

# STATE OF NEW YORK

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3009--B

## IN ASSEMBLY

January 22, 2025

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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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for the two thousand twenty-five tax year (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties; and to amend the parks, recreation and historic preservation law, in relation to requiring a report on such credits (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B); and to amend the real property law, in relation to establishing an opt-out list for real estate solicitation cease and desist zones (Subpart C) (Part F); intentionally omitted (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program, the semiconductor research and development program, and the employee training incentive program (Subpart A); and to amend the economic development law, in relation to the empire state jobs retention program (Subpart B) (Part H); to amend the tax law, in relation to film production and post-production credits (Part I); to amend the economic development law, in relation to the newspaper and broadcast media jobs program (Part J); to amend the tax law, in relation to the empire state digital gaming media production credit (Part K); to amend subpart B of part PP of chapter 59 of the laws of 2021 amending the tax law and the state finance law relating to establishing the New York city musical and theatrical production tax credit and establish-

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

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ing the New York state council on the arts cultural program fund, in relation to the effectiveness thereof; and to amend the tax law, in relation to the New York city musical and theatrical production tax credit (Part L); to amend the tax law, in relation to clarifying the notices afforded protest rights (Part M); to amend the tax law, in relation to the filing of tax warrants and warrant-related records (Part N); to amend the real property tax law and the tax law, in relation to simplifying STAR income determinations; and repealing certain provisions of such laws relating thereto (Part O); intentionally omitted (Part P); intentionally omitted (Part Q); to amend the tax law, in relation to increasing the estimated tax threshold under article nine-A of the tax law (Part R); to amend the tax law, in relation to establishing a tax credit for organ donation (Part S); to amend the tax law, in relation to the estate tax three-year gift addback rule (Part T); to amend the tax law, in relation to expanding the credit for employment of persons with disabilities (Part U); to amend the tax law, in relation to reporting of federal partnership adjustments (Part V); to amend the tax law and the administrative code of the city of New York, in relation to establishing a credit against the tax on personal income of certain residents of a city having a population of one million or more inhabitants (Part W); intentionally omitted (Part X); to amend the tax law, in relation to extending the clean heating fuel credit for three years (Part Y); to amend the tax law, in relation to extending the alternative fuels and electric vehicle recharging property credit for three years (Part Z); to amend the tax law, in relation to extending the sales tax exemption for certain sales made through vending machines (Part AA); to amend the labor law, in relation to extending the workers with disabilities tax credit (Part BB); to amend the tax law, in relation to extending the hire a vet credit (Part CC); to amend chapter 59 of the laws of 2014, amending the tax law relating to a musical and theatrical production credit, in relation to the effectiveness thereof (Part DD); to amend part U of chapter 59 of the laws of 2017, amending the tax law, relating to the financial institution data match system for state tax collection purposes, in relation to extending the effectiveness thereof (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to defining the breaks for the purposes of the disposition of certain pari-mutuel pools (Subpart A); and 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; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, in relation to the effectiveness thereof; 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 (Subpart B) (Part FF); to amend the racing, pari-mutuel wagering and breeding law, in relation to the tax on gaming revenues in certain regions; to amend part 000 of chapter 59 of the laws of 2021 amending the racing, pari-mutuel wagering and breeding law relating to the tax on gaming revenues, in relation to the effectiveness thereof; and providing for the repeal of certain provisions relating thereto (Part GG); to amend the racing, pari-mutuel wagering and breeding law, in relation to the utilization of funds in the Capital off-track betting corporations' capital acquisition



funds (Part HH); to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing the health and safety of thoroughbred horses; and providing for the repeal of such provisions upon expiration thereof (Part II); to amend the tax law, in relation to a New York works tax credit (Part JJ); to amend the tax law, in relation to establishing a credit against the tax on personal income (Part KK); to amend the tax law, in relation to the New York city renters tax relief credit (Part LL); to amend the tax law, in relation to eligibility for the farm employer overtime tax credit (Part MM); to amend the tax law, in relation to extending the current corporate tax rates (Part NN); to amend the tax law, in relation to increasing the current small business subtraction modification (Part OO); to amend the tax law, in relation to establishing small business savings accounts (Part PP); to amend the tax law, in relation to creating a work opportunity tax credit; and providing for the repeal of such provisions upon expiration thereof (Part QQ); to amend the tax law and chapter 60 of the laws of 2016 amending the tax law relating to creating a farm workforce retention credit, in relation to extending the provisions thereof (Part RR); to amend the tax law, in relation to establishing a sales tax exemption for energy storage; 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 the effectiveness thereof; and providing for the repeal of certain provisions upon expiration thereof (Part SS); to amend the tax law, in relation to authorizing distributors of cannabis products to file annual returns electronically (Part TT); to amend the tax law, in relation to the taxation of vapor products (Part UU); to amend the tax law, in relation to residential solar tax credits (Part VV); to amend the tax law, in relation to expanding New York's manufacturing incentive to S corporations (Part WW); to amend the tax law, in relation to vendor fees paid to certain vendor tracks (Part XX); and to amend the tax law, in relation to increasing the transfer amount from the real estate transfer tax to the environmental protection fund (Part YY)

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 2025-2026  
 3 state fiscal year. Each component is wholly contained within a Part  
 4 identified as Parts A through YY. 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  
 9 component, shall be deemed to mean and refer to the corresponding  
 10 section of the Part in which it is found. Section three of this act sets  
 11 forth the general effective date of this act.

