registration is revoked, refuses to give the commissioner the means, facilities and opportunity for such inspections and examinations provided for in this article, such person shall be subject to a civil penalty of up to four thousand dollars for the first such refusal, and up to eight thousand dollars for a second or any subsequent such refusal within three years of a prior refusal.

(4) Any vapor products distributor who: (i) sells vapor products to a vapor products dealer that does not possess a valid registration under section eleven hundred eighty-three of this article, or whose registra-

tion is revoked; (ii) manufactures, sells, imports, or causes to be imported, into this state any contraband vapor products; or (iii) possesses contraband vapor products for sale in this state shall be subject to a civil penalty of up to four thousand dollars for the first such violation, and up to eight thousand dollars for a second or any subsequent violation within three years. The possession by a vapor products distributor of more than one hundred units of any vapor products in its place of business or any offices or vehicles used to conduct business shall be presumptive evidence that such vapor products are possessed for the purpose of sale or transfer to a retail dealer.

(5) Any vapor products dealer who possesses contraband vapor products for sale in this state shall be liable for a civil penalty of up to twenty-five thousand dollars for a first violation and up to thirty-five thousand dollars for a second or any subsequent violation within three years following a prior violation. The possession by a vapor products dealer of more than one hundred units of any vapor products in a retail location shall be presumptive evidence that such vapor products are possessed for the purpose of a sale.

(6) Any vapor products dealer who purchases vapor products from any vapor products distributor who does not possess a valid registration under section eleven hundred eighty-three of this article, or whose registration is revoked, shall be subject to a civil penalty of up to four thousand dollars for the first such sale, and up to eight thousand dollars for a second or any subsequent sale within three years.

(c) Forfeiture and seizure. (1) The commissioner, or their duly authorized representative, shall seize any contraband vapor products found in any place of business or vehicle where such products are distributed, placed, stored, sold or offered for sale. Such seized contraband vapor products shall be immediately forfeited to the state. If such contraband vapor products are not the subject of a criminal referral, such contraband vapor products shall be turned over to the commissioner of health for destruction.

(2) Contraband vapor products that have been seized pursuant to this subdivision that are the subject of a criminal referral shall be held in the custody of either the commissioner or the prosecutor until such time as the related criminal action has concluded. Notwithstanding any provision of law to the contrary, such vapor products may be turned over to the commissioner of health for destruction upon the written consent of the prosecutor or an authorized assistant or agent thereof.

(3) The commissioner or the commissioner of health, whomever is in possession of the seized and forfeited vapor products, may implement procedures whereby any cost charged for the storage and destruction of the seized and forfeited vapor products will be borne jointly and severally by the manufacturer of the product and the person from whom such products were seized.

§ 7. The tax law is amended by adding a new section 1187 to read as follows:

§ 1187. Vapor products registry. (a) The commissioner shall maintain a publicly available vapor products registry that lists all vapor products the commissioner has authorized to be sold in this state. Such registry shall be updated at least monthly.

(b) Every manufacturer of vapor products whose vapor products are sold in this state shall certify to the commissioner each calendar year, or earlier as necessary, on a form and in a manner prescribed by the commissioner, that: (1) the manufacturer has received a marketing authorization or similar order for each such vapor product from the

1 United States food and drug administration pursuant to section three
2 hundred eighty-seven-j of the federal food, drug, and cosmetic act; or
3 (2) each vapor product was marketed in the United States as of August
4 eighth, two thousand sixteen, a pre-market tobacco product application
5 was submitted for the vapor product to the United States food and drug
6 administration pursuant to section three hundred eighty-seven-j of the
7 federal food, drug, and cosmetic act on or before September ninth, two
8 thousand twenty, and either the application remains under review by the
9 United States food and drug administration or a final decision on the
10 application has not taken effect.

11 (c)(1) A vapor products manufacturer must file an application for
12 certification to the commissioner or for an amended certification to add
13 additional vapor products to the vapor products registry if the vapor
14 product satisfies the requirements provided in this section. Such
15 certification shall be effective for the calendar year in which it is
16 issued; provided, however, that any vapor products approved by the
17 commissioner for inclusion on the vapor products registry shall only be
18 listed on the registry and sold in this state until the end of the
19 calendar year, at which time, a manufacturer that intends to continue to
20 sell such vapor products in this state shall reapply to the commissioner
21 for such products to remain on the registry for the next calendar year.
22 The application shall include a schedule, in the manner prescribed by
23 the commissioner, that separately lists each of the vapor products
24 intended for sale in the state. The manufacturer shall submit with the
25 application a non-refundable fee equal to one thousand five hundred
26 dollars per individual vapor product to be listed on the registry for
27 each calendar year.

28 (2) For each vapor product to be listed on the registry, the applica-
29 tion to the commissioner shall include a copy of the marketing authori-
30 zation or similar order for the vapor product issued by the United
31 States food and drug administration pursuant to section three hundred
32 eighty-seven-j of the federal food, drug, and cosmetic act, as provided
33 under paragraph one of subdivision (b) of this section, or evidence that
34 the pre-market tobacco product application for the vapor product was
35 submitted to the United States food and drug administration, as provided
36 under paragraph two of subdivision (b) of this section and a final deci-
37 sion on the application has not taken effect. Other information, includ-
38 ing but not limited to, the twelve-digit universal product code, a
39 picture of the product label, a picture of the product to be listed on
40 the registry, the manufacturer contact information, and any other infor-
41 mation as prescribed by the commissioner, shall be included with the
42 application.

43 (d) A manufacturer shall notify the commissioner within thirty days of
44 any material change to the information contained in its application,
45 including any order or action by the United States food and drug admin-
46 istration that affects the ability of the vapor product to be introduced
47 or delivered into interstate commerce for commercial distribution in the
48 United States.

49 (e) Any vapor products that cannot be lawfully sold or possessed in
50 this state shall not be listed on the vapor products registry. Vapor
51 products distributors and vapor products dealers shall not purchase or
52 sell any vapor products that are not listed on the vapor products regis-
53 try. The commissioner may impose on each such distributor or dealer who
54 sells or offers for sale vapor products in this state that are not list-
55 ed on the vapor product registry a civil penalty of one thousand dollars
56 per day for each vapor product offered for sale in violation of this

1 section until each such vapor product is no longer offered for sale in
2 this state or each such vapor product is properly listed on the registry
3 pursuant to this section; provided, however, that any such penalty
4 imposed under this subdivision shall not exceed fifty thousand dollars
5 in the aggregate per day.

6 (f) (1) The commissioner shall provide a vapor products manufacturer
7 with notice and an opportunity to cure deficiencies before removing a
8 vapor product from the registry. The commissioner may remove a vapor
9 product from the registry no sooner than ten business days after the
10 date on which the commissioner provides such notice to the manufacturer
11 by electronic mail to the address provided on the vapor product manufac-
12 turer's most recent application for inclusion on the vapor products
13 registry submitted pursuant to this section.

14 (2) A determination by the commissioner to refuse inclusion of or to
15 remove a vapor product from the registry shall not be subject to review
16 in the division of tax appeals, but may be reviewed pursuant to article
17 seventy-eight of the civil practice law and rules, by a proceeding
18 commenced in the county where the commissioner has their principal
19 office.

20 (g) (1) When a vapor product is removed from the registry pursuant to
21 this section, the commissioner shall publish on the vapor products
22 registry website the name of the vapor product removed, the manufacturer
23 of such vapor product, the date of the removal of the vapor product from
24 such registry, and any additional information the commissioner
25 prescribes.

26 (2) Each vapor products distributor and vapor products dealer that
27 possesses in its inventory a vapor product that has been removed from
28 the vapor products registry shall: (i) be notified of such removal by
29 the manufacturer; and (ii) allow the manufacturer to retrieve the vapor
30 product from its inventory no later than ten business days after the
31 date the vapor product has been removed from the registry. After ten
32 days following removal of a vapor product from the registry, any such
33 removed vapor product shall be deemed contraband vapor products and
34 subject to seizure, forfeiture, and destruction pursuant to section
35 eleven hundred eighty-five of this article and shall not be purchased,
36 sold, or transferred in this state. Notwithstanding whether any taxes on
37 such vapor products have been paid or passed through to the purchaser,
38 the cost of forfeiture and destruction of such contraband vapor products
39 shall be borne jointly and severally by the manufacturer and the person
40 from whom the vapor products are seized.

41 § 8. Paragraph 6 of subdivision (a) of section 1801 of the tax law, as
42 amended by section 4 of part F of chapter 25 of the laws of 2009, is
43 amended to read as follows:

44 (6) fails to collect any tax required to be collected under articles
45 twelve-A, eighteen, twenty, twenty-two, twenty-eight ~~[or]~~,
46 twenty-eight-A, or twenty-eight-C of this chapter, or pursuant to the
47 authority of article twenty-nine of this chapter;

48 § 9. The tax law is amended by adding a new section 1814-b to read as
49 follows:

50 § 1814-b. Vapor products taxes. (a) Any person who, while not regis-
51 tered as a vapor products distributor pursuant to the provisions of
52 article twenty-eight-C of this chapter, sells more than fifty units of
53 vapor products to a vapor products dealer for sale within the state,
54 shall be guilty of a misdemeanor. If, within any ninety-day period, such
55 unregistered person sells more than one hundred units of vapor products

1 to a vapor products dealer in this state, such person shall be guilty of
2 a class A misdemeanor.

3 (b) Any person who, while not registered as a vapor products dealer
4 pursuant to the provisions of article twenty-eight-C of this chapter,
5 purchases or possesses for sale within this state, more than fifty units
6 of vapor products shall be guilty of a misdemeanor. If, within any nine-
7 ty-day period, such unregistered person purchases or possesses for sale
8 more than one hundred units of vapor products from a vapor products
9 distributor in this state, such person shall be guilty of a class A
10 misdemeanor. Provided, further, that any person who has twice been
11 convicted under this subdivision shall be guilty of a class E felony for
12 any subsequent violation of this subdivision, regardless of the amount
13 of vapor products involved in such violation.

14 (c)(1) Any person who sells or possesses for sale contraband vapor
15 products in this state shall be guilty of a class A misdemeanor. Any
16 person who violates the provisions of this paragraph after having previ-
17 ously been convicted of a violation of this paragraph within the preced-
18 ing five years, shall be guilty of a class E felony.

19 (2) Any person who sells or possesses for sale in this state more than
20 three hundred units of contraband vapor products shall be guilty of a
21 class E felony.

22 (3) Any person who sells or possesses for sale in this state more than
23 five hundred units of contraband vapor products shall be guilty of a
24 class D felony.

25 (d) Any person required to be registered under the provisions of
26 section eleven hundred eighty-three of this chapter that willfully
27 represents any false information required on the application prescribed
28 in section eleven hundred eighty-three of this chapter, shall be guilty
29 of a class A misdemeanor for each false representation. Any such person
30 who violates the provisions of this subdivision after having previously
31 been convicted of a violation of this subdivision within the preceding
32 five years shall be guilty of a class E felony.

33 § 10. Subdivision 3 of section 1399-ff of the public health law, as
34 amended by chapter 405 of the laws of 2000, is amended to read as
35 follows:

36 3. The enforcement officer shall promptly notify the commissioner of
37 taxation and finance and the director of the division of the lottery of
38 any determination, made after a hearing and any appeals therefrom have
39 been concluded, that a violation of this article has occurred together
40 with a direction to such commissioner and director with respect to any
41 action to be taken concerning registration under [~~section~~] sections four
42 hundred eighty-a and eleven hundred eighty-three of the tax law and
43 licensing under section sixteen hundred seven of the tax law.

44 § 11. Notwithstanding any other provision of law to the contrary, the
45 vapor products distributor tax due on vapor products that were first
46 imported or manufactured and are currently possessed in New York state
47 as of 11:59 pm eastern standard time on August 31, 2026, by any person
48 in possession for sale shall be subject to tax pursuant to subdivision
49 (a) of section 1181 of the tax law, as amended by section three of this
50 act, and shall be paid on or before September 20, 2026, in the form and
51 manner prescribed by the commissioner of taxation and finance. It shall
52 be presumed that the vapor products distributor tax imposed by article
53 28-C of the tax law has not been paid and is owing on all inventory in
54 the possession and control of a vapor products dealer.

1 § 12. This act shall take effect immediately; provided, however, that
2 sections three, six, eight and nine of this act shall take effect
3 September 1, 2026.

4 PART M

5 Section 1. The opening paragraph of subparagraph (B) of paragraph 2 of
6 subdivision (b) of section 1402 of the tax law, as amended by section 1
7 of part U of chapter 59 of the laws of 2023, is amended to read as
8 follows:

9 For purposes of this subdivision, the phrase "real estate investment
10 trust transfer" shall mean any conveyance of real property or an inter-
11 est therein to a REIT, or to a partnership or corporation in which a
12 REIT owns a controlling interest immediately following the conveyance,
13 which conveyance (I) occurs in connection with the initial formation of
14 the REIT, provided that the conditions set forth in clauses (i) and (ii)
15 of this subparagraph are satisfied, or (II) in the case of any real
16 estate investment trust transfer occurring on or after July thirteenth,
17 nineteen hundred ninety-six and before September first, two thousand
18 ~~twenty-six~~ twenty-nine, is described in the last sentence of this
19 subparagraph.

20 § 2. Subparagraph 2 of paragraph (xi) of subdivision (b) of section
21 1201 of the tax law, as amended by section 2 of part U of chapter 59 of
22 the laws of 2023, is amended to read as follows:

(2) any issuance or transfer of an interest in a REIT, or in a partnership or corporation in which a REIT owns a controlling interest immediately following the issuance or transfer, in connection with a transaction described in subparagraph one of this paragraph. Notwithstanding the foregoing, a transaction described in the preceding sentence shall not constitute a real estate investment trust transfer unless (A) it occurs in connection with the initial formation of the REIT and the conditions described in subparagraphs three and four of this paragraph are satisfied, or (B) in the case of any real estate investment trust transfer occurring on or after July thirteenth, nineteen hundred ninety-six and before September first, two thousand ~~twenty-six~~ twenty-nine, the transaction is described in subparagraph five of this paragraph in which case the provisions of such subparagraph shall apply.

36 § 3. Subparagraph (B) of paragraph 2 of subdivision e of section
37 11-2102 of the administrative code of the city of New York, as amended
38 by section 3 of part U of chapter 59 of the laws of 2023, is amended to
39 read as follows:

(B) any issuance or transfer of an interest in a REIT, or in a partnership or corporation in which a REIT owns a controlling interest immediately following the issuance or transfer in connection with a transaction described in subparagraph (A) of this paragraph. Notwithstanding the foregoing, a transaction described in the preceding sentence shall not constitute a real estate investment trust transfer unless (i) it occurs in connection with the initial formation of the REIT and the conditions described in subparagraphs (C) and (D) of this paragraph are satisfied, or (ii) in the case of any real estate investment trust transfer occurring on or after July thirteenth, nineteen hundred ninety-six and before September first, two thousand ~~twenty-six~~ twenty-nine, the transaction is described in subparagraph (E) of this paragraph in which case the provision of such subparagraph shall apply.

53 § 4. This act shall take effect immediately.

1

PART N

2 Section 1. Notwithstanding any provision of law to the contrary, the
3 commissioner of taxation and finance is hereby directed to institute a
4 reregistration program in accordance with this section, to be completed
5 by December 31, 2030. Such commissioner shall issue a notice of expira-
6 tion to holders of current certificates of authority in an order and at
7 such times that such commissioner determines necessary for the proper
8 administration of such reregistration program and to ensure the integri-
9 ty and qualifications of registrants pursuant to this section. Such
10 notice of expiration shall be issued to the holder of such certificate
11 of authority at least 180 days prior to the date of expiration indicated
12 therein and shall be mailed by certified mail in accordance with the
13 provisions in subdivision (a) of section 1147 of the tax law. A properly
14 completed certificate of registration for a new certificate of authority
15 must be filed with such commissioner at least 90 days prior to the date
16 of expiration of the current certificate of authority. The commissioner,
17 within 30 days of receipt of a certificate of registration for a new
18 certificate of authority pursuant to this section, shall either: issue,
19 without charge, to each registrant a certificate of authority empowering
20 such person to collect sales tax for a specified term of no less than
21 three years, and a duplicate thereof for each additional place of busi-
22 ness of such person; or, shall propose to refuse to issue a certificate
23 of authority for any of the circumstances described in subparagraph (B)
24 of paragraph 4 of subdivision (a) of section 1134 of the tax law. A
25 person who has received a notice of proposed refusal pursuant to this
26 section may seek review of such determination in accordance with para-
27 graph (h) of subdivision 3-a of section 170 and subdivision 2 of section
28 2008 of the tax law; provided, however, the division of tax appeals must
29 schedule an expedited hearing within 30 days of receipt of a petition by
30 a person who has received a notice of proposed refusal pursuant to this
31 section.

32 § 2. (a) Notwithstanding any provision of law to the contrary, the
33 commissioner of taxation and finance shall administer a sales and use
34 tax penalty and interest discount program for all eligible taxpayers
35 with eligible tax liabilities as described in this section.

36 (b) For purposes of this sales and use tax penalty and interest
37 discount program, an eligible taxpayer is any person who is a holder of
38 a current certificate of authority subject to the reregistration program
39 authorized by section one of this act who has an eligible tax liability,
40 and who meets the conditions of this section. A person convicted of a
41 crime under the tax law, or a person convicted under the penal law who
42 is subject to a court order to pay a tax liability as result of such
43 conviction, is not eligible to participate in this program.

44 (c) For purposes of this section, an eligible tax liability is a
45 liability for sales and use taxes imposed by article 28 of the tax law
46 or pursuant to the authority of article 29 of such law, including any
47 interest or penalty thereon, that is fixed and final on or before
48 September 1, 2026, such that the taxpayer no longer has any right to an
49 administrative or judicial review. An eligible tax liability shall not
50 include any penalty imposed by paragraphs 2 or 5 of subdivision (a) of
51 section 1145 of the tax law, or subdivisions (i) or (j) of such section
52 1145, as added by section 15 of subpart J of part V-1 of chapter 57 of
53 the laws of 2009. An eligible tax liability shall not include any
54 assessment that was reduced by a written agreement with the commission-
55 er, a liability that was compromised pursuant to subdivision eigh-

1 tenth-a of section 171 of the tax law, or a liability reduced pursuant
2 to subdivision 3 of section 1700 of the tax law.

3 (d) The discounted amount due under the sales and use tax penalty and
4 interest discount program for an eligible taxpayer with an eligible tax
5 liability shall be the sales or use tax liability plus fifty percent of
6 the interest accrued thereon, through December 31, 2026.

7 (e) The commissioner of taxation and finance shall identify the eligi-
8 ble taxpayers with eligible tax liabilities for purposes of this
9 section, shall compute the discounted amount due on such eligible tax
10 liabilities, and shall notify eligible taxpayers of such discounted
11 amount due. The discount authorized by this section shall not be granted
12 to any eligible taxpayer for any eligible tax liability unless the
13 eligible taxpayer pays the discounted amount due in full on or before
14 December 31, 2026. Payment pursuant to this program shall be made by
15 eligible taxpayers with eligible tax liabilities in a form and manner as
16 prescribed by the commissioner of taxation and finance.

17 (f) No refund will be granted or subsequent credit allowed with
18 respect to any penalty or interest paid with respect to an eligible tax
19 liability prior to the time the eligible taxpayer participates in the
20 sales and use tax penalty and interest discount program.

21 (g) No refund will be granted or subsequent credit allowed with
22 respect to any amount paid under the sales and use tax penalty and
23 interest discount program.

24 (h) If an eligible taxpayer has entered into an installment payment
25 agreement that applies to an eligible tax liability, the taxpayer may
26 participate in the sales and use tax penalty and interest discount
27 program with respect to that liability if the taxpayer pays the
28 discounted amount due under such program in full by December 31, 2026.

29 § 3. This act shall take effect immediately.

30 PART O

31 Section 1. Section 1115 of the tax law is amended by adding a new
32 subdivision (mm) to read as follows:

33 (mm) The following shall be exempt from tax under this article: (1)
34 Receipts from the retail sale of electricity by means of a commercial
35 electric vehicle charging station. For purposes of this subdivision, a
36 "commercial electric vehicle charging station" shall mean a device that
37 supplies electricity to charge the battery of an electric vehicle and
38 that accepts payment for such electricity at the time such charging
39 takes place.

40 (2) The purchase of electricity for sale by means of a commercial
41 electric vehicle charging station shall be deemed a retail sale subject
42 to tax under subdivision (b) of section eleven hundred five of this
43 article.

44 § 2. This act shall take effect on the first day of a sales tax quar-
45 terly period next commencing at least 90 days after this act shall have
46 become a law.

47 PART P

48 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of
49 section 1115 of the tax law, as amended by section 1 of part AA of chap-
50 ter 59 of the laws of 2025, is amended to read as follows:

51 (B) Until May thirty-first, two thousand [~~twenty-six~~ **twenty-nine**, the
52 food and drink excluded from the exemption provided by clauses (i), (ii)

1 and (iii) of subparagraph (A) of this paragraph, and bottled water,
2 shall be exempt under this subparagraph: (i) when sold for one dollar
3 and fifty cents or less through any vending machine that accepts coin or
4 currency only; or (ii) when sold for two dollars or less through any
5 vending machine that accepts any form of payment other than coin or
6 currency, whether or not it also accepts coin or currency.

7 § 2. This act shall take effect immediately.

8 PART Q

9 Section 1. Section 2 of part PP of chapter 58 of the laws of 2024
10 amending the tax law relating to establishing a sales tax exemption for
11 residential energy storage, is amended to read as follows:

12 § 2. This act shall take effect June 1, 2024 and shall expire and be
13 deemed repealed June 1, ~~2026~~ 2028.

14 § 2. This act shall take effect immediately.

15 PART R

16 Section 1. Subdivision (a) of section 308 of the tax law, as amended
17 by chapter 2 of the laws of 1995, is amended to read as follows:

18 (a) General.--Every petroleum business subject to tax under this arti-
19 cle shall monthly, on or before the twentieth day following the close of
20 its taxable month, file a return which shall state (i) the number of
21 gallons of motor fuel imported or caused to be imported into this state
22 for use, distribution, storage or sale in the state or produced,
23 refined, manufactured or compounded in the state during the preceding
24 calendar month, (ii) the number of gallons of diesel motor fuel sold or
25 used or, with respect to gallonage which prior thereto has not been
26 included in the measure of the tax imposed by this article, delivered by
27 the petroleum business to a filling station or into the fuel tank
28 connecting with the engine of a motor vehicle for use in the operation
29 thereof during the preceding calendar month, (iii) the number of gallons
30 of, and the resultant product produced, manufactured or blended, using
31 diesel motor fuel as a component of such resultant product and the sales
32 of such resultant product, and (iv) the number of gallons of residual
33 petroleum product sold or used in this state and the sales of such resi-
34 dual petroleum product, for the period covered by such return. A resi-
35 dual petroleum business shall include in its reports the number of
36 gallons of residual petroleum product imported into the state or
37 purchased in this state, the number of gallons of diesel motor fuel
38 purchased in this state and the number of gallons of, and the resultant
39 product produced, manufactured or blended by such petroleum business,
40 using diesel motor fuel as a component of such resultant product. The
41 commissioner of taxation and finance may permit the filing of a return
42 on a quarterly basis in the case of a petroleum business which only
43 makes sales of diesel motor fuel solely for residential heating purposes
44 and which is registered under article twelve-A of this chapter as a
45 diesel motor fuel distributor under a limited registration applicable
46 only to the importation, sale and distribution of diesel motor fuel for
47 the purposes described in subparagraph (i) of paragraph (b) of subdivi-
48 sion three of section two hundred eighty-two-a of this chapter or in the
49 case of a petroleum business registered as a "distributor of kero-jet
50 fuel only" pursuant to the provisions of subdivision two of section two
51 hundred eighty-two-a of this chapter. In the case of such returns
52 permitted to be filed on a quarterly basis, the adjustments to the rates

1 of tax then in effect, as provided for in sections three hundred one-a
2 and three hundred one-e of this article, which take effect on the first
3 day of January of each year shall, with respect to such quarterly
4 return, take effect on the first day of the next succeeding March.
5 Returns shall be filed with the commissioner [~~in~~ on] a form prescribed
6 by the commissioner, setting forth such other information as the commis-
7 sioner may prescribe. Every petroleum business shall also transmit such
8 other returns and such facts and information as the commissioner may
9 require in the administration of this article. Every petroleum business
10 which is a corporation subject to tax under this article and which ceas-
11 es to exercise its franchise or to be subject to the tax imposed by this
12 article shall transmit to the commissioner a return on the date of such
13 cessation, or at such other time as the commissioner may require, cover-
14 ing each month or period for which no return was theretofore filed. The
15 commissioner may, if the commissioner deems it necessary in order to
16 insure the payment of the tax imposed by this article, require returns
17 to be made at such times and covering such periods as the commissioner
18 may deem necessary. Notwithstanding the foregoing provisions of this
19 subdivision, the commissioner may require any corporation or unincorpo-
20 rated business [~~which~~ that] engages in transactions involving petroleum
21 or similar products, including aviation fuels, to file a monthly return,
22 which shall contain [~~any data specified by him~~] such information as the
23 commissioner prescribes, regardless of whether such corporation or unin-
24 corporated business is subject to tax under this article. Notwithstand-
25 ing the provisions of this subdivision, every petroleum business that
26 operates a "commercial vessel", as defined in subdivision (b) of section
27 eleven hundred one of this chapter, shall annually file the returns
28 required under this section, on a form and containing such information
29 as the commissioner prescribes. Such "commercial vessel" returns shall
30 be filed annually on or before March twentieth and shall cover the four
31 sales tax quarterly periods described in subdivision (b) of section
32 eleven hundred thirty-six of this chapter immediately preceding such
33 date.

34 § 2. This act shall take effect on the first day of the month next
35 commencing at least ninety days after this act shall have become a law;
36 provided, however, that a petroleum business that is required to file an
37 annual return pursuant to section one of this act shall be required to
38 file monthly returns for periods ending on or before such effective
39 date; and provided further, however, that such petroleum business shall
40 file an annual return for the remainder of the annual period of March 1,
41 2026 through February 28, 2027, on or before March 20, 2027, and shall
42 be required to file annual returns thereafter.

43 PART S

44 Section 1. Section 19 of part W-1 of chapter 109 of the laws of 2006
45 amending the tax law and other laws relating to providing exemptions,
46 reimbursements and credits from various taxes for certain alternative
47 fuels, as amended by section 1 of part EE of chapter 59 of the laws of
48 2021, is amended to read as follows:

49 § 19. This act shall take effect immediately; provided, however, that
50 sections one through thirteen of this act shall take effect September 1,
51 2006 and shall be deemed repealed on September 1, [~~2026~~ 2031] and such
52 repeal shall apply in accordance with the applicable transitional
53 provisions of sections 1106 and 1217 of the tax law, and shall apply to
54 sales made, fuel compounded or manufactured, and uses occurring on or

1 after such date, and with respect to sections seven through eleven of
2 this act, in accordance with applicable transitional provisions of
3 sections 1106 and 1217 of the tax law; provided, however, that the
4 commissioner of taxation and finance shall be authorized on and after
5 the date this act shall have become a law to adopt and amend any rules
6 or regulations and to take any steps necessary to implement the
7 provisions of this act; provided further that sections fourteen through
8 sixteen of this act shall take effect immediately and shall apply to
9 taxable years beginning on or after January 1, 2006.

10 § 2. This act shall take effect immediately.

11 PART T

12 Section 1. Paragraph (a-2) of subdivision 6 of section 425 of the real
13 property tax law, as amended by section 1 of subpart A of part Z of
14 chapter 59 of the laws of 2022, is amended to read as follows:

15 (a-2) Notwithstanding any provision of law to the contrary, ~~[where an~~
16 ~~application for the "enhanced" STAR exemption authorized by subdivision~~
17 ~~four of this section has not been filed on or before the taxable status~~
18 ~~date, and the owner believes that good cause existed for the failure to~~
19 ~~file the application by that date,]~~ when a property owner of a property
20 with a basic STAR exemption believes they have become eligible for the
21 enhanced STAR exemption but their basic STAR exemption has not been
22 changed to an enhanced STAR exemption pursuant to the provisions of
23 paragraph (b) of subdivision four-b of this section, the owner may, no
24 later than the last day for paying school taxes without incurring inter-
25 est or penalty, submit a ~~[written]~~ request to the commissioner asking
26 ~~[him or her to extend the filing deadline and]~~ the commissioner to grant
27 the exemption. Such request shall be in a form prescribed by the commis-
28 sioner and shall contain an explanation of why the ~~[deadline was missed,~~
29 ~~and shall be accompanied by an application, reflecting the facts and~~
30 ~~circumstances as they existed on the taxable status date]~~ property owner
31 believes they have become eligible for the enhanced STAR exemption.
32 After consulting with the assessor, the commissioner may ~~[extend the~~
33 ~~filing deadline and]~~ grant the exemption if the commissioner is satis-
34 fied that ~~[(i) good cause existed for the failure to file the applica-~~
35 ~~tion by the taxable status date, and that (ii)]~~ the applicant is ~~[other-~~
36 ~~wise]~~ entitled to the exemption. The commissioner shall mail notice of
37 ~~[his or her]~~ such determination to such owner and the assessor. If the
38 determination states that the commissioner has granted the exemption,
39 the assessor shall thereupon be authorized and directed to correct the
40 assessment roll accordingly, or, if another person has custody or
41 control of the assessment roll, to direct that person to make the appro-
42 priate corrections. Provided, however, that if the assessment roll
43 cannot be corrected in time for the exemption to appear on the appli-
44 cant's school tax bill, the commissioner shall be authorized to remit
45 directly to the applicant the tax savings that the STAR exemption would
46 have yielded if it had appeared on the applicant's tax bill. The amounts
47 so payable shall be paid from the account established for the payment of
48 STAR benefits to late registrants pursuant to subparagraph (iii) of
49 paragraph (a) of subdivision fourteen of this section.

50 § 2. Paragraphs (c) and (d) of subdivision 14 of section 425 of the
51 real property tax law are REPEALED and a new paragraph (c) is added to
52 read as follows:

53 (c) When the commissioner determines that a property is ineligible for
54 a STAR exemption, notice of such determination and an opportunity for

review thereof shall be provided in the manner set forth in subdivision four-b of this section.

§ 3. Subparagraphs (ii) and (iii) of paragraph (b) of subdivision 15 of section 425 of the real property tax law are REPEALED and a new subparagraph (ii) is added to read as follows:

(ii) When the commissioner determines that a property is ineligible for a STAR exemption, notice of such determination and an opportunity for review thereof shall be provided in the manner set forth in subdivision four-b of this section.

§ 4. Subparagraph (A) of paragraph 1 of subsection (eee) of section 606 of the tax law, as amended by section 8 of part A of chapter 73 of the laws of 2016, is amended to read as follows:

(A) "Qualified taxpayer" means a resident individual of the state, who maintained ~~[his or her]~~ their primary residence in this state on ~~[December thirty-first]~~ July first of the taxable year, and who was an owner of that property on that date, provided however:

(i) A taxpayer whose primary residence received a STAR exemption for the associated fiscal year shall not be considered a qualified taxpayer for purposes of this subsection.

(ii) An individual may be considered a qualified taxpayer with respect to no more than one primary residence during any given taxable year.

~~[(iii) If a resident individual was an owner of the property during the taxable year but did not own it on December thirty-first of the taxable year, he or she shall be considered a qualified taxpayer if the property was his or her primary residence during the taxable year and he or she paid qualifying taxes on that property while he or she was still an owner of that property.]~~

~~[(iv) If a resident individual has acquired ownership of property during a taxable year, such resident individual shall not be considered a qualified taxpayer for that taxable year to the extent that an advance payment of the credit for that taxable year has been issued to the prior owner with respect to the same property, unless such resident individual can demonstrate that he or she paid qualifying taxes on such property during the taxable year, and that the prior owner did not.]~~

§ 5. Subsection (eee) of section 606 of the tax law is amended by adding a new paragraph 2 to read as follows:

(2) Allowance of credit. A qualified taxpayer shall be allowed a credit as provided in paragraph three or four of this subsection, whichever is applicable, against the taxes imposed by this article reduced by the credits permitted by this article, provided that the requirements set forth in the applicable subsection are satisfied. If the credit exceeds the tax as so reduced for such year under this article, the excess shall be treated as an overpayment, to be credited or refunded, without interest. If a qualified taxpayer is not required to file a return pursuant to section six hundred fifty-one of this article, a qualified taxpayer may nevertheless receive the full amount of the credit to be credited or repaid as an overpayment, without interest thereon.

§ 6. The opening paragraph of subparagraph (A) of paragraph 4 of subsection (eee) of section 606 of the tax law, as amended by section 11 of part 0 of chapter 59 of the laws of 2025, is amended to read as follows:

Beginning with taxable years after two thousand ~~[twenty-four]~~ twenty-five, an enhanced STAR credit shall be available to a qualified taxpayer where both of the following conditions are satisfied:

§ 7. Subparagraph (C) of paragraph 13 of subsection (eee) of section 606 of the tax law, as added by section 1 of part TT of chapter 59 of the laws of 2017, is amended to read as follows:

(C) If the commissioner determines that a taxpayer received a preliminary advance payment that is above or below the advance payment to which he or she was entitled under this subsection, the commissioner shall provide notice to such taxpayer that the next advance payment due to such taxpayer under this subsection shall be adjusted to reconcile such underpayment or overpayment[~~; provided, however, the commissioner shall permit a taxpayer to request that such adjustment be made on an originally filed timely income tax return for the tax year in which such overpayment or underpayment occurred, provided such return is filed on or before the due date for such return, determined without regard to extensions~~].

§ 8. This act shall take effect immediately; provided, however, that section six of this act shall be deemed to have been in full force and effect on and after January 1, 2026.

PART U

Section 1. Section 4 of chapter 475 of the laws of 2013 amending the real property tax law relating to assessment ceilings for local public utility mass real property, as amended by section 1 of part Y of chapter 59 of the laws of 2022, is amended to read as follows:

§ 4. This act shall take effect on the first of January of the second calendar year commencing after this act shall have become a law and shall apply to assessment rolls with taxable status dates on or after such date; provided, however, that this act shall expire and be deemed repealed [~~twelve~~] sixteen years after such effective date; and provided, further, that no assessment of local public utility mass real property appearing on the municipal assessment roll with a taxable status date occurring in the first calendar year after this act shall have become a law shall be less than ninety percent or more than one hundred ten percent of the assessment of the same property on the date this act shall have become a law.

§ 2. This act shall take effect immediately.

PART V

Section 1. Paragraph a of subdivision 3 of section 467-b of the real property tax law, as amended by section 1 of part U of chapter 55 of the laws of 2014, is amended to read as follows:

a. for a dwelling unit where the head of the household is a person sixty-two years of age or older, no tax abatement shall be granted if the combined income of all members of the household for the income tax year immediately preceding the date of making application exceeds four thousand dollars, or such other sum not more than twenty-five thousand dollars beginning July first, two thousand five, twenty-six thousand dollars beginning July first, two thousand six, twenty-seven thousand dollars beginning July first, two thousand seven, twenty-eight thousand dollars beginning July first, two thousand eight, twenty-nine thousand dollars beginning July first, two thousand nine, [~~and~~] fifty thousand dollars beginning July first, two thousand fourteen, and seventy-five thousand dollars beginning July first, two thousand twenty-six, as may be provided by the local law, ordinance or resolution adopted pursuant to this section, provided that when the head of the household retires

1 before the commencement of such income tax year and the date of filing
2 the application, the income for such year may be adjusted by excluding
3 salary or earnings and projecting [~~his or her~~] their retirement income
4 over the entire period of such year, and further provided that, notwith-
5 standing any other provision of law, in a city with a population of one
6 million or more, the income limit of seventy-five thousand dollars
7 beginning July first, two thousand twenty-six, shall apply without the
8 need for a local law, ordinance or resolution to be adopted pursuant to
9 this section.

10 § 2. Paragraph b of subdivision 3 of section 467-b of the real proper-
11 ty tax law, as amended by section 1 of chapter 129 of the laws of 2014,
12 is amended to read as follows:

13 b. for a dwelling unit where the head of the household qualifies as a
14 person with a disability pursuant to subdivision five of this section,
15 no tax abatement shall be granted if the combined income for all members
16 of the household for the current income tax year exceeds fifty thousand
17 dollars beginning July first, two thousand fourteen, and seventy-five
18 thousand dollars beginning July first, two thousand twenty-six, as may
19 be provided by the local law, ordinance or resolution adopted pursuant
20 to this section, and further provided that, notwithstanding any other
21 provision of law, in a city with a population of one million or more,
22 the income limit of seventy-five thousand dollars beginning July first,
23 two thousand twenty-six shall apply without the need for a local law,
24 ordinance or resolution to be adopted pursuant to this section.

25 § 3. Subparagraph 1 of paragraph d of subdivision 1 of section 467-c
26 of the real property tax law, as amended by section 2 of part U of chap-
27 ter 55 of the laws of 2014, is amended to read as follows:

28 (1) a person or [~~his or her~~] their spouse who is sixty-two years of
29 age or older and is entitled to the possession or to the use and occu-
30 pancy of a dwelling unit, provided, however, with respect to a dwelling
31 which was subject to a mortgage insured or initially insured by the
32 federal government pursuant to section two hundred thirteen of the
33 National Housing Act, as amended "eligible head of the household" shall
34 be limited to that person or [~~his or her~~] their spouse who was entitled
35 to possession or the use and occupancy of such dwelling unit at the time
36 of termination of such mortgage, and whose income when combined with the
37 income of all other members of the household, does not exceed six thou-
38 sand five hundred dollars for the taxable period, or such other sum not
39 less than sixty-five hundred dollars nor more than twenty-five thousand
40 dollars beginning July first, two thousand five, twenty-six thousand
41 dollars beginning July first, two thousand six, twenty-seven thousand
42 dollars beginning July first, two thousand seven, twenty-eight thousand
43 dollars beginning July first, two thousand eight, twenty-nine thousand
44 dollars beginning July first, two thousand nine, [~~and~~] fifty thousand
45 dollars beginning July first, two thousand fourteen, and seventy-five
46 thousand dollars beginning July first, two thousand twenty-six, as may
47 be provided by local law, and further provided that, notwithstanding any
48 other provision of law, in a city with a population of one million or
49 more, the income limit of seventy-five thousand dollars beginning July
50 first, two thousand twenty-six shall apply without the need for a local
51 law to be adopted pursuant to this section; or

52 § 4. Paragraph m of subdivision 1 of section 467-c of the real proper-
53 ty tax law, as amended by chapter 129 of the laws of 2014, is amended to
54 read as follows:

55 m. "Person with a disability" means an individual who is currently
56 receiving social security disability insurance (SSDI) or supplemental

1 security income (SSI) benefits under the federal social security act or
2 disability pension or disability compensation benefits provided by the
3 United States department of veterans affairs or those previously eligi-
4 ble by virtue of receiving disability benefits under the supplemental
5 security income program or the social security disability program and
6 currently receiving medical assistance benefits based on determination
7 of disability as provided in section three hundred sixty-six of the
8 social services law and whose income for the current income tax year,
9 together with the income of all members of such individual's household,
10 does not exceed fifty thousand dollars beginning July first, two thou-
11 sand fourteen, and seventy-five thousand dollars beginning July first,
12 two thousand twenty-six, as may be provided by local law, and further
13 provided that, notwithstanding any other provision of law, in a city
14 with a population of one million or more, the income limit of seventy-
15 five thousand dollars beginning July first, two thousand twenty-six
16 shall apply without the need for a local law to be adopted pursuant to
17 this section.

18 § 5. Section 4 of part U of chapter 55 of the laws of 2014, amending
19 the real property tax law relating to the tax abatement and exemption
20 for rent regulated and rent controlled property occupied by senior citi-
21 zens, as amended by chapter 144 of the laws of 2024, is amended to read
22 as follows:

23 § 4. This act shall take effect July 1, 2014, and sections one and two
24 of this act shall expire and be deemed repealed June 30, ~~2026~~ 2028;
25 provided that the amendment to section 467-b of the real property tax
26 law made by section one of this act shall not affect the expiration of
27 such section and shall be deemed to expire therewith.

28 § 6. Section 4 of chapter 129 of the laws of 2014, amending the real
29 property tax law relating to the tax abatement and exemption for rent
30 regulated and rent controlled property occupied by persons with disabil-
31 ities, as amended by chapter 144 of the laws of 2024, is amended to read
32 as follows:

33 § 4. This act shall take effect July 1, 2014 provided, however, that:

34 (a) the amendments to paragraph b of subdivision 3 of section 467-b of
35 the real property tax law made by section one of this act shall be
36 subject to the expiration and reversion of such subdivision pursuant to
37 section 17 of chapter 576 of the laws of 1974, as amended, when upon
38 such date the provisions of section two of this act shall take effect;
39 and

40 (b) nothing contained in this act shall be construed so as to extend
41 the provisions of this act beyond June 30, ~~2026~~ 2028, when upon such
42 date this act shall expire and the provisions contained in this act
43 shall be deemed repealed.

44 § 7. This act shall take effect immediately; provided however:

45 (a) sections one, two, three and four of this act shall expire and be
46 deemed repealed June 30, 2028;

47 (b) the amendments to paragraphs a and b of subdivision 3 of section
48 467-b of the real property tax law made by sections one and two of this
49 act shall not affect the expiration of such paragraphs and shall be
50 deemed to expire therewith;

51 (c) the amendments to subparagraph 1 of paragraph d of subdivision 1
52 of section 467-c of the real property tax law made by section three of
53 this act shall not affect the expiration of such subparagraph and shall
54 be deemed to expire therewith; and

55 (d) the amendments to paragraph m of subdivision 1 of section 467-c of
56 the real property tax law made by section four of this act shall not

1 affect the expiration of such paragraph and shall be deemed to expire
2 therewith.

3 PART W

4 Section 1. Subdivisions 2, 4 and 5 of section 136 of the racing,
5 pari-mutuel wagering and breeding law, as added by section 1 of subpart
6 A of part FF of chapter 59 of the laws of 2025, are amended to read as
7 follows:

8 2. Beginning with state fiscal year two thousand twenty-six, the
9 aggregate amount of the pari-mutuel wagering tax paid by a harness track
10 pursuant to ~~[paragraph (b) of]~~ subdivision one of this section in a
11 state fiscal year shall not exceed the pari-mutuel wagering tax attrib-
12 utable to live racing handle paid by such harness track in state fiscal
13 year two thousand twenty-four.

14 4. Breaks~~[, as defined in sections two hundred thirty-six, two hundred~~
15 ~~thirty-eight, three hundred eighteen, and four hundred eighteen of this~~
16 ~~chapter]~~ are not permitted, unless required by another jurisdiction
17 pursuant to section nine hundred five of this chapter. All distributions
18 to the holders of winning tickets shall be calculated to the nearest
19 penny.

20 5. Notwithstanding subdivision four of this section, a racetrack may
21 round to the nearest nickel for bets made at the facility~~[, however the]~~
22 only if such breaks ~~[must be]~~ are directed to the retired and rescued
23 thoroughbred horse aftercare fund pursuant to section two hundred nine-n
24 of the tax law if the bet was made on a thoroughbred race, and to the
25 retired and rescued standardbred horse aftercare fund pursuant to
26 section two hundred nine-o of the tax law if the bet was made on a
27 ~~[standardbred]~~ harness race.

28 § 2. Section 236 of the racing, pari-mutuel wagering and breeding law,
29 as amended by chapter 18 of the laws of 2008, subdivisions 1, 2, and 3
30 as amended by chapter 243 of the laws of 2020, is amended to read as
31 follows:

32 § 236. Disposition of pari-mutuel pools; percentage payable to state
33 as a tax; authority of counties or certain cities to impose a tax. 1.
34 Every corporation authorized under this chapter to conduct pari-mutuel
35 betting at a race meeting on races run thereat, except as provided in
36 section two hundred thirty-eight of this article with respect to the
37 franchised corporation, shall distribute all sums deposited in any pari-
38 mutuel pool to the holders of winning tickets therein, providing such
39 tickets be presented for payment before April first of the year follow-
40 ing the year of their purchase, less an amount that shall be established
41 and retained by such racing corporation of between fourteen to twenty
42 percent of the total deposits in pools resulting from regular on-track
43 bets and less sixteen to twenty-two percent of the total deposits in
44 pools resulting from multiple on-track bets and less twenty to thirty
45 percent of the total deposits in pools resulting from exotic on-track
46 bets and less twenty to thirty-six percent of the total pools resulting
47 from super exotic on-track bets~~[, plus the breaks]~~. The retention rate
48 to be established is subject to the prior approval of the commission.
49 Such rate may not be changed more than once per calendar quarter to be
50 effective on the first day of the calendar quarter. "Exotic bets" and
51 "multiple bets" shall have the meanings set forth in section five
52 hundred nineteen of this chapter ~~[and breaks are hereby defined as the~~
53 ~~odd cents over any multiple of five for payoffs greater than one dollar~~
54 ~~five cents but less than five dollars, over any multiple of ten for~~

~~1 payoffs greater than five dollars but less than twenty five dollars,~~
~~2 over any multiple of twenty five for payoffs greater than twenty five~~
~~3 dollars but less than two hundred fifty dollars, or over any multiple of~~
~~4 fifty for payoffs over two hundred fifty dollars]. "Super exotic bets"~~
5 shall have the meaning set forth in section three hundred one of this
6 chapter. Of the amount so retained there shall be paid by such corpo-
7 ration to the department of taxation and finance as a reasonable tax by
8 the state for the privilege of conducting pari-mutuel betting on the
9 races run at the race meeting held by such corporation, which tax is
10 hereby levied, ~~[the following percentages of the total pool, plus~~
11 ~~fifty five percent of the breaks; the applicable rates for regular and~~
12 ~~multiple bets shall be one and one half percent; the applicable rates~~
13 ~~for exotic bets shall be six and three quarter percent and the applica-~~
14 ~~ble rate for super exotic bets shall be seven and three quarter percent.~~
15 ~~Effective on and after September first, nineteen hundred ninety four,~~
16 ~~the applicable tax rate shall be one percent of all wagers, provided~~
17 ~~that, an amount equal to one half the difference between the taxation~~
18 ~~rate for on track regular, multiple and exotic bets as of December thir-~~
19 ~~ty first, nineteen hundred ninety three and the rates on such on track~~
20 ~~wagers as herein provided shall be used exclusively for purses.~~
21 ~~Provided, however, that]~~ in the applicable percentage set forth in
22 subdivision one of section one hundred thirty-six of this chapter. Any
23 such racing corporation shall, for any twelve-month period beginning on
24 April first in nineteen hundred ninety and any year thereafter, ~~[each of~~
25 ~~the applicable rates set forth above shall be increased by one quarter~~
26 ~~of one percent on all on track bets of any such racing corporation that~~
27 ~~did not]~~ expend an amount equal to at least one-half of one percent of
28 its on-track bets during the immediately preceding calendar year for
29 enhancements consisting of capital improvements as defined by section
30 two hundred thirty-seven of this article, repairs to its physical plant,
31 structures, and equipment used in its racing or wagering operations ~~[as~~
32 ~~certified by the commission to the commissioner of taxation and finance~~
33 ~~no later than eighty days after the close of such calendar year,]~~ and
34 five special events at each track in each calendar year, not otherwise
35 conducted in the ordinary course of business, the purpose of which shall
36 be to encourage, attract and promote track attendance and encourage new
37 and continued patronage, which events shall be subject to the prior
38 approval of the commission for purposes of this subdivision. In the
39 determination of the amounts expended for such enhancements, the commis-
40 sion may consider the immediately preceding twelve-month calendar period
41 or the average of the two immediately preceding twelve-month calendar
42 periods. Provided further, however, that of the portion of the increased
43 amounts retained by such corporation above those amounts retained in
44 nineteen hundred eighty-four, an amount of such increase shall be
45 distributed to purses in the same proportion as commissions and purses
46 were distributed during nineteen hundred eighty-four as certified by the
47 commission. ~~[Such corporation in the second zone shall receive a credit~~
48 ~~against the daily tax imposed by this subdivision in an amount equal to~~
49 ~~four tenths of one percent of total daily pools resulting from the~~
50 ~~simulcast of such corporation's races to licensed facilities operated by~~
51 ~~regional off track betting corporations in accordance with section one~~
52 ~~thousand eight of this chapter, provided however, that sixty percent of~~
53 ~~the amount of such credit shall be used exclusively to increase purses~~
54 ~~for overnight races conducted by such corporation; and, provided~~
55 ~~further, that in no event shall such total daily credit exceed four~~
56 ~~tenths of one percent of the total daily pool of such corporation.]~~

1 Such corporation shall pay to the New York state thoroughbred breeding
2 and development fund one-half of one percent of the total daily on-track
3 pari-mutuel pools from regular, multiple and exotic bets, and three
4 percent of super exotic bets. ~~[The corporation shall receive credit as a~~
5 ~~reduction of the tax by the state for the privilege of conducting pari-~~
6 ~~mutuel betting for the amounts, except amounts paid from super exotic~~
7 ~~betting pools, paid to the New York state thoroughbred breeding and~~
8 ~~development fund after January first, nineteen hundred seventy-eight.]~~

9 Such corporation shall distribute to purses an amount equal to fifty
10 percent of any compensation it receives from simulcasting or from wager-
11 ing conducted outside the United States. Such corporation shall pay to
12 the commission as a regulatory fee, which fee is hereby levied, six-
13 tenths of one percent of the total daily on-track pari-mutuel pools of
14 such corporation.

15 2. The balance of the retained percentage of such pool ~~[and of the~~
16 ~~breaks]~~ shall be held by such corporation for its own use and purposes,
17 except that in addition to any payments to purses provided for in subdivi-
18 sion one of this section, an amount equal to two and one-half percent
19 of the total pools resulting from on-track regular bets and exotic bets
20 and an amount equal to three and one-half percent of the total pools
21 resulting from on-track multiple bets and an amount equal to twelve
22 percent of on-track super exotic bets shall be used exclusively for the
23 purpose of increasing purses (including stakes, premiums and prizes)
24 awarded to horses in races conducted by such corporation. Such two and
25 one-half percent and three and one-half percent shall be in addition to
26 (i) four and one-half percent of such total pools resulting from regular
27 and multiple wagers and five and one-half percent of such total pools
28 resulting from exotic wagers, or (ii) the percentage of such total pools
29 used for purses (including stakes, premiums and prizes) during the year
30 nineteen hundred eighty-two, whichever is larger. Such percentage of the
31 total pools mentioned in this subdivision shall be used for purses
32 (including stakes, premiums and prizes) in races hereafter conducted by
33 such corporation, and any portion not so used during any year shall be
34 so used during the following year~~[, failing which such portion shall be~~
35 ~~payable to the commissioner of taxation and finance as additional tax].~~

36 The commission shall report annually, on or before July first, to the
37 director of the budget, the chair of the senate finance committee and
38 the chair of the assembly ways and means committee the extent to which
39 such corporation used and retained percentages ~~[and breakage]~~ for oper-
40 ations, maintenance, capital improvements, advertising and promotion,
41 administration and general overhead and evaluate the effectiveness and
42 make recommendations with respect to the application of the ~~[reduced]~~
43 rates of taxation ~~[as provided for in subdivision one of this section in~~
44 ~~accomplishing the objectives stated therein]~~. Such report shall also
45 specify the amount of such retained percentages ~~[and breakage]~~ used for
46 investments not directly related to racing activities and such amounts
47 used to declare dividends or other profit distributions, additions to
48 capital stock, its sale and transfer and additions to retained earnings.
49 Such reports shall also include an analysis of any such agreements or
50 proposals to conduct or otherwise expand wagers authorized under article
51 ten of this chapter and present its conclusions with respect to the
52 conduct of such wagering, the nature of such proposals and agreements,
53 and recommendations to ensure the future maintenance of the intent of
54 this article.

55 3. ~~[Tax rates in event of a failure to maintain]~~ Maintenance of pari-
56 mutuel racing activity. ~~[a. Notwithstanding any other provision of this~~

~~section to the contrary, for~~ For any calendar year commencing on or after January first, nineteen hundred eighty-nine, ~~[in which]~~ a racing corporation in zone two ~~[does]~~ shall not conduct ~~[a minimum number of]~~ fewer pari-mutuel programs and pari-mutuel races at its facilities ~~[equal to at least]~~ than ninety percent of the programs and races so conducted during nineteen hundred eighty-five or during nineteen hundred eighty-six, whichever is less, ~~[in lieu of the tax rates set forth in subdivision one of this section the applicable pari-mutuel tax rates for such corporation with respect to on-track pari-mutuel betting pools during such year shall be increased by one percent of regular, multiple and exotic betting pools. Notwithstanding the foregoing, no increase shall be proposed unless such corporation has been afforded notice and opportunity to be heard. The commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.]~~

b. ~~The provisions of this subdivision shall not apply to a corporation for any calendar year for which the commission certifies to the commissioner of taxation and finance:~~

~~(i) by December fifteenth of the year immediately preceding such year, that such corporation has been assigned for such year, from the programs and races it requested, at least the minimum number of programs and races prescribed in paragraph a of this subdivision, or, if fewer than such number were assigned for such year, that the assignment of such lesser number was for]~~ unless such corporation demonstrates to the satisfaction of the commission good cause due to factors beyond the control of such corporation or because the commission ~~[found]~~ finds that it would be uneconomical or impractical for such corporation to be assigned ~~or conduct~~ the prescribed number~~;~~ and

~~(ii) by January thirty first of the year immediately subsequent to such year, that such corporation did conduct such number of programs and races as were certified pursuant to subparagraph (i) of this paragraph, or if it failed to conduct such number that such failure was for good cause due to factors beyond its control or because the commission found it uneconomical or impractical for such corporation to conduct such a number.~~

c. ~~For any calendar year for which the commission does not certify pursuant to the provisions of subparagraph (i) of paragraph b of this subdivision with respect to a corporation, the tax imposed by this section shall be computed by substituting the provisions of paragraph a of this subdivision for the provisions of subdivision one of this section and shall pay the tax so computed to the commissioner of taxation and finance. In such computation and payment, all other provisions of this section shall apply as if the provisions of this paragraph and of paragraph a of this subdivision had been incorporated in whole in subdivision one of this section.~~

d. ~~For any calendar year for which the commission does not certify pursuant to the provisions of subparagraph (ii) of paragraph b of this subdivision with respect to a corporation, the tax required to be paid hereunder for such year shall be equal to the difference between the tax imposed pursuant to paragraph a of this subdivision and the tax imposed pursuant to the provisions of subdivision one of this section less one-half of such difference in recognition of purses that were required to be paid, plus an additional amount equal to ten percent of such tax in the event of a willful failure to comply with the provisions of subparagraph (ii) of paragraph b of this subdivision, and such corporation shall pay the tax so computed to the commissioner of taxation and finance on or before March fifteenth of the following year. Notwith-~~

~~standing the provisions of this subdivision, in the event that upon appeal from the determination of the commission that the certification provided in paragraph b of this subdivision will not be made, it is finally determined that the commission erred in failing to so certify and that any moneys received by the commissioner of taxation and finance under paragraph c of this subdivision were paid in error, the same shall be refunded at the rate of interest of six percent per annum. Payment of such balance of tax due, or the anticipation of such payment, shall not affect the determination of purses in the year in which such tax arises or in the year in which such payment is made nor shall such payment in any other manner be considered in any statutory or contractual calculation of purse obligations.~~

~~e. Written notice of the certification of the commission pursuant to the provisions of paragraph b of this subdivision shall be given by the commission to the applicable corporation by the dates therein specified. In like manner, written notice that such certification will not be made shall be given by the commission to the commissioner of taxation and finance and the applicable corporation by such dates].~~

4. The payment of the state tax imposed by this section shall be made to the commissioner of taxation and finance on the last business day of each month and shall cover taxes due for the period from the sixteenth day of the preceding month through the fifteenth day of the current month provided, however, that such payments required to be made on March thirty-first shall include all taxes due and accruing through the last full week of racing in March of the current year or as otherwise determined by the commissioner of taxation and finance, and shall be accompanied by a report under oath, showing the total of all such contributions, together with such other information as the commissioner of taxation and finance may require. A penalty of five ~~per centum~~ percent and interest at the rate of one ~~per centum~~ percent per month from the date the report is required to be filed to the date of payment of the tax shall be payable in case any tax imposed by this section is not paid when due. If the commissioner of taxation and finance determines that any moneys received under this subdivision were paid in error, the commissioner of taxation and finance may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with the commissioner of taxation and finance within one year from the time the erroneous payment was made. Such taxes, interest and penalties when collected, after the deduction of refunds of taxes erroneously paid, shall be paid by the commissioner of taxation and finance into the general fund of the state treasury.

5. No county, city, town, village or other political subdivision of the state may impose, levy or collect a tax on admission fees or tickets of admission, on wagers made by patrons, in the form of purchases of pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on breaks, on dividends or payments made to winning bettors, or on that part of the pari-mutuel pools ~~[or breaks]~~ to be retained by racing corporations under this section, except as otherwise provided in this chapter.

§ 3. Section 238 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, subdivision 1 as amended by chapter 243 of the laws of 2020, paragraph (a) of subdivision 1 as amended by section 9 of subpart B of part FF of chapter 59 of the laws of 2025, and paragraph c of subdivision 2 as amended by chapter 367 of the laws of 2021, is amended to read as follows:

§ 238. Disposition of pari-mutuel pools of the franchised corporation; percentage payable to state as a tax; authority of counties or certain cities to impose a tax. 1. (a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets are presented for payment before April first of the year following the year of their purchase, less an amount that shall be established and retained by such franchised corporation of between twelve to seventeen percent of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one percent of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five percent of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six percent of the total deposits in pools resulting from on-track super exotic bets[, ~~plus the breaks~~]. The retention rate to be established is subject to the prior approval of the commission.

Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. [~~The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty five dollars, over any multiple of twenty five for payoffs greater than twenty five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars.~~] Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, which tax is hereby levied, in the [~~following percentages of the total pool for regular and multiple bets five percent of regular bets and four percent of multiple bets plus twenty percent of the breaks; for exotic wagers seven and one half percent plus twenty percent of the breaks, and for super exotic bets seven and one half percent plus fifty percent of the breaks.~~

For the period April first, two thousand one through December thirty-first, two thousand twenty-six, such tax on all wagers shall be one and six tenths percent, plus, in each such period, twenty percent of the breaks] applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one percent of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets and for the period April first, two thousand one through December thirty-first, two thousand twenty-six, such payment shall be seven-tenths of one percent of regular, multiple and exotic pools.

(b) An amount equal to fifty percent of any compensation received by a franchised corporation from simulcasting or from wagering conducted outside the United States or outside New York state and within the United States shall be distributed to purses, except with respect to such compensation received from Connecticut which shall be computed as a percentage of wagering handle in a manner approved by the commission.

1 (c) An amount equal to fifty percent of any compensation received by
2 the franchised corporation from simulcasting or from wagering conducted
3 outside the United States shall be distributed to purses.

4 (d) (i) ~~[The pari-mutuel tax rate authorized by paragraph (a) of this~~
5 ~~subdivision shall be effective so long as a franchised corporation noti-~~
6 ~~fies the commission by August fifteenth of each year that such pari mu-~~
7 ~~tuel tax rate is effective of its intent to]~~ The franchised corporation

8 shall conduct a race meeting at Aqueduct racetrack during the months of
9 December, January, February, March and April. For purposes of this para-
10 graph such race meeting shall consist of not less than ninety-five days
11 of racing unless otherwise agreed to in writing by the New York
12 Thoroughbred Breeders Inc., the New York thoroughbred horsemen's associ-
13 ation (or such other entity as is certified and approved pursuant to
14 section two hundred twenty-eight of this article) and approved by the
15 commission. Not later than May first of each year ~~[that such pari-mutuel~~
16 ~~tax rate is effective]~~, the commission shall determine whether a race
17 meeting at Aqueduct racetrack consisted of the number of days as
18 required by this [paragraph] subparagraph. In determining the number of
19 race days, cancellation of a race day because of an act of God that the
20 commission approves or because of weather conditions that are unsafe or
21 hazardous that the commission approves shall not be construed as a fail-
22 ure to conduct a race day. Additionally, cancellation of a race day
23 because of circumstances beyond the control of such franchised corpo-
24 ration for which the commission gives approval shall not be construed as
25 a failure to conduct a race day. ~~[If the commission determines that the~~
26 ~~number of days of racing as required by this paragraph have not occurred~~
27 ~~then the pari-mutuel tax rate in paragraph (a) of this subdivision shall~~
28 ~~revert to the pari-mutuel tax rates in effect prior to January first,~~
29 ~~nineteen hundred ninety-five.]~~

30 (ii) Such franchised corporation shall pay to the commission as a
31 regulatory fee, which fee is hereby levied, six-tenths of one percent of
32 the total daily on-track pari-mutuel pools of such franchised corpo-
33 ration.

34 2. a. Subject to the provisions of this section the payment of such
35 state tax shall be made to the commissioner of taxation and finance on
36 the last business day of each month and shall cover taxes due for the
37 period from the sixteenth day of the preceding month through the
38 fifteenth day of the current month provided, however, that such payments
39 required to be made on March thirty-first shall include all taxes due
40 and accruing through the last full week of racing in March of the
41 current year or as otherwise determined by the commissioner, and shall
42 be accompanied by a report under oath, showing such information as the
43 commissioner may require. A penalty of five ~~[per centum]~~ percent and
44 interest at the rate of one ~~[per centum]~~ percent per month from the date
45 the report is required to be filed to the date of the payment of the tax
46 shall be payable in case any tax imposed by this section is not paid
47 when due. If the commissioner determines that any moneys received by the
48 commissioner under this section were paid in error, the commissioner may
49 cause the same to be refunded without interest out of any moneys
50 collected thereunder, provided an application therefor is filed with the
51 commissioner within one year from the time the erroneous payment was
52 made. Such taxes, interest and penalties when collected, after the
53 deduction of refunds of taxes erroneously paid, shall be paid by the
54 commissioner into the general fund of the state treasury.

b. The balance of the retained percentage of such pool [~~and of the breaks~~] shall be held by such franchised corporation for its corporate purposes, except as provided in paragraph c of this subdivision.

c. An amount equal to five and ninety-four hundredths percent of the total pools resulting from on-track regular bets and an amount equal to five and ninety-four hundredths percent of the total pools resulting from on-track multiple and exotic bets, and twelve percent of the total pools resulting from super exotic bets shall be used exclusively for purses (including stakes, premiums and prizes) awarded in races conducted by such franchised corporation. Any portion of such percent not so used during any year shall be so used during the following year[~~, failing which such portion shall be payable to the commissioner as additional tax. Such additional tax shall be payable on or before April first in the year following the year in which such portion is not so used and the provisions of paragraph a of this subdivision shall be applicable thereto except as to the time of payment~~].

3. No county, city, town, village or other political subdivision of the state may impose, levy or collect a tax on admission fees or tickets of admission, on wagers made by patrons in the form of purchases of pari-mutuel tickets or upon such tickets, on pari-mutuel pools, on breaks, on dividends or payments made to winning bettors, or on revenue retained by the franchised corporation, except as provided in former article two-B of the general city law, and as otherwise provided in this chapter.

~~[4. Notwithstanding any inconsistent provision of this chapter, whenever the franchised corporation operates the Breeder's Cup Meet at one of its racing facilities, such franchised corporation shall not be required to pay to the department of taxation and finance pursuant to this section the pari-mutuel tax on the pari-mutuel pools of such franchised corporation's races during the Breeder's Cup Meet. For the purposes of this subdivision, the Breeder's Cup Meet shall consist of three days: the day on which the Breeder's Cup races are conducted, the day preceding such races and the day subsequent to such races.]~~

§ 4. Subdivisions 1, 4 and 5 of section 318 of the racing, pari-mutuel wagering and breeding law, subdivisions 1 and 5 as amended by chapter 243 of the laws of 2020, and subdivision 4 as amended by chapter 261 of the laws of 1988, are amended to read as follows:

1. Except as otherwise provided by law, every association or corporation authorized under this article to conduct pari-mutuel betting at a harness horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount that shall be established and retained by such racing association or corporation of between fourteen and twenty percent of the total deposits in pools resulting from regular bets, less sixteen to twenty-two percent of the total deposits in pools resulting from multiple bets, less twenty to thirty percent of the total deposits in pools resulting from exotic bets, and less twenty to thirty-six percent of the total betting deposits in pools resulting from super exotic bets[~~, plus the breaks~~]. The retention rate to be established is subject to the prior approval of the commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter.

"Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter[~~, "super~~]. "Super exotic bets" shall have the meaning set forth in subdivision four of section

1 three hundred one of this article [~~and "the breaks" are hereby defined~~
2 ~~as the odd cents over any multiple of ten for regular and multiple bets,~~
3 ~~or for exotic bets, over any multiple of fifty, or for super exotic~~
4 ~~bets, over any multiple of one hundred calculated on the basis of one~~
5 ~~dollar and otherwise payable to a patron, provided however, that effec-~~
6 ~~tive after October fifteenth, nineteen hundred ninety four breaks are~~
7 ~~hereby defined as the odd cents over any multiple of five for payoffs~~
8 ~~greater than one dollar five cents but less than five dollars, over any~~
9 ~~multiple of ten for payoffs greater than five dollars but less than~~
10 ~~twenty-five dollars, over any multiple of twenty-five for payoffs great-~~
11 ~~er than twenty five dollars but less than two hundred fifty dollars, or~~
12 ~~over any multiple of fifty for payoffs over two hundred fifty dollars].~~

13 a. Of the sum so retained from on-track pari-mutuel betting pools,
14 such association or corporation authorized to operate in Westchester or
15 Nassau county: (i) shall pay to the commissioner of taxation and finance
16 as a reasonable tax for the privilege of conducting pari-mutuel betting
17 at races run at race meetings held by such corporation or association, a
18 tax, which is hereby levied, [~~at the rate of one half of one percent of~~
19 ~~all wagers from total daily on-track pools. Such association or corpo-~~
20 ~~ration shall receive credit as a reduction of the daily tax by the state~~
21 ~~for the privilege of conducting pari-mutuel betting of amounts equal to~~
22 ~~four tenths percent of total daily pools resulting from the simulcast of~~
23 ~~such association's or corporation's races to licensed facilities oper-~~
24 ~~ated by regional off-track betting corporations in accordance with~~
25 ~~section one thousand eight of this chapter; provided, however, that in~~
26 ~~no event shall total daily credit exceed four tenths percent of the~~
27 ~~total daily pool of such association or corporation. An amount equal to~~
28 ~~fifty percent of such credit shall be used to increase purses; provided,~~
29 ~~however, that]~~ in the applicable percentage set forth in subdivision one
30 of section one hundred thirty-six of this chapter as limited by subdivi-
31 sion two of section one hundred thirty-six of this chapter. Any such
32 association or corporation shall, for any twelve-month period beginning
33 on April first in nineteen hundred ninety and any year thereafter, [~~each~~
34 ~~of the applicable rates set forth above shall be increased by one-half~~
35 ~~of one percent on all on-track bets of any such racing association or~~
36 ~~corporation that did not]~~ expend an amount equal to at least one-half of
37 one percent of its on-track bets during the immediately preceding calen-
38 dar year for enhancements consisting of capital improvements as defined
39 by section three hundred nineteen of this article, repairs to its phys-
40 ical plant, structures, and equipment used in its racing or wagering
41 operations, [~~as certified by the commission to the commissioner of taxa-~~
42 ~~tion and finance no later than eighty days after the close of such~~
43 ~~calendar year,~~] and five special events at each track in each calendar
44 year, not otherwise conducted in the ordinary course of business, the
45 purpose of which shall be to encourage, attract and promote track
46 attendance and encourage new and continued patronage, which events shall
47 be subject to the approval of the commission for purposes of this subdivi-
48 sion. In the determination of the amounts expended for such enhance-
49 ments, the commission shall consider the average of the two immediately
50 preceding twelve-month calendar periods. [~~Notwithstanding the foregoing~~
51 ~~no increase shall be imposed unless such corporation or association has~~
52 ~~been afforded notice and opportunity to be heard. The commission shall~~
53 ~~promulgate rules and regulations to implement the provisions relating to~~
54 ~~notice and hearing.]~~

55 (ii) except as otherwise provided in this paragraph an amount equal to
56 six and eight-tenths percent of the total pool resulting from on-track

1 regular bets, an amount equal to seven and ninety-five one hundredths
2 percent of the total pool resulting from on-track multiple bets, an
3 amount equal to ten and one-half percent of the total pool resulting
4 from on-track exotic bets, an amount equal to fifteen and one-half
5 percent of the total daily pool resulting from on-track super exotic
6 bets shall be used exclusively for purses, of which an amount of not
7 less than ninety percent shall be used exclusively for purses for over-
8 night races conducted by such association or corporation. Such amounts
9 may be reduced upon an application approved by the commission and an
10 agreement between the licensed harness racing corporation or association
11 and the representative horsemen's organization as a condition to reduce
12 the amounts of retained percentages as provided for in this section.
13 However, of the total amount available for purses, an amount as deter-
14 mined by contractual obligations between an organization representing at
15 least fifty-one percent of the owners and trainers using the facilities
16 of such association or corporation for racing, training or stabling
17 purposes and the association or corporation, shall be used for the
18 administrative purposes of said organization and for such welfare and
19 medical plans for regularly employed backstretch employees principally
20 employed at the facilities of such corporation or association as
21 provided by said organization, provided, however, that eligibility for
22 benefits in such plans shall not be conditioned upon membership in such
23 organization by any employee or employer thereof, and any denial of
24 eligibility for benefits in such plans which, upon investigation and
25 review by the commission, is determined to have resulted from a person,
26 firm, association, corporation or organization knowingly aiding in or
27 permitting eligibility for benefits being conditioned upon membership in
28 such organization shall subject such organization to the penalties
29 imposed under sections three hundred ten and three hundred twenty-one of
30 this article but the ratio between the amounts actually expended for
31 such welfare and medical plans and the cost actually incurred in admin-
32 istering such welfare and medical plans for fiscal years of such corpo-
33 ration or association, on or after July twenty-fourth, nineteen hundred
34 eighty-one, shall not be less than the ratio between such amounts actu-
35 ally expended and such costs actually incurred for the fiscal year imme-
36 diately prior to such date. Such organization shall annually on or
37 before July first certify to the commission that it represents at least
38 fifty-one percent of such owners and trainers and provide copies of such
39 certification to such association or corporation. Any other organization
40 claiming to represent at least fifty-one percent of such owners and
41 trainers may file a challenge with the commission within fifteen days of
42 such original certification. The commission shall examine such claim and
43 may undertake studies and conduct hearings to determine the validity of
44 such claim. Within sixty days of receiving such challenge and based
45 upon the findings of such studies and hearings, the commission shall
46 render a decision on the validity of such claim and advise such organ-
47 izations and association or corporation of its determination. Upon
48 receipt of such original certification by such organization, the associ-
49 ation or corporation shall make such payments to said organization and,
50 in the event of a challenge brought to any other organization, such
51 payments shall continue to be made until such time as the commission
52 renders its decision on such challenge; and
53 (iii) the balance of the retained percentage of such pools [~~and the~~
54 ~~balance of the breaks~~] may be held by such association or corporation
55 for its own use and purposes except as provided in paragraph c of this
56 subdivision and in subdivision four of section three hundred one of this

1 article, provided, however, that the commission shall report annually,
2 on or before July first, to the director of the budget, the chair of the
3 senate finance committee and the chair of the assembly ways and means
4 committee the extent to which such corporations and associations used
5 such retained percentages [~~and breakage~~] for operations, maintenance,
6 capital improvements, advertising and promotion, administration and
7 general overhead and evaluate the effectiveness and make recommendations
8 with respect to the application of the [~~reduced~~] rates of taxation as
9 provided for in subparagraph (i) of this paragraph in accomplishing the
10 objectives stated therein. Such report shall also specify the amounts of
11 such retained percentages [~~and breakage~~] used for investments not
12 directly related to racing activities and such amounts used to declare
13 dividends or other profit distributions, additions to capital stock, its
14 sale and transfer and additions to retained earnings. Such reports shall
15 also include an analysis of any such agreements or proposals to conduct
16 or otherwise expand wagers authorized under article ten of this chapter
17 and present its conclusions with respect to the conduct of such wager-
18 ing, the nature of such proposals and agreements, and recommendations to
19 ensure the future maintenance of the intent of this article and article
20 ten of this chapter.

21 b. (i) Of the sums retained by any other licensed harness racing asso-
22 ciation or corporation other than those described in paragraph a of this
23 subdivision, such association or corporation shall pay to the commis-
24 sioner of taxation and finance as a reasonable tax for the privilege of
25 conducting pari-mutuel betting at races run at race meetings held by
26 such corporation or association, a tax, which is hereby levied, in the
27 applicable [~~tax rates for regular bets shall be six tenths of one~~
28 ~~percent; for multiple bets shall be one and one tenth percent; for exot-~~
29 ~~ic bets shall be five and six tenths percent and for super exotic bets~~
30 ~~shall be seven percent, plus fifty percent of the breaks. Effective~~
31 ~~September first, nineteen hundred ninety four, for all licensed harness~~
32 ~~racing associations and corporations that have entered into a contract~~
33 ~~with their representative horsemen's association on and after such date,~~
34 ~~such tax shall be one half of one percent of all wagers, plus fifty~~
35 ~~percent of the breaks.~~

36 Provided, however, that] percentage set forth in subdivision one of
37 section one hundred thirty-six of this chapter, as limited by subdivi-
38 sion two of section one hundred thirty-six of this chapter. Any such
39 racing association or corporation shall for any twelve-month period
40 beginning on April first in nineteen hundred ninety and any year there-
41 after, [~~each of the applicable rates set forth above shall be increased~~
42 ~~by one quarter of one percent on all on track bets of any such racing~~
43 ~~association or corporation that did not]~~ expend an amount equal to at
44 least one-half of one percent of its on-track bets during the immediate-
45 ly preceding calendar year for enhancements consisting of capital
46 improvements as defined by section three hundred nineteen of this arti-
47 cle, repairs to its physical plant, structures, and equipment used in
48 its racing or wagering operations, [~~as certified by the commission to~~
49 ~~the commissioner of taxation and finance no later than eighty days after~~
50 ~~the close of such calendar year, and five special events at each track~~
51 ~~in each calendar year,~~] not otherwise conducted in the ordinary course
52 of business, the purpose of which shall be to encourage, attract and
53 promote track attendance and encourage new and continued patronage,
54 which events shall be subject to the approval of the commission for
55 purposes of this subdivision. In this regard, expenditures by a county
56 agricultural society pursuant to section three hundred nineteen of this

1 article shall be credited to the applicable harness racing association
2 or corporation for this purpose. In the determination of the amounts
3 expended for such enhancements, the commission may consider the imme-
4 diately preceding twelve-month calendar period or the average of the two
5 immediately preceding twelve-month calendar periods. [~~Notwithstanding~~
6 ~~the foregoing no increase shall be imposed unless such corporation or~~
7 ~~association has been afforded a notice and opportunity to be heard. The~~
8 ~~commission shall promulgate rules and regulations to implement the~~
9 ~~provisions relating to notice and hearing.~~

10 ~~Such associations or corporations shall receive credit as a reduction~~
11 ~~of the daily tax by the state for the privilege of conducting pari-mutuel~~
12 ~~betting of amounts equal to four tenths percent of total daily pools~~
13 ~~resulting from the simulcast of such association's or corporation's~~
14 ~~racers to licensed facilities operated by regional off-track betting~~
15 ~~corporations in accordance with section one thousand eight of this chap-~~
16 ~~ter, provided however, that in no event shall the total daily credit~~
17 ~~exceed four tenths percent of the total daily pool of such association~~
18 ~~or corporation which tax is hereby levied and shall be paid to the~~
19 ~~commissioner of taxation and finance as a reasonable tax imposed by the~~
20 ~~state for the privilege of conducting pari-mutuel betting at races run~~
21 ~~at race meetings held by such association or corporation.]~~ The commis-
22 sion shall report annually, before July first, to the director of the
23 budget, the chair of the senate finance committee and the chair of the
24 assembly ways and means committee the extent to which such corporations
25 and associations used such retained percentages [~~and breakage~~] for oper-
26 ations, maintenance, capital improvements, advertising and promotion,
27 administration and general overhead and evaluate the effectiveness and
28 make recommendations with respect to the application of the [~~reduced~~]
29 rates of taxation as provided for in this subparagraph in accomplishing
30 the objectives stated therein. Such report shall also specify the
31 amounts of such retained percentages [~~and breakage~~] used for investments
32 not directly related to racing activities and such amounts used to
33 declare dividends or other profit distributions, additions to capital
34 stock, its sale and transfer and additions to retained earnings. Such
35 reports shall also include an analysis of any such agreements or
36 proposals to conduct or otherwise expand wagers authorized under article
37 ten of this chapter and present its conclusions with respect to the
38 conduct of such wagering, the nature of such proposals and agreements,
39 and recommendations to ensure the future maintenance of the intent of
40 this article.

41 (ii) Of the sums retained by such association or corporation, an
42 amount equal to one and three-quarters percent of the total pool result-
43 ing from on-track regular, multiple and exotic bets shall be used exclu-
44 sively for the purpose of increasing purses awarded in overnight races
45 conducted by such association or corporation. Such amounts shall be in
46 addition to purse moneys otherwise provided pursuant to existing
47 contractual obligations. In this regard an amount equal to twelve
48 percent of the total bets in super exotic pools shall be used for purses
49 in lieu of any such contractual obligations that might otherwise apply
50 to purses to be awarded on super exotic bets. Any portion of such amount
51 not so used during any year shall be so used during the following year[~~7~~
52 ~~failing which such portion shall be payable to the commissioner of taxat-~~
53 ~~ion and finance as additional tax].~~ In addition to the amounts
54 required in this paragraph, fifty percent of all additional sums
55 retained, as a result of tax reductions provided in this section after
56 September first, nineteen hundred ninety-four to qualified licensed

1 harness racing associations, shall be used exclusively for purposes of
2 increasing purses awarded in overnight races conducted by such associ-
3 ation or corporation, provided that such association or corporation has
4 entered into a written agreement with its representative horsemen's
5 organization on and after September first, nineteen hundred ninety-four.
6 Notwithstanding anything contained herein to the contrary, in a harness
7 special betting district the amount to be used for purses or the method-
8 ology for calculating the amount to be used for purses may be specified
9 in a written contract between a harness racing association or corpo-
10 ration and its representative horsemen's association. The balance of the
11 retained percentage of such pool may be held by such corporation or
12 association for its own use and purposes.

13 ~~(iii) [Of the amount of the breaks from on track regular, multiple,~~
14 ~~exotic and super exotic bets such association or corporation shall pay~~
15 ~~fifty percent to the commissioner of taxation and finance. The balance~~
16 ~~of such breaks may be held by such association or corporation for its~~
17 ~~own use and purposes.~~

18 ~~(iv)]~~ The commission shall as a condition of racing require an associ-
19 ation authorized to operate in areas other than Westchester or Nassau
20 county to withhold one percent of all purses and to pay such sum to the
21 horsemen's organization representing the owners and trainers using the
22 facilities of such association ~~[which]~~ that had a contract with the
23 association governing the conditions of racing on January first, nine-
24 teen hundred ninety-two, as determined by the commission.

25 Any other horsemen's organization may apply to the commission to be
26 approved as the qualified organization to receive payment of the one
27 percent of all purses by submitting to the commission proof of both,
28 that (i) such organization represents more than fifty-one percent of all
29 the owners and trainers using the same facilities and (ii) the
30 horsemen's organization previously approved as qualified by the commis-
31 sion does not represent fifty-one percent of all the owners and trainers
32 using the same facilities. If the commission is satisfied that the
33 documentation submitted with the application of any other horsemen's
34 organization is conclusive with respect to subparagraphs (i) and (ii) of
35 this paragraph, the commission may approve the applicant as the quali-
36 fied recipient organization.

37 In the best interests of racing, upon receipt of such an application,
38 the commission may direct the payments to the previously qualified
39 horsemen's organization to continue uninterrupted, or it may direct the
40 payments to be withheld and placed in interest-bearing accounts for a
41 period not to exceed ninety days, during which time the commission shall
42 review and approve or disapprove the application. Funds held in such
43 manner shall be paid to the organization approved by the commission. In
44 no event shall the commission accept more than one such application in
45 any calendar year from the same horsemen's organization.

46 The funds authorized to be paid by the commission are to be used
47 exclusively for the benefit of those horsemen racing in New York state
48 through the administrative purposes of such qualified organization,
49 benevolent activities on behalf of backstretch employees, and for the
50 promotion of equine research.

51 c. Of the sums retained by any harness racing association or corpo-
52 ration, an amount equal to one percent of the total pools resulting from
53 on-track regular, multiple and exotic bets and an amount equal to three
54 percent of the total pools resulting from on-track super exotic bets
55 shall be paid to the agriculture and New York state horse breeding
56 development fund.

d. Every harness racing association or corporation shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of the total daily on-track pari-mutuel pools of such association or corporation.

4. Notwithstanding any other provisions of this chapter, there shall be no pari-mutuel tax imposed upon the compensation received by any harness racing association or corporation in consideration for (a) permission to have wagering conducted outside this state on races run by such association or corporation, and (b) the simulcasting outside this state of races run by such association or corporation, except for such permission or such simulcasting as may be granted to an off-track betting operator in the state of Connecticut by a harness racing association or corporation located in Nassau or Westchester county. Any such association or corporation so simulcasting to an off-track betting operator in the state of Connecticut shall pay to the New York commissioner of taxation and finance a reasonable tax for such permission and privilege for such simulcasting, which is hereby levied, at the following rates: one and one-tenth ~~[per centum]~~ percent of total daily regular and multiple bets; three and one-tenth ~~[per centum]~~ percent of total daily exotic bets; and three and one-half ~~[per centum]~~ percent of total daily super exotic bets.

5. ~~[Tax rates in event of failure to maintain]~~ Maintenance of pari-mutuel racing activity. ~~[a. Notwithstanding any other provision of this section to the contrary, for]~~ For any calendar year commencing on or after January first, nineteen hundred eighty-nine, ~~[in which]~~ a harness racing association or corporation ~~[does]~~ shall not conduct ~~[a minimum number of]~~ fewer pari-mutuel programs and pari-mutuel races at its facilities ~~[equal to at least]~~ than ninety percent of the programs and races so conducted during nineteen hundred eighty-five or during nineteen hundred eighty-six, whichever is less, ~~[in lieu of the tax rates set forth in subdivision one of this section the applicable pari-mutuel tax rates for such association or corporation with respect to on-track pari-mutuel betting pools during such year shall be as follows:]~~

~~(i) For such an association or corporation authorized to operate in Westchester or Nassau county: of total daily on-track pools resulting from regular bets, three and seventy five hundredths percent of the first five hundred thousand dollars comprising such pools and five and twenty five hundredths percent of the amount in excess of five hundred thousand dollars, plus fifty percent of the breaks; of total daily on-track pools resulting from multiple bets, four and seventy five hundredths percent of the first three hundred thousand dollars comprising such pools and six and twenty five hundredths percent of the amount in excess of three hundred thousand dollars, plus fifty percent of the breaks; of total daily on-track pools resulting from exotic bets, eight and seventy five hundredths percent of the first two hundred thousand dollars comprising such pools, and ten and twenty five hundredths percent of the amount in excess of two hundred thousand dollars, plus fifty percent of the breaks; and of total daily on-track pools resulting from super exotic bets, seven percent, plus fifty percent of the breaks; and~~

~~(ii) For any harness racing association or corporation other than one described in subparagraph (i) of this paragraph: of total daily on-track pools resulting from regular bets, one and one half percent, plus fifty percent of the breaks; of total daily on-track pools resulting from multiple bets, two percent, plus fifty percent of the breaks; of total daily on-track pools resulting from exotic bets, six and one half~~

1 ~~percent, plus fifty percent of the breaks; and of total daily on-track~~
2 ~~pools resulting from super exotic bets, seven percent, plus fifty~~
3 ~~percent of the breaks.~~

4 ~~b. The provisions of this subdivision shall not apply to an associ-~~
5 ~~ation or corporation for any calendar year for which the commission~~
6 ~~certifies to the commissioner of taxation and finance:~~

7 ~~(i) by December fifteenth of the year immediately preceding such year,~~
8 ~~that such association or corporation has been assigned for such year,~~
9 ~~from the programs and races it requested, at least the minimum number of~~
10 ~~programs and races prescribed in paragraph a of this subdivision, or, if~~
11 ~~fewer than such number were assigned for such year, that the assignment~~
12 ~~of such lesser number was for] unless such association or corporation~~
13 ~~demonstrates to the satisfaction of the commission~~ good cause due to
14 factors beyond the control of such association or corporation or because
15 the commission [~~found~~] ~~finds~~ that it would be uneconomical or impracti-
16 cal for such association or corporation to be assigned ~~or conduct~~ the
17 prescribed number[; and

18 ~~(ii) by January thirty first of the year immediately subsequent to~~
19 ~~such year, that such association or corporation did conduct such number~~
20 ~~of programs and races as were certified pursuant to subparagraph (i) of~~
21 ~~this paragraph, or if it failed to conduct such number that such failure~~
22 ~~was for good cause due to factors beyond its control or because the~~
23 ~~commission found it uneconomical or impractical for such association or~~
24 ~~corporation to conduct such a number.~~

25 ~~c. For any calendar year for which the commission does not certify~~
26 ~~pursuant to the provisions of subparagraph (i) of paragraph b of this~~
27 ~~subdivision with respect to an association or corporation, the tax~~
28 ~~imposed by this section shall be computed by substituting the provisions~~
29 ~~of paragraph a of this subdivision for the provisions of paragraph a or~~
30 ~~b, whichever is applicable, of subdivision one of this section and shall~~
31 ~~pay the tax so computed to the commissioner of taxation and finance. In~~
32 ~~such computation and payment, all other provisions of this section shall~~
33 ~~apply as if the provisions of this paragraph and of paragraph a of this~~
34 ~~subdivision had been incorporated in whole in paragraph a or b, whichev-~~
35 ~~er is applicable, of subdivision one of this section.~~

36 ~~d. For any calendar year for which the commission does not certify~~
37 ~~pursuant to the provisions of subparagraph (ii) of paragraph b of this~~
38 ~~subdivision with respect to an association or corporation, the tax~~
39 ~~required to be paid hereunder for such year shall be equal to the~~
40 ~~difference between the tax imposed pursuant to the provisions of para-~~
41 ~~graph a of this subdivision and the tax imposed pursuant to the~~
42 ~~provisions of paragraph a or b, whichever is applicable, of subdivision~~
43 ~~one of this section, less one half of such difference in recognition of~~
44 ~~purses that were required to be paid, plus an additional amount equal to~~
45 ~~ten percent of such tax in the event of a willful failure to comply with~~
46 ~~the provisions of subparagraph (ii) of paragraph b of this subdivision~~
47 ~~and such association or corporation shall pay the tax so computed to the~~
48 ~~commissioner of taxation and finance on or before March fifteenth of the~~
49 ~~following year. Notwithstanding the provisions of this subdivision, in~~
50 ~~the event that upon appeal from the determination of the commission that~~
51 ~~the certification provided in paragraph b of this subdivision will not~~
52 ~~be made, it is finally determined that the commission erred in failing~~
53 ~~to so certify and that any moneys received by the commissioner of taxa-~~
54 ~~tion and finance under paragraph c of this subdivision were paid in~~
55 ~~error, the same shall be refunded at the rate of interest of six percent~~
56 ~~per annum. Payment of such tax due, or the anticipation of such payment,~~

~~shall not affect the determination of purses in the year in which such tax arises or in the year in which such payment is made nor shall such payment in any other manner be considered in any statutory or contractual calculation of purse obligations.~~

~~e. Written notice of the certification of the commission pursuant to the provisions of paragraph b of this subdivision shall be given by the commission to the applicable association or corporation by the dates therein specified. In like manner, written notice that such certification will not be made shall be given by the commission to the commissioner of taxation and finance and the applicable association or corporation by such dates].~~

§ 5. Subdivision 1 of section 418 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

1. Every association or corporation authorized under [~~sections two hundred twenty-two through seven~~] section four hundred five of this [~~chapter~~] article to conduct pari-mutuel betting at a quarter horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein provided such tickets be presented for payment before April first of the year following the year of their purchase, less seventeen percent of the total deposits in pools resulting from regular on-track bets and less nineteen percent of the total deposits in pools resulting from multiple bets and less twenty-five percent of the total deposits in pools resulting from exotic on-track bets[, ~~plus the breaks~~]. "Multiple bet" or "multiple wager" shall mean a single bet or wager on two horses, evidenced by a single ticket and representing an interest in a single betting pool. "Exotic bet" or "exotic wager" shall mean a single bet or wager on three or more horses, evidenced by a single ticket and representing an interest in a single betting pool. [~~The breaks for regular bets and multiple bets are hereby defined as the odd cents over any multiple of ten or for exotic bets, over any multiple of fifty calculated on the basis of one dollar and otherwise payable to a patron.~~] Of the sum so retained [~~the applicable tax rates for regular bets shall be three percent; the applicable tax rates for multiple bets shall be three and one-half percent; the applicable tax rates for exotic bets~~] there shall be eight percent, plus sixty-five percent of the amount of the breaks from on-track regular, multiple and exotic bets shall be paid by such corporation or association to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the quarter horse race meetings held by such corporation or association, which tax is hereby levied, [~~and the balance of the retained percentage of such pool and of the breaks may be held by such corporation or association for its own use and purposes~~] in the applicable percentage set forth in subdivision one of section one hundred thirty-six of this chapter. The payment of such state tax shall be made to the department of taxation and finance at such regular intervals as the department of taxation and finance may require, and shall be accompanied by a report under oath showing the total of all such contributions together with such other information as the department of taxation and finance may require. A penalty of five percent and interest at the rate of one percent per month from the date the report is required to be filed to the date of payment of the tax shall be payable in case any tax imposed by this section is not paid when due. If the department of taxation and finance determines that any moneys received under this section were paid in error, it may cause the same to be refunded without inter-

1 est out of any moneys collected thereunder, provided an application
2 therefor is filed with it within one year from the time the erroneous
3 payment was made. Such taxes, interest and penalties when collected,
4 after the deduction of refunds of taxes erroneously paid, shall be paid
5 by the department of taxation and finance into the general fund of the
6 state treasury. ~~[Ten percent of the breaks shall be paid to the New York~~
7 ~~state quarter horse breeding and development fund.]~~

8 § 6. Subdivisions 1, 5, 7 and 8 of section 527 of the racing, pari-mu-
9 tuel wagering and breeding law, as amended by chapter 18 of the laws of
10 2008, the opening paragraph of subdivision 1 and subdivision 5 as
11 amended by chapter 243 of the laws of 2020, are amended to read as
12 follows:

13 1. The disposition of the retained commission from pools resulting
14 from regular, multiple or exotic bets, as the case may be, whether
15 placed on races run within a region or outside a region, conducted by
16 racing corporations, harness racing associations or corporations, quar-
17 ter horse racing associations or corporations or races run outside the
18 state shall be governed by the tables in paragraphs a and b of this
19 subdivision. ~~[The rate denominated "state tax"]~~ There shall ~~[represent~~
20 ~~the rate of]~~ be paid by each regional corporation conducting off-track
21 betting, as a reasonable tax imposed upon the retained commission for
22 the privilege of conducting off-track pari-mutuel betting, which tax is
23 hereby levied ~~[and], a percentage of all money wagered on live races~~
24 through such corporation, which shall be payable in the manner set forth
25 in this section and in subdivision one of section one hundred thirty-six
26 of this chapter. Each off-track betting corporation shall pay to the
27 commission as a regulatory fee, which fee is hereby levied, six-tenths
28 of one percent of the total daily pools of such corporation. Each corpo-
29 ration shall also pay twenty percent of the breaks derived from bets on
30 out-of-state harness races and fifty percent of the breaks derived from
31 bets on all other out-of-state races to the agriculture and New York
32 State horse breeding and development fund and to the thoroughbred breed-
33 ing and development fund, the total of such payments to be apportioned
34 fifty percent to each such fund. For the purposes of this section, the
35 New York city, Suffolk, Nassau, and the Catskill regions shall consti-
36 tute a single region and any thoroughbred track located within the Capi-
37 tal District region shall be deemed to be within such single region. A
38 "regional meeting" shall refer to either harness or thoroughbred meet-
39 ings, or both, except that a franchised corporation shall not be a
40 regional track for the purpose of receiving distributions from bets on
41 thoroughbred races conducted by a thoroughbred track in the Catskill
42 region conducting a mixed meeting. With the exception of a harness
43 racing association or corporation first licensed to conduct pari-mutuel
44 wagering at a track located in Tioga, Saratoga or Westchester county
45 after January first, two thousand five, racing corporations first
46 licensed to conduct pari-mutuel racing after January first, nineteen
47 hundred eighty-six or a harness racing association or corporation first
48 licensed to conduct pari-mutuel wagering at a track located in Genesee
49 County after January first, two thousand five, and quarter horse tracks
50 shall not be "regional tracks"; if there is more than one harness track
51 within a region, such tracks shall evenly divide payments made pursuant
52 to the tables in paragraphs a and b of this subdivision when neither
53 track is running. In the event a track elects to reduce its retained
54 percentage from any or all of its pari-mutuel pools, the payments to the
55 track holding the race and the regional track required by paragraphs a
56 and b of this subdivision shall be reduced in proportion to such

1 reduction. Nothing in this section shall be construed to authorize the
 2 conduct of off-track betting contrary to the provisions of section five
 3 hundred twenty-three of this article.

4 a. Regular and multiple bets:

	Track holding race	Regional track	[State] [tax]
5			
6			
7			
8 Pools on races run by:			
9 Franchised corporations:			
10 in region;.....	3.50	N/A	[-30]
11 out-region, during a regional			
12 meeting;.....	1.00	2.50	[-30]
13 out-region, no regional			
14 meeting;.....	1.75	1.75	[-30]
15 Racing corporations			
16 in special			
17 betting district:			
18 in-special betting district;...	3.80	N/A	[1.00]
19 out-district, during a regional			
20 meeting;.....	1.00	2.80	[1.00]
21 out-district, no regional			
22 meeting;.....	1.90	1.90	[1.00]
23 Harness racing associations or			
24 corporations within Suffolk,			
25 Nassau, or Catskill regions:			
26 in region;.....	4.00	N/A	[-70]
27 out-region, during a regional			
28 meeting;.....	1.00	3.00	[-70]
29 out-region, no regional			
30 meeting;.....	2.00	2.00	[-70]
31 Harness racing associations or			
32 corporations:			
33 in-special betting			
34 district;.....	4.00	N/A	[-50]
35 out-district, during a			
36 regional meeting;.....	1.00	3.00	[-50]
37 out-district, no regional			
38 meeting;.....	2.00	2.00	[-50]
39 Other harness racing associations			
40 or corporations:			
41 in region;.....	4.00	N/A	[-50]
42 out-region, during a regional			
43 meeting;.....	1.00	3.00	[-50]
44 out-region, no regional			
45 meeting;.....	2.00	2.00	[-50]
46 Quarter horse racing associations			
47 or corporations;.....	3.50	N/A	[1.10]
48 Out-of-state tracks:.....	3.50 divided		[1.10]
49	pursuant to		
50	paragraph		
51	g of this		
52	subdivision		

53 b. Exotic bets:

1		Track		
2		holding	Regional	[State]
3		race	track	[tax]
4	Pools on races run by:			
5	Franchised corporations:			
6	in region;.....	6.50	N/A	[1.30]
7	out-region, during a regional			
8	meeting;.....	2.00	4.50	[1.30]
9	out-region, no regional			
10	meeting;.....	3.25	3.25	[1.30]
11	Racing corporations			
12	in special			
13	betting district:			
14	in-special betting districts;..	6.80	N/A	[3.00]
15	out-district, during a regional			
16	meeting;.....	2.00	4.80	[3.00]
17	out-district, no regional			
18	meeting;.....	3.40	3.40	[3.00]
19	Harness racing associations or			
20	corporations within Suffolk,			
21	Nassau, or Catskill			
22	regions:			
23	in region;.....	7.00	N/A	[2.70]
24	out-region, during a regional			
25	meeting;.....	2.00	5.00	[2.70]
26	out-region, no regional			
27	meeting;.....	3.50	3.50	[2.70]
28	Harness racing associations			
29	or corporations:			
30	in-special betting			
31	district;.....	7.00	N/A	[2.50]
32	out-district, during a			
33	regional meeting;.....	2.00	5.00	[2.50]
34	out-district, no regional			
35	meeting;.....	3.50	3.50	[2.50]
36	Other harness racing associa-			
37	tions or corporations:			
38	in-region;.....	7.00	N/A	[2.50]
39	out-region, during a			
40	regional meeting;.....	2.00	5.00	[2.50]
41	out-region, no regional			
42	meeting;.....	3.50	3.50	[2.50]
43	Quarter horse racing associa-			
44	tions or corporations;.....	6.50	N/A	[3.10]
45	Out-of-state tracks:.....	6.50 divided		[3.10]
46		pursuant to		
47		paragraph		
48		g of this		
49		subdivision		
50	c. Super Exotic Bets:			
51		Track		
52		holding	Regional	[State]
53		race	track	[tax]
54	Pools on races run by:			

1	Franchised corporations:			
2	in region;.....	12.00	N/A	[3.50]
3	out-region, during a regional			
4	meeting;.....	3.00	10.00	[2.50]
5	out-region, no regional			
6	meeting;.....	6.00	6.00	[3.50]
7	Racing corporations			
8	in special			
9	betting district:			
10	in-special betting districts;..	12.00	N/A	[3.50]
11	out-district, during a regional			
12	meeting;.....	3.00	10.00	[2.50]
13	out-district, no regional			
14	meeting;.....	6.00	6.00	[3.50]
15	Harness racing associations or			
16	corporations within Suffolk,			
17	Nassau, or Catskill regions:			
18	in-region;.....	12.00	N/A	[3.50]
19	out-region, during a regional			
20	meeting;.....	3.00	10.00	[2.50]
21	out-region, no regional			
22	meeting;.....	6.00	6.00	[3.50]
23	Harness racing associations			
24	or corporations:			
25	in-special betting			
26	district;.....	12.00	N/A	[3.50]
27	out-district, during a			
28	regional meeting;.....	3.00	10.00	[2.50]
29	out-district, no regional			
30	meeting;.....	6.00	6.00	[3.50]
31	Other harness racing associations			
32	or corporations:			
33	in-region;.....	12.00	N/A	[3.50]
34	out-region, during a			
35	regional meeting;.....	3.00	10.00	[2.50]
36	out-region, no regional			
37	meeting;.....	6.00	6.00	[3.50]

38 d. For the portion of the Western region included within a thorough-
 39 bred special betting district and not within a harness special betting
 40 district, when no thoroughbred race meeting is conducted by a racing
 41 corporation located within such thoroughbred special district, the
 42 distribution of the retained commission to "regional tracks" by such
 43 regional corporation derived from wagers placed within such special
 44 betting district shall be divided as follows:

45 (i) when a harness corporation located in such district is conducting
 46 a meet the full amount to such harness corporation; and when a harness
 47 corporation in the region but not located in such district is conducting
 48 a meet, forty percent to the thoroughbred racing corporation and sixty
 49 percent to the harness corporation conducting a meet;

50 (ii) when no racing is being conducted, forty [~~per centum~~] percent to
 51 the thoroughbred racing corporation and the balance divided equally
 52 between the harness racing corporations located in such region; and

53 (iii) when no racing is being conducted and no more than one harness
 54 racing association is licensed during the calendar year to conduct a
 55 race meeting, fifty [~~per centum~~] percent to the thoroughbred racing

1 corporation and fifty [~~per centum~~] percent to the harness racing associ-
2 ation located in such region.

3 e. For the portions of the Capital District, Catskill, Central and
4 Western regions included within a harness racing special betting
5 district, except those portions described in paragraph e of this subdivi-
6 sion, the harness track located in such special district shall be the
7 "regional track" for the purposes of the distributions made pursuant to
8 paragraphs a and b of this subdivision.

9 f. For the portions of the Catskill, Central and Western regions
10 included in both a thoroughbred special betting district and a harness
11 special betting district, the distribution of the retained commission to
12 "regional tracks" by such regional corporations derived from wagers
13 placed within such portions of such regions shall be divided as follows:

14 (i) when a harness corporation located in the harness special betting
15 district is conducting a meet and no thoroughbred race meeting is being
16 conducted by a racing corporation located in the thoroughbred special
17 betting district, the full amount to such harness association;

18 (ii) when a thoroughbred corporation located in the thoroughbred
19 special betting district is conducting a meet and no harness race meet-
20 ing is being conducted by a harness association located in the harness
21 special betting district, the full amount to such thoroughbred corpo-
22 ration;

23 (iii) when no racing is being conducted the amount to be divided even-
24 ly between the thoroughbred track located in such thoroughbred special
25 betting district and the harness track located in such harness special
26 betting district.

27 g. With respect to the amounts payable to track operators from the
28 retained commission on pools resulting from thoroughbred or harness
29 races outside this state, the regional corporation shall first pay any
30 contractual obligation owed to the out-of-state track operator, or to
31 another state or entity thereof, as the case may be. The balance of such
32 amounts shall be divided as follows:

33 (i) for the betting region composed of the New York city, Suffolk and
34 Nassau regions and the portion of the Catskill region outside a special
35 betting district: when both harness and thoroughbred meets are in
36 progress in such betting region, the balance to the association or
37 corporation holding the same type of meet as the out-of-state race; when
38 only a harness meet is in progress in such betting region, the balance
39 to the harness track operator; when only a thoroughbred meet is in
40 progress in such betting region, the balance to the thoroughbred track
41 operator; when no meet is in progress, fifty [~~per centum~~] percent of the
42 balance to the franchised corporation and the remainder divided among
43 harness racing corporations or associations within such betting region;

44 (ii) for the Capital District region and the portion of the Western
45 region outside a special betting district: when a harness meet is in
46 progress in such region and a thoroughbred meet is in progress outside a
47 special betting district, the balance to whichever operator is conduct-
48 ing the same type of meet as the out-of-state race; when no harness meet
49 is in progress, the balance to the racing association outside a special
50 betting district; and when no meet is in progress within such region and
51 no thoroughbred meet is in progress outside a special betting district,
52 fifty [~~per centum~~] percent of the balance to the racing association
53 outside a special betting district and the remainder to the licensed
54 harness racing corporations or associations within such region;

55 (iii) for the portion of the Western region within a thoroughbred
56 special betting district but not within a harness special betting

1 district: when a harness meet and a thoroughbred meet are in progress
2 within such region and the district, the balance to the association or
3 corporation conducting the same type of meet as the out-of-state or
4 out-of-region race; when a harness meet is in progress in such region
5 but no thoroughbred meet is in progress in the special betting district,
6 the balance to the harness track operator within such region; when only
7 a thoroughbred meet is in progress in such betting region, the balance
8 to the thoroughbred track operator; and when no meet is in progress
9 within such region the balance is divided, forty ~~[per centum]~~ percent to
10 the thoroughbred racing corporation within the district and the remain-
11 der divided between the harness racing associations or corporations
12 within the region provided, however, that if no more than one harness
13 racing association or corporation is licensed to conduct a race meeting,
14 fifty ~~[per centum]~~ percent to the thoroughbred racing corporation within
15 the district and fifty ~~[per centum]~~ percent to the licensed harness
16 racing association within the region;

17 (iv) for the portions of the Capital District, Catskill, Central and
18 Western regions included in a harness special betting district: when a
19 harness meeting is in progress in such harness special betting district
20 and a thoroughbred meeting is in progress outside the thoroughbred
21 special betting district, the balance to the association or corporation
22 holding the same kind of race; when no harness meet is in progress, the
23 balance to the racing corporation holding a thoroughbred race meeting
24 outside the thoroughbred special betting district; when a harness meet-
25 ing is in progress in the harness special betting district and no
26 thoroughbred meeting is in progress outside the thoroughbred special
27 betting district, the balance to the harness track operating in such
28 harness special betting district; when no harness meet is being held
29 within such harness special betting district and no thoroughbred meet is
30 being held outside the thoroughbred special betting district, fifty ~~[per~~
31 ~~centum]~~ percent of such amount to the harness racing corporation in such
32 harness special betting district and fifty ~~[per centum]~~ percent to the
33 thoroughbred track operator outside the thoroughbred special betting
34 district;

35 (v) for the portions of the Catskill and Western regions included in
36 both a thoroughbred special betting district and a harness special
37 betting district: when a harness meet and a thoroughbred meet are in
38 progress within both such districts the balance to the association or
39 corporation conducting the same type of meet as the out-of-state race;
40 when a harness meet is in progress but no thoroughbred meet the balance
41 to the harness track operator within such district; when a thoroughbred
42 meet is in progress but no harness meet the balance to the thoroughbred
43 track operator in the district; and when no meet is in progress the
44 balance to be divided evenly between the harness track operator in the
45 harness special betting district and the thoroughbred operator located
46 within the thoroughbred special betting district;

47 (vi) notwithstanding any contrary provision contained in this section,
48 the portion of retained commissions from off-track pools distributable
49 to the track holding the race shall be for regular and multiple bets:
50 five and three-quarters ~~[per centum]~~ percent and for exotic bets: seven
51 and three-quarters ~~[per centum]~~ percent for the three races commonly
52 referred to as the Triple Crown consisting of the Kentucky Derby, the
53 Preakness and the Belmont Stakes, run respectively at Churchill Downs,
54 Kentucky, at Pimlico, Maryland and at Belmont Park, New York; addi-
55 tionally the same commissions shall apply to the series of races known
56 as the Breeders' Cup and the portion distributable from retained commis-

sions shall be paid to the Breeders' Cup, ltd. irrespective of whether the races are held at a track within or without the state; provided, however, that as a condition precedent to the obligation of a regional corporation to make the foregoing distributions as required in this subparagraph with respect to wagers on the Belmont Stakes, such regional corporation shall have accepted wagers on at least one or both of the immediately preceding Kentucky Derby and Preakness races; and provided further that the distributable portion of such retained commissions with respect to the Belmont Stakes shall be deemed to include the additional amounts payable pursuant to the provisions of paragraph b of subdivision three of this section; and provided further, notwithstanding the foregoing provisions of this subparagraph, that of the retained commissions resulting from off-track wagers placed in a special betting district on the Belmont Stakes, the track holding the race shall receive one per centum from regular and multiple bets and two ~~[per centum]~~ percent from exotic bets, and the thoroughbred track conducting racing within such district shall receive four and three-quarters ~~[per centum]~~ percent from regular and multiple bets, and five and three-quarters ~~[per centum]~~ percent from exotic bets.

5. a. One percent of daily pools derived from bets on harness races shall be paid to the agriculture and New York state breeding and development fund except that for super exotic betting pools such amount shall be three percent of such bets.

b. An amount equal to one-half of one percent of total daily off-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets on thoroughbred or steeplechase races shall be paid to the New York state thoroughbred breeding and development fund.

c. From the total breaks retained by a regional corporation, an amount equal to ten percent of the breaks derived from bets on out-of-state quarter horse races shall be paid to the New York state quarter horse breeding and development fund.

7. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one ~~[per centum]~~ percent of multiple pools derived from wagers on races conducted by a thoroughbred racing corporation, licensed by the board, other than a franchised corporation, shall be paid to such thoroughbred racing corporation and held by such corporation for its own use and purposes, except that an amount equal to one-half ~~[per centum]~~ percent shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, awarded to horses in races conducted by such corporation. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

8. From the nineteen ~~[per centum]~~ percent of the total deposits in pools resulting from multiple bets on thoroughbred races outside this state, two ~~[per centum]~~ percent shall be paid to a franchised corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments. Notwithstanding the provisions of section fifteen of chapter three hundred sixty-three

1 of the laws of nineteen hundred eighty-four, the provisions of this
2 subdivision shall not expire.

3 § 7. Subdivisions 1, 3, 3-a and 6 of section 532 of the racing, pari-
4 mutuel wagering and breeding law, subdivisions 1 and 3 as amended by
5 chapter 243 of the laws of 2020, subparagraph (vi) of paragraph b of
6 subdivision 3 as amended by chapter 526 of the laws of 2022, and subdi-
7 visions 3-a and 6 as added by chapter 346 of the laws of 1990, are
8 amended to read as follows:

9 1. Notwithstanding any other provision of law, each regional off-track
10 betting corporation, or off-track betting operator, including the New
11 York city off-track betting corporation, conducting off-track betting
12 shall impose a surcharge of five percent on the portion of pari-mutuel
13 wagering pools distributable to persons having placed bets at off-track
14 betting facilities located within such region. The revenues derived from
15 such surcharge[, ~~plus the breaks,~~] shall be held separate and apart from
16 any amounts otherwise authorized to be retained from pari-mutuel pools.
17 Such surcharge is hereby levied subject to the conditions set forth in
18 this subdivision and article ten of this chapter.

19 3. The revenues received from any surcharge imposed by subdivision one
20 of this section[, ~~plus the breaks,~~] shall be distributed monthly, as
21 follows:

22 a. fifty percent to such city, or to the counties and cities entitled
23 to receive revenues from the regional corporation pursuant to section
24 five hundred sixteen of this chapter and in the same proportion as
25 provided therein, or to an off-track betting operator; and

26 b. the balance as follows:

27 (i) where the track conducting the race on which the bet was placed is
28 located within a city with a population in excess of one hundred thou-
29 sand, to such city;

30 (ii) where the track conducting the race on which the bet was placed
31 is not located within a city with a population in excess of one hundred
32 thousand, to the county in which such track is located;

33 (iii) where the track conducting the race on which the bet was placed
34 is located partially within a city with a population in excess of one
35 million and partially within a county, twenty-five percent of such
36 balance to the city and the remainder to the county;

37 (iv) where the track conducting the race on which the bet was placed
38 is located outside the state, in the same manner as described in para-
39 graph a of this subdivision;

40 (v) where the track conducting the race is located in a thoroughbred
41 special betting district and is simulcasting pursuant to section one
42 thousand eight of this chapter outside such special betting district,
43 ninety percent to the off-track betting operator and ten percent to the
44 county in which such track is located; and

45 (vi) for the period of September first, two thousand twenty-two until
46 August thirty-first, two thousand twenty-seven and where the track
47 conducting the race on which the bet was placed is a harness track
48 located in the county of Erie, to such track.

49 3-a. Such five [~~per centum~~] percent surcharge herein provided is here-
50 by increased by a supplemental one [~~per centum~~] percent surcharge on the
51 portion of pari-mutuel wagering pools of multiple, exotic and super
52 exotic bets distributable to persons having placed bets at off-track
53 betting facilities to be distributed in accordance with the provisions
54 of section five hundred nine-a or six hundred nine-a of this chapter,
55 whichever may be applicable to the corporation with which such bets
56 originated.

6. Notwithstanding any provision herein or in section one thousand nine of this chapter to the contrary where the track conducting the race is a thoroughbred track located in the Catskill region conducting a mixed meeting such surcharge shall be collected on all wagers placed in branch offices or simulcast theaters of a regional off-track betting corporation. The revenues received from any such surcharge imposed in accordance with this section [~~plus—the breaks~~] shall be distributed monthly as follows:

a. one-fifth to the county in which such track is located;

b. three-fifths to a regional track located in the region in which the bet is placed in accordance with provisions of section five hundred twenty-seven of this article, one-half thereof to be used for purses at such regional track, except that in any region containing two or more regional tracks such tracks shall be entitled to an equal share;

c. one-fifth to be retained by the off-track betting operator with whom such bet originated as operating revenues.

§ 8. Paragraph c of subdivision 1 of section 904 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 243 of the laws of 2020, is amended to read as follows:

c. Every association and corporation shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, providing such tickets be presented for payment before April first of the year following the year of their purchase, less an amount that it shall retain at the same rate established by the sending track [~~plus—the breaks~~].

§ 9. Paragraph c of subdivision 2 and subdivision 4 of section 905 of the racing, pari-mutuel wagering and breeding law, paragraph c of subdivision 2 as amended by chapter 243 of the laws of 2020, subdivision 4 as amended by section 15 of part F3 of chapter 62 of the laws of 2003 and such section as renumbered by chapter 18 of the laws of 2008, are amended to read as follows:

c. If different retention or breakage rates than those prevailing at the site of the New York interface are prescribed by the laws governing such out-of-state or foreign betting operator, and the commission is satisfied that it would not be contrary to the public interest to accept such wagers for combination with New York wagers, calculations of the current odds and final pay-off prices shall be made as follows:

(i) All New York state and out-of-state and foreign wagers of the same type shall be combined into single pools for calculation.

(ii) As many tentative payout prices as there are different retention and breakage rates applicable (including the prevailing New York retention rate) shall be calculated on the basis of returning the appropriate rate of return, less breaks after imposition of each such rate of retention and breaks.

(iii) To each such out-of-state or foreign operator shall be allocated an amount sufficient for it to pay the appropriate pay-off to holders of winning wagers placed with it together with the applicable retention amount on its total wagers.

(iv) To each New York operator shall be allocated an amount sufficient for it to pay the appropriate pay-off to holders of winning wagers placed with it together with the applicable New York retention amount on its total wagers.

(v) The total amount of the combined pool less the combined total of all allocations as determined in subparagraphs (iii) and (iv) of this paragraph shall be credited to a special breakage account. The amount in such account giving appropriate weight to rates established for breakage

1 shall be allocated as breaks among all operators in the combined pool in
2 accordance with the rules and regulations of the commission. Should a
3 minus pool eventuate in which the total combined pool is insufficient to
4 reimburse each operator for the allocation due to it then the allocation
5 due to each such operator shall be reduced as may be appropriate and
6 such operator shall be responsible for satisfying its liability from its
7 own operating capital.

8 4. In those instances in which the retention rates of the out-of-state
9 track are different from the retention rates authorized in this section,
10 distribution to each of the entities entitled to receive payment under
11 section five hundred twenty-seven or article ten of this chapter after
12 payment of state taxes and regulatory fees shall be adjusted proportion-
13 ately in an appropriate manner to account for higher or lower retention
14 rates. For purposes of determining payment on out-of-state wagers the
15 retention rate shall be the amount sufficient to pay holders of winning
16 wagers plus any payments required to be made to the out-of-state track
17 which exceeds two ~~[per centum]~~ percent of handle.

18 § 10. Paragraph a of subdivision 3 of section 1007 of the racing,
19 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
20 laws of 2020, is amended to read as follows:

21 a. Of the sums retained by the receiving track from simulcast pools
22 the pari-mutuel tax shall be levied at the ~~[lower of the pari-mutuel~~
23 ~~tax]~~ rate ~~[in effect on December thirty first, nineteen hundred ninety-~~
24 ~~three at the receiving track, plus ten percent of the breaks or the~~
25 ~~following rates: two percent of simulcast pools generated by regular~~
26 ~~wagers, two and one half percent of simulcast pools generated by multi-~~
27 ~~ple wagers, and seven percent of simulcast pools generated by exotic and~~
28 ~~super exotic wagers, plus ten percent of the breaks]~~ set forth in subdivi-
29 vision one of section one hundred thirty-six of this chapter.

30 § 11. Paragraph a of subdivision 4 of section 1009 of the racing,
31 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
32 laws of 2020, is amended to read as follows:

33 a. Of the sums retained by the operator as provided in this subdivi-
34 sion, the pari-mutuel tax shall be levied at the ~~[following rates plus~~
35 ~~twenty percent of the breaks: from wagers on thoroughbred races, eight-~~
36 ~~tenths of one percent of pools generated from regular wagers; one and~~
37 ~~three tenths percent of pools generated from multiple wagers; two and~~
38 ~~eight tenths percent of pools generated from exotic wagers; and three~~
39 ~~and one half percent of pools generated from super exotic wagers; and~~
40 ~~from wagers on harness races, one half of one percent of pools generated~~
41 ~~from regular wagers; one percent of pools generated from multiple~~
42 ~~wagers; two and one half percent of pools generated from exotic wagers~~
43 ~~and three percent of pools generated from super exotic wagers]~~ rate set
44 forth in subdivision one of section one hundred thirty-six of this chap-
45 ter.

46 § 12. Paragraph i of subdivision 1 of section 1014 of the racing,
47 pari-mutuel wagering and breeding law, as amended by chapter 243 of the
48 laws of 2020, is amended to read as follows:

49 i. Any facility authorized to accept wagers on out-of-state tracks
50 shall distribute all sums deposited in any pari-mutuel pool to the hold-
51 ers of winning tickets therein, provided such tickets are presented for
52 payment prior to April first of the year following the year of their
53 purchase less eighteen percent of the total deposits in pools resulting
54 from regular bets, less twenty-one percent of the total deposits in
55 pools resulting from multiple bets, less twenty-six percent of the total
56 deposits in pools resulting from exotic bets, less thirty-six percent of

1 the total deposits in pools resulting from super exotic bets [~~plus the~~
2 ~~breaks as defined in section two hundred thirty-six of this chapter~~]
3 except that the retention rates and breaks shall be as prescribed by
4 another state or country if such wagers are combined with those in the
5 other state or country pursuant to section nine hundred five of this
6 chapter.

7 (1) Of the sum so retained, the applicable tax rate shall be [~~one and~~
8 ~~one-half percent of all such wagers plus fifty percent of the breaks;~~
9 ~~provided, however, fifty percent of the breaks accruing from off-track~~
10 ~~betting corporations licensed in accordance with section one thousand~~
11 ~~eight of this article and from simulcast theaters licensed in accordance~~
12 ~~with section one thousand nine of this article, shall be paid to the~~
13 ~~agriculture and New York state horse breeding and development fund and~~
14 ~~to the thoroughbred breeding and development fund, the total of such~~
15 ~~payments to be apportioned fifty percent to each such fund]~~ rate set
16 forth in subdivision one of section one hundred thirty-six of this chap-
17 ter.

18 (2) Of the sums so retained, one-half of one percent of all wagers
19 shall be paid to the New York state thoroughbred breeding and develop-
20 ment fund, except that of the sums so retained on such wagers at
21 licensed harness tracks, one-half of one percent shall be paid to the
22 agricultural and New York State horse breeding and development fund.

23 (3) Of the sum so retained, two percent of all wagers shall be paid to
24 a franchised corporation to be used exclusively for the purpose of
25 increasing purses, including stakes, premiums and prizes, provided
26 further that such amount shall not exceed the amount paid to such non-
27 profit racing association in nineteen hundred ninety-three from wagers
28 placed on out-of-state tracks on a day when no racing was being
29 conducted by the non-profit racing association and a racing program was
30 being conducted by a thoroughbred racing corporation located in the
31 state. The excess, if any, shall be paid to a thoroughbred racing corpo-
32 ration located in the state until August thirty-first, nineteen hundred
33 ninety-five and on and after July nineteen, nineteen hundred ninety-six
34 to be used exclusively for the purpose of increasing purses, including
35 stakes, premiums and prizes.

36 (4) Any thoroughbred racing corporation or harness racing association
37 or corporation or off-track betting corporation authorized pursuant to
38 this section shall pay to the commission as a regulatory fee, which fee
39 is hereby levied, six-tenths of one percent of all wagering pools.

40 § 13. The opening paragraph of subdivision 3 of section 1015 of the
41 racing, pari-mutuel wagering and breeding law, as amended by chapter 243
42 of the laws of 2020, is amended to read as follows:

43 Any facility authorized to accept wagers on out-of-state tracks shall
44 distribute all sums deposited in any pari-mutuel pool to the holders of
45 any tickets therein provided such tickets are presented for payment
46 prior to April first of the year following the year of their purchase
47 less nineteen percent of total deposits in pools resulting from regular
48 bets, less twenty-one percent of total deposits of pools resulting from
49 multiple bets, less twenty-seven percent of total deposits of pools
50 resulting from exotic bets, less thirty-six percent of total deposits of
51 pools resulting from super exotic bets [~~plus the breaks as defined in~~
52 ~~section three hundred eighteen of this chapter~~] except that the
53 retention rates and breaks shall be as prescribed by another state or
54 country if such wagers are combined with those in the other state or
55 country pursuant to section nine hundred five of this chapter.

§ 14. Paragraph a, the opening paragraph of paragraph b, subparagraph 1 of paragraph b, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, and clauses (A) and (B) of subparagraph 6 of paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, paragraph a, clauses (A) and (B) of subparagraph 3 of paragraph b, clauses (A) and (B) of subparagraph 4 of paragraph b, clauses (A), (B) and (D) of subparagraph 5 of paragraph b, clauses (A) and (B) of subparagraph 6 of paragraph b as amended by chapter 18 of the laws of 2008, the opening paragraph and subparagraph 1 of paragraph b as amended by chapter 243 of the laws of 2020, are amended to read as follows:

a. Each off-track betting branch office accepting wagers on an out-of-state track shall accept wagers on races run at all in-state thoroughbred tracks ~~[which]~~ that are conducting racing programs and every simulcasting facility licensed in accordance with sections one thousand eight and one thousand nine of this article ~~[which]~~ that is accepting wagers and displaying the simulcast signal from an out-of-state track shall similarly accept wagers and display the signal from all in-state thoroughbred tracks conducting racing programs.

Any facility authorized to accept wagers on out-of-state tracks shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets are presented for payment prior to April first of the year following the year of their purchase less eighteen percent of the total deposits in pools resulting from regular bets, less twenty-one percent of the total deposits in pools resulting from multiple bets, less twenty-six percent of the total deposits in pools resulting from exotic bets, and less twenty-seven percent of the total deposits in pools resulting from super exotic bets, ~~[plus the breaks as defined in section two hundred thirty-six of this chapter]~~ may be required by another jurisdiction except that the retention rates and breaks shall be as prescribed by another state or country if such wagers are combined with those in the other state or country pursuant to section nine hundred five of this chapter.

(1) Of the sums so retained, the applicable tax rates shall be as ~~[governed by clauses (A) and (B) of subparagraphs three, four, five and six of this paragraph plus fifty percent of the breaks; provided, however, fifty percent of the breaks accruing from off track betting corporations licensed in accordance with section one thousand eight of this article and from simulcast theaters licensed in accordance with section one thousand nine of this article, shall be paid to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty percent to each such fund]~~ as set forth in subdivision one of section one hundred thirty-six of this chapter.

(A) Of the sums so retained on days when a franchised corporation is not conducting a race meeting within the state and a thoroughbred racing corporation is conducting a race meeting

	Regular bets	Multiple bets	Exotic bets	Super- exotic bets
[State Tax]	1.50	1.50	1.50	1.50

Non-franchised
Thoroughbred Racing

S. 9009		81	A. 10009		
1	corporation	0.50	0.50	0.50	0.50
2	Non-franchised				
3	Thoroughbred Racing				
4	corporation payments to purses	1.50	2.00	1.50	2.00
5	Franchised corporation	0.50	0.50	0.50	0.50
6	Franchised corporation				
7	payments to purses	2.00	2.00	2.50	4.00
8	(B) Of the sums so retained on days when a franchised corporation is				
9	conducting a race meeting within the state				
10					
11		Regular	Multiple	Exotic	Super-
12		bets	bets	bets	exotic
13	[State Tax	1.00	1.00	1.00	1.00]
14	Non-franchised				
15	Thoroughbred Racing				
16	corporation	0.50	0.50	0.50	0.00
17	Non-franchised				
18	Thoroughbred Racing				
19	corporation payments to purses	0.50	0.50	0.50	0.50
20	Franchised corporation	2.00	1.50	1.50	2.00
21	Franchised corporation				
22	payments to purses	2.00	3.00	3.00	5.00
23	(A) Of the sums so retained on days when a franchised corporation is				
24	not conducting a race meeting within the state and a thoroughbred racing				
25	corporation is conducting a race meeting				
26					
27		Regular	Multiple	Exotic	Super-
28		bets	bets	bets	exotic
29	[State Tax	1.00	1.00	1.00	1.00]
30	Non-franchised				
31	Thoroughbred Racing	2.00	2.00	2.00	2.50
32	corporation payments to purses				
33	Franchised corporation	1.00	1.00	1.00	1.00
34	Franchised corporation				
35	payments to purses	2.00	2.00	2.50	4.00
36	(B) Of the sums so retained on days when a franchised corporation is				
37	conducting a race meeting within the state				
38					
39		Regular	Multiple	Exotic	Super-
40		bets	bets	bets	exotic

1	[State Tax	0.50	0.50	0.50	0.50]
2	Non-franchised				
3	Thoroughbred racing	0.50	0.25	0.50	0.50
4	corporation				
5	Non-franchised				
6	Thoroughbred racing	0.50	0.25	0.50	0.50
7	corporation payments to purses				
8	Franchised corporation	2.25	2.25	2.00	2.50
9	Franchised corporation				
10	payments to purses	2.25	3.25	3.00	4.50
11	(A) Of the sums so retained on days when a franchised corporation is				
12	not conducting a race meeting within the state and a thoroughbred racing				
13	corporation is conducting a race meeting				
14					
15		Regular	Multiple	Exotic	Super-
16		bets	bets	bets	exotic
17	[State Tax	1.50	1.50	1.50	1.50]
18	Non-franchised				
19	Thoroughbred racing	0.25	0.25	0.25	0.50
20	corporation				
21	Non-franchised				
22	Thoroughbred racing	0.75	1.00	0.75	1.00
23	corporation payments to purses				
24	Franchised corporation	0.25	0.25	0.25	0.25
25	Franchised corporation				
26	payments to purses	1.00	1.00	2.25	2.00
27	(B) Of the sums so retained on days when a franchised corporation is				
28	conducting a race meeting within the state				
29					
30		Regular	Multiple	Exotic	Super-
31		bets	bets	bets	exotic
32	[State Tax	1.00	1.00	1.00	1.00]
33	Non-franchised				
34	Thoroughbred racing				
35	corporation	0.25	0.25	0.25	0.25
36	Non-franchised				
37	Thoroughbred racing				
38	corporation payments to purses	0.25	0.25	0.25	0.25
39	Franchised corporation	1.00	0.75	0.75	1.00
40	Franchised corporation				

1	payments to purses	1.00	1.50	1.50	2.50
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2 (D) For wagers placed at a thoroughbred racing corporation the state
 3 tax shall be the amounts specified in ~~[clauses (A) and (B) of this~~
 4 ~~subparagraph]~~ subdivision one of section one hundred thirty-six of this
 5 chapter and retention thereafter shall be identical to sums retained for
 6 each type of on-track wager.

7 (A) Of the sums so retained on days when a franchised corporation is
 8 not conducting a race meeting within the state and a thoroughbred racing
 9 corporation is conducting a race meeting

10					Super-
11		Regular	Multiple	Exotic	exotic
12		bets	bets	bets	bets

13	[State Tax	1.00	1.00	1.00	1.00]
----	-----------------------	-----------------	-----------------	-----------------	------------------

14	Non-franchised				
15	Thoroughbred Racing				
16	corporation payments to purses	1.00	1.00	1.00	1.25

17	Franchised corporation	0.50	0.50	0.50	0.50
----	------------------------	------	------	------	------

18	Franchised corporation				
19	payments to purses	1.00	1.00	1.25	2.00

20 (B) Of the sums so retained on days when a franchised corporation is
 21 conducting a race meeting within the state

22					Super-
23		Regular	Multiple	Exotic	exotic
24		bets	bets	bets	bets

25	[State Tax	0.50	0.50	0.50	0.50]
----	-----------------------	-----------------	-----------------	-----------------	------------------

26	Non-franchised				
27	Thoroughbred Racing				
28	corporation	0.25	0.25	0.25	0.25

29	Non-franchised				
30	Thoroughbred Racing				
31	corporation payments to purses	0.25	0.25	0.25	0.25

32	Franchised corporation	1.25	1.25	1.00	1.25
----	------------------------	------	------	------	------

33	Franchised corporation				
34	payments to purses	1.25	2.00	1.50	2.25

35 § 15. Subdivision 1 of section 1018 of the racing, pari-mutuel wager-
 36 ing and breeding law, as amended by chapter 18 of the laws of 2008, is
 37 amended to read as follows:

38 1. Of the sums so retained, the applicable tax rates shall be as set
 39 forth in ~~[this paragraph plus fifty percent of the breaks; provided,~~
 40 ~~however, fifty percent of the breaks accruing from an off track betting~~
 41 ~~corporation licensed in accordance with section one thousand eight of~~
 42 ~~this article and from simulcast theatres licensed in accordance with~~
 43 ~~section one thousand nine of this article, shall be paid to the agricul-~~

~~ture and New York state horse breeding and development fund]~~ subdivision one of section one hundred thirty-six of this chapter.

§ 16. This act shall take effect immediately.

PART X

Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part HH of chapter 59 of the laws of 2025, is amended to read as follows:

2. a. Notwithstanding any other provision of law or regulation to the contrary, from April nineteenth, two thousand twenty-one to March thirty-first, two thousand twenty-two, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section shall also be available to such off-track betting corporation for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

b. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-two to March thirty-first, two thousand twenty-three, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and twenty-three percent of the funds, not to exceed four hundred forty thousand dollars, in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporations for the purposes of statutory obligations, payroll, and expenditures necessary to accept authorized wagers.

c. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-three to March thirty-first, two thousand twenty-four, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past due statutory obligations to New York licensed or franchised racing corporations or associations; past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal; past due statutory payment obligations due to the New York state thoroughbred breeding and development fund corporation, agriculture and New York state horse breeding development fund, and the Harry M. Zweig memorial fund for equine research; and past due obligations due the state.

d. Notwithstanding any other provision of law or regulation to the contrary, from April first, two thousand twenty-four to March thirty-first, two thousand twenty-five, twenty-three percent of the funds, not to exceed two and one-half million dollars, in the Catskill off-track betting corporation's capital acquisition fund established pursuant to this section, and one million dollars in the Capital off-track betting corporation's capital acquisition fund established pursuant to this section, shall be available to such off-track betting corporation for the purposes of expenditures necessary to accept authorized wagers; past

1 due statutory obligations to New York licensed or franchised racing
2 corporations or associations; past due contractual obligations due to
3 other racing associations or organizations for the costs of acquiring a
4 simulcast signal; past due statutory payment obligations due to the New
5 York state thoroughbred breeding and development fund corporation, agri-
6 culture and New York state horse breeding development fund, and the
7 Harry M. Zweig memorial fund for equine research; and past due obli-
8 gations due the state.

9 e. Notwithstanding any other provision of law or regulation to the
10 contrary, from April first, two thousand twenty-five to March thirty-
11 first, two thousand twenty-six, one million dollars in the Capital off-
12 track betting corporation's capital acquisition fund established pursu-
13 ant to this section shall be available to such off-track betting
14 corporation for the purposes of expenditures necessary to accept author-
15 ized wagers; past due statutory obligations to New York licensed or
16 franchised racing corporations or associations; past due contractual
17 obligations due to other racing associations or organizations for the
18 cost of acquiring a simulcast signal; past due statutory payment obli-
19 gations due to the New York state thoroughbred breeding and development
20 fund corporation, agriculture and New York state horse breeding develop-
21 ment fund, and the Harry M. Zweig memorial fund for equine research; and
22 past due obligations due the state.

23 f. Notwithstanding any other provision of law or regulation to the
24 contrary, from April first, two thousand twenty-six to March thirty-
25 first, two thousand twenty-seven, one million dollars in the Capital
26 off-track betting corporation's capital acquisition fund established
27 pursuant to this section, shall be available to such off-track betting
28 corporation for the purposes of expenditures necessary to accept author-
29 ized wagers; past due statutory obligations to New York licensed or
30 franchised racing corporations or associations; past due contractual
31 obligations due to other racing associations or organizations for the
32 cost of acquiring a simulcast signal; past due statutory payment obli-
33 gations due to the New York state thoroughbred breeding and development
34 fund corporation, agriculture and New York state horse breeding develop-
35 ment fund, and the Harry M. Zweig memorial fund for equine research; and
36 past due obligations due the state.

37 g. Prior to a corporation being able to utilize the funds authorized
38 by paragraph c, d ~~e~~, e or f of this subdivision, the corporation must
39 attest that the surcharge monies from section five hundred thirty-two of
40 this chapter are being held separate and apart from any amounts other-
41 wise authorized to be retained from pari-mutuel pools and all surcharge
42 monies have been and will continue to be paid to the localities as
43 prescribed in law. Once this condition is satisfied, the corporation
44 must submit an expenditure plan to the gaming commission for review.
45 Such plan shall include the corporation's outstanding liabilities,
46 projected revenue for the upcoming year, a detailed explanation of how
47 the funds will be used, and any other information necessary to detail
48 such plan as determined by the commission. Upon review, the commission
49 shall make a determination as to whether the requirements of this para-
50 graph have been satisfied and notify the corporation of expenditure plan
51 approval. In the event the commission determines the requirements of
52 this paragraph have not been satisfied, the commission shall notify the
53 corporation of all deficiencies necessary for approval. As a condition
54 of such expenditure plan approval, the corporation shall provide a
55 report to the commission no later than the last day of the calendar year
56 for which the funds are requested, which shall include an accounting of

1 the use of such funds. At such time, the commission may cause an inde-
2 pendent audit to be conducted of the corporation's books to ensure that
3 all moneys were spent as indicated in such approved plan. The audit
4 shall be paid for from money in the fund established by this section. If
5 the audit determines that a corporation used the money authorized under
6 this section for a purpose other than one listed in their expenditure
7 plan, then the corporation shall reimburse the capital acquisition fund
8 for the unauthorized amount.

9 § 2. This act shall take effect immediately.

10

PART Y

11 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the
12 racing, pari-mutuel wagering and breeding law, as amended by section 1
13 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
14 read as follows:

15 (a) Any racing association or corporation or regional off-track
16 betting corporation, authorized to conduct pari-mutuel wagering under
17 this chapter, desiring to display the simulcast of horse races on which
18 pari-mutuel betting shall be permitted in the manner and subject to the
19 conditions provided for in this article may apply to the commission for
20 a license so to do. Applications for licenses shall be in such form as
21 may be prescribed by the commission and shall contain such information
22 or other material or evidence as the commission may require. No license
23 shall be issued by the commission authorizing the simulcast transmission
24 of thoroughbred races from a track located in Suffolk county. The fee
25 for such licenses shall be five hundred dollars per simulcast facility
26 and for account wagering licensees that do not operate either a simul-
27 cast facility that is open to the public within the state of New York or
28 a licensed racetrack within the state, twenty thousand dollars per year
29 payable by the licensee to the commission for deposit into the general
30 fund. Except as provided in this section, the commission shall not
31 approve any application to conduct simulcasting into individual or group
32 residences, homes or other areas for the purposes of or in connection
33 with pari-mutuel wagering. The commission may approve simulcasting into
34 residences, homes or other areas to be conducted jointly by one or more
35 regional off-track betting corporations and one or more of the follow-
36 ing: a franchised corporation, thoroughbred racing corporation or a
37 harness racing corporation or association; provided (i) the simulcasting
38 consists only of those races on which pari-mutuel betting is authorized
39 by this chapter at one or more simulcast facilities for each of the
40 contracting off-track betting corporations which shall include wagers
41 made in accordance with ~~section~~ sections one thousand fifteen, one
42 thousand sixteen and one thousand seventeen of this article; provided
43 further that the contract provisions or other simulcast arrangements for
44 such simulcast facility shall be no less favorable than those in effect
45 on January first, two thousand five; (ii) that each off-track betting
46 corporation having within its geographic boundaries such residences,
47 homes or other areas technically capable of receiving the simulcast
48 signal shall be a contracting party; (iii) the distribution of revenues
49 shall be subject to contractual agreement of the parties except that
50 statutory payments to non-contracting parties, if any, may not be
51 reduced; provided, however, that nothing herein to the contrary shall
52 prevent a track from televising its races on an irregular basis primari-
53 ly for promotional or marketing purposes as found by the commission. For
54 purposes of this paragraph, the provisions of section one thousand thir-

1 teen of this article shall not apply. Any agreement authorizing an
2 in-home simulcasting experiment commencing prior to May fifteenth, nine-
3 teen hundred ninety-five, may, and all its terms, be extended [~~until~~
4 ~~June thirtieth, two thousand twenty-six~~]; provided, however, that any
5 party to such agreement may elect to terminate such agreement upon
6 conveying written notice to all other parties of such agreement at least
7 forty-five days prior to the effective date of the termination, via
8 registered mail. Any party to an agreement receiving such notice of an
9 intent to terminate, may request the commission to mediate between the
10 parties new terms and conditions in a replacement agreement between the
11 parties as will permit continuation of an in-home experiment [~~until June~~
12 ~~thirtieth, two thousand twenty-six~~]; and (iv) no in-home simulcasting in
13 the thoroughbred special betting district shall occur without the
14 approval of the regional thoroughbred track.

15 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
16 1007 of the racing, pari-mutuel wagering and breeding law, as amended by
17 section 2 of subpart B of part FF of chapter 59 of the laws of 2025, is
18 amended to read as follows:

19 (iii) Of the sums retained by a receiving track located in Westchester
20 county on races received from a franchised corporation, for the period
21 commencing January first, two thousand eight [~~and continuing through~~
22 ~~June thirtieth, two thousand twenty-six~~], the amount used exclusively
23 for purses to be awarded at races conducted by such receiving track
24 shall be computed as follows: of the sums so retained, two and one-half
25 percent of the total pools. Such amount shall be increased or decreased
26 in the amount of fifty percent of the difference in total commissions
27 determined by comparing the total commissions available after July twen-
28 ty-first, nineteen hundred ninety-five to the total commissions that
29 would have been available to such track prior to July twenty-first,
30 nineteen hundred ninety-five.

31 § 3. The opening paragraph of subdivision 1 of section 1014 of the
32 racing, pari-mutuel wagering and breeding law, as amended by section 3
33 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
34 read as follows:

35 The provisions of this section shall govern the simulcasting of races
36 conducted at thoroughbred tracks located in another state or country on
37 any day during which a franchised corporation is conducting a race meet-
38 ing in Saratoga county at Saratoga thoroughbred racetrack [~~until June~~
39 ~~thirtieth, two thousand twenty-six and on any day regardless of whether~~
40 ~~or not a franchised corporation is conducting a race meeting in Saratoga~~
41 ~~county at Saratoga thoroughbred racetrack after June thirtieth, two~~
42 ~~thousand twenty-six~~]. On any day on which a franchised corporation has
43 not scheduled a racing program but a thoroughbred racing corporation
44 located within the state is conducting racing, each off-track betting
45 corporation branch office and each simulcasting facility licensed in
46 accordance with section one thousand seven (that has entered into a
47 written agreement with such facility's representative horsemen's organ-
48 ization, as approved by the commission), one thousand eight, or one
49 thousand nine of this article shall be authorized to accept wagers and
50 display the live simulcast signal from thoroughbred tracks located in
51 another state or foreign country subject to the following provisions:

52 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering
53 and breeding law, as amended by section 4 of subpart B of part FF of
54 chapter 59 of the laws of 2025, is amended to read as follows:

55 1. The provisions of this section shall govern the simulcasting of
56 races conducted at harness tracks located in another state or country

1 ~~[during]~~ beginning with the period commencing July first, nineteen
2 hundred ninety-four ~~[through June thirtieth, two thousand twenty-six]~~.
3 This section shall supersede all inconsistent provisions of this chap-
4 ter.

5 § 5. The opening paragraph of subdivision 1 of section 1016 of the
6 racing, pari-mutuel wagering and breeding law, as amended by section 5
7 of subpart B of part FF of chapter 59 of the laws of 2025, is amended to
8 read as follows:

9 The provisions of this section shall govern the simulcasting of races
10 conducted at thoroughbred tracks located in another state or country on
11 any day during which a franchised corporation is not conducting a race
12 meeting in Saratoga county at Saratoga thoroughbred racetrack ~~[until~~
13 ~~June thirtieth, two thousand twenty-six]~~. Every off-track betting corpo-
14 ration branch office and every simulcasting facility licensed in accord-
15 ance with section one thousand seven that have entered into a written
16 agreement with such facility's representative horsemen's organization as
17 approved by the commission, one thousand eight or one thousand nine of
18 this article shall be authorized to accept wagers and display the live
19 full-card simulcast signal of thoroughbred tracks (which may include
20 quarter horse or mixed meetings provided that all such wagering on such
21 races shall be construed to be thoroughbred races) located in another
22 state or foreign country, subject to the following provisions; provided,
23 however, no such written agreement shall be required of a franchised
24 corporation licensed in accordance with section one thousand seven of
25 this article:

26 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
27 wagering and breeding law, as amended by section 6 of subpart B of part
28 FF of chapter 59 of the laws of 2025, is amended to read as follows:

29 Notwithstanding any other provision of this chapter, for the period
30 commencing July twenty-fifth, two thousand one ~~[through September~~
31 ~~eight, two thousand twenty-five]~~, when a franchised corporation is
32 conducting a race meeting within the state at Saratoga Race Course,
33 every off-track betting corporation branch office and every simulcasting
34 facility licensed in accordance with section one thousand seven (that
35 has entered into a written agreement with such facility's representative
36 horsemen's organization as approved by the commission), one thousand
37 eight or one thousand nine of this article shall be authorized to accept
38 wagers and display the live simulcast signal from thoroughbred tracks
39 located in another state, provided that such facility shall accept
40 wagers on races run at all in-state thoroughbred tracks which are
41 conducting racing programs subject to the following provisions;
42 provided, however, no such written agreement shall be required of a
43 franchised corporation licensed in accordance with section one thousand
44 seven of this article.

45 § 7. Section 54 of chapter 346 of the laws of 1990, amending the
46 racing, pari-mutuel wagering and breeding law and other laws relating to
47 simulcasting and the imposition of certain taxes, as amended by section
48 8 of subpart B of part FF of chapter 59 of the laws of 2025, is amended
49 to read as follows:

50 § 54. This act shall take effect immediately; provided, however,
51 sections three through twelve of this act shall take effect ~~[on]~~ January
52 1, 1991~~[, and section 1013 of the racing, pari-mutuel wagering and~~
53 ~~breeding law, as added by section thirty-eight of this act, shall expire~~
54 ~~and be deemed repealed on July 1, 2026]~~; and section eighteen of this
55 act shall take effect ~~[on]~~ July 1, 2008 and sections fifty-one and

1 fifty-two of this act shall take effect as of the same date as chapter
2 772 of the laws of 1989 took effect.

3 § 8. Paragraph (a) of subdivision 1 of section 238 of the racing,
4 pari-mutuel wagering and breeding law, as amended by section 9 of
5 subpart B of part FF of chapter 59 of the laws of 2025, is amended to
6 read as follows:

7 (a) The franchised corporation authorized under this chapter to
8 conduct pari-mutuel betting at a race meeting or races run thereat shall
9 distribute all sums deposited in any pari-mutuel pool to the holders of
10 winning tickets therein, provided such tickets are presented for payment
11 before April first of the year following the year of their purchase,
12 less an amount that shall be established and retained by such franchised
13 corporation of between twelve to seventeen percent of the total deposits
14 in pools resulting from on-track regular bets, and fourteen to twenty-
15 one percent of the total deposits in pools resulting from on-track
16 multiple bets and fifteen to twenty-five percent of the total deposits
17 in pools resulting from on-track exotic bets and fifteen to thirty-six
18 percent of the total deposits in pools resulting from on-track super
19 exotic bets[~~, plus the breaks~~]. The retention rate to be established is
20 subject to the prior approval of the commission. Such rate may not be
21 changed more than once per calendar quarter to be effective on the first
22 day of the calendar quarter. "Exotic bets" and "multiple bets" shall
23 have the meanings set forth in section five hundred nineteen of this
24 chapter. "Super exotic bets" shall have the meaning set forth in section
25 three hundred one of this chapter. For purposes of this section, a "pick
26 six bet" shall mean a single bet or wager on the outcomes of six races.
27 ~~[The breaks are hereby defined as the odd cents over any multiple of~~
28 ~~five for payoffs greater than one dollar five cents but less than five~~
29 ~~dollars, over any multiple of ten for payoffs greater than five dollars~~
30 ~~but less than twenty-five dollars, over any multiple of twenty-five for~~
31 ~~payoffs greater than twenty-five dollars but less than two hundred fifty~~
32 ~~dollars, or over any multiple of fifty for payoffs over two hundred~~
33 ~~fifty dollars.]~~ Out of the amount so retained there shall be paid by
34 such franchised corporation to the commissioner of taxation and finance,
35 as a reasonable tax by the state for the privilege of conducting pari-
36 mutuel betting on the races run at the race meetings held by such fran-
37 chised corporation, the following percentages of the total pool for
38 regular and multiple bets five percent of regular bets and four percent
39 of multiple bets plus twenty percent of the breaks; for exotic wagers
40 seven and one-half percent plus twenty percent of the breaks, and for
41 super exotic bets seven and one-half percent plus fifty percent of the
42 breaks.

43 For the period April first, two thousand one through December thirty-
44 first, two thousand twenty-six, such tax on all wagers shall be one and
45 six-tenths percent, plus, in each such period, twenty percent of the
46 breaks. Payment to the New York state thoroughbred breeding and develop-
47 ment fund by such franchised corporation shall be one-half of one
48 percent of total daily on-track pari-mutuel pools resulting from regu-
49 lar, multiple and exotic bets and three percent of super exotic bets and
50 for the period commencing April first, two thousand one ~~[through Decem-~~
51 ~~ber thirty first, two thousand twenty-six]~~, such payment shall be
52 seven-tenths of one percent of regular, multiple and exotic pools.

53 § 9. This act shall take effect immediately.

Section 1. Subdivision 1 of section 220 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part NN of chapter 59 of the laws of 2025, is amended to read as follows:

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of this article, the commission shall license owners, which term shall be deemed to include part-owners and lessees, trainers, assistant trainers and jockeys, jockey agents, stable employees, non-publicly appointed members of the board of a franchised corporation, and such other persons as the commission may by rule prescribe at running races and at steeplechases, provided, however, that no such license shall be required for seasonal employees hired solely to work for no longer than six weeks during the summer meet at Saratoga racetrack, and any such other times as race dates historically assigned to Belmont Park are conducted at the Saratoga racetrack in two thousand twenty-four ~~and~~, two thousand twenty-five and two thousand twenty-six as approved in writing by the commission. In the event that a proposed licensee is other than a natural person, the commission shall require by regulation disclosure of the names and addresses of all owners of an interest in such entity. The commission may retain, employ or appoint such officers, employees and agents, as it may deem necessary to receive, examine and make recommendations, for the consideration of the commission, in respect of applications for such licenses; prescribe their duties in connection therewith, and fix their compensation therefor within the limitations prescribed by law. Each applicant for a license shall pay to the commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, thirty dollars; assistant trainer's license, thirty dollars; jockey's license, fifty dollars; jockey agent's license, twenty dollars; and stable employee's license, five dollars. Each applicant may apply for a two-year or three-year license by payment to the commission of the appropriate multiple of the annual fee. The commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the commission, not to exceed thirty dollars per category. The application for the license shall be in writing in such form as the commission may prescribe, and contain such information as the commission may require. The commission shall henceforth cause all applicants for licenses to be photographed and fingerprinted and may issue identification cards to licensees. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check. A fee equal to the actual cost of issuance shall be charged for the initial issuance of such identification cards. Each such license unless revoked for cause shall be for the period of no more than one, two or three years, determined by rule of the commission, expiring on the applicant's birth date. Licenses of non-publicly appointed members of the board of a franchised corporation shall be issued without fee and remain in effect for the duration of their board service. Licenses current on the effective date of this provision shall not be reduced in duration by this provision. An applicant who applies for a license that, if issued, would take effect less than six months prior to the applicant's birth date may, by payment of a fifty percent higher fee, receive a license which shall not expire until the applicant's second succeeding birth date. All receipts of the commission derived from the operation of

1 this section shall be paid by it into the state treasury on or before
2 the tenth day of each month. All officials connected with the actual
3 conduct of racing shall be subject to approval by the commission.

4 § 2. This act shall take effect immediately; provided, however, that
5 the amendments to subdivision one of section 220 of the racing, pari-mu-
6 tuel wagering and breeding law made by section one of this act shall not
7 affect the expiration of such subdivision and shall expire and be deemed
8 repealed therewith.

9 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
10 sion, section or part of this act shall be adjudged by any court of
11 competent jurisdiction to be invalid, such judgment shall not affect,
12 impair, or invalidate the remainder thereof, but shall be confined in
13 its operation to the clause, sentence, paragraph, subdivision, section
14 or part thereof directly involved in the controversy in which such judg-
15 ment shall have been rendered. It is hereby declared to be the intent of
16 the legislature that this act would have been enacted even if such
17 invalid provisions had not been included herein.

18 § 3. This act shall take effect immediately provided, however, that
19 the applicable effective date of Parts A through Z of this act shall be
20 as specifically set forth in the last section of such Parts.