12 PART A

13 Section 1. Section 606 of the tax law is amended by adding a new  
 14 subsection (qqq) to read as follows:  
 15 (qqq) Inflation refund credit. (1) A taxpayer who meets the eligibil-  
 16 ity standards in paragraph two of this subsection shall be allowed a

1 credit against the taxes imposed by this article in the amount specified  
 2 in paragraph three of this subsection for tax year two thousand twenty-  
 3 five.

4 (2) To be eligible for the credit, the taxpayer (or taxpayers filing  
 5 joint returns) (a) must have been a full-year resident in the state of  
 6 New York in tax year two thousand twenty-three, and (b) (i) must have  
 7 had New York adjusted gross income of three hundred thousand dollars or  
 8 less in tax year two thousand twenty-three if they filed a New York  
 9 state resident income tax return as married taxpayers filing jointly or  
 10 a qualified surviving spouse, or (ii) must have had New York adjusted  
 11 gross income of one hundred fifty thousand dollars or less in tax year  
 12 two thousand twenty-three if they filed a New York state resident income  
 13 tax return as a single taxpayer, married taxpayer filing a separate  
 14 return, or head of household.

15 (3) Amount of credit. (a) For taxpayers who meet the eligibility stan-  
 16 dards in paragraph two who filed a New York state resident income tax  
 17 return as married taxpayers filing jointly or a qualified surviving  
 18 spouse, the credit amount shall be five hundred dollars, and (b) for  
 19 taxpayers who meet the eligibility standards in paragraph two who filed  
 20 a New York state resident income tax return as a single taxpayer,  
 21 married taxpayer filing a separate return, or head of household, the  
 22 credit amount shall be three hundred dollars.

23 (4) The amount of the credit shall be treated as an overpayment of tax  
 24 to be credited or refunded in accordance with the provisions of section  
 25 six hundred eighty-six of this article, provided, however, that no  
 26 interest shall be paid thereon. The commissioner shall determine the  
 27 taxpayer's eligibility for this credit utilizing the information avail-  
 28 able to the commissioner on the taxpayer's personal income tax return  
 29 filed for tax year two thousand twenty-three. For those taxpayers whom  
 30 the commissioner has determined eligible for this credit, the commis-  
 31 sioner shall advance a payment in the amount specified in paragraph  
 32 three of this subsection. A taxpayer who failed to receive an advance  
 33 payment that they believe was due, or who received an advance payment  
 34 that they believe is less than the amount that was due, may request  
 35 payment of the claimed deficiency in a manner prescribed by the commis-  
 36 sioner.

37 § 2. Notwithstanding any provision of law to the contrary, any credit  
 38 paid pursuant to this act, to the extent includible in gross income for  
 39 federal income tax purposes, shall not be subject to state or local  
 40 income tax.

41 § 3. This act shall take effect immediately.

42

## PART B

43 Section 1. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1  
 44 of subsection (a) of section 601 of the tax law, as amended by section 1  
 45 of subpart A of part A of chapter 59 of the laws of 2022, are amended to  
 46 read as follows:

47 (vi) For taxable years beginning in two thousand twenty-three and  
 48 before two thousand [twenty-eight] ~~twenty-eight~~ twenty-five the following rates shall  
 49 apply:

|  |                                   |
|--|-----------------------------------|
| 50 If the New York taxable income is:  | The tax is:                       |
| 51 Not over \$17,150                   | 4% of the New York taxable income |
| 52 Over \$17,150 but not over \$23,600 | \$686 plus 4.5% of excess over    |
| 53                                     | \$17,150                          |
| 54 Over \$23,600 but not over \$27,900 | \$976 plus 5.25% of excess over   |



|    |                                       |  |
|----|---------------------------------------|--|
| 1  |                                       | \$23,600                               |
| 2  | Over \$27,900 but not over \$161,550  | \$1,202 plus 5.5% of excess over       |
| 3  |                                       | \$27,900                               |
| 4  | Over \$161,550 but not over \$323,200 | \$8,553 plus 6.00% of excess over      |
| 5  |                                       | \$161,550                              |
| 6  | Over \$323,200 but not over           | \$18,252 plus 6.85% of excess over     |
| 7  | \$2,155,350                           | \$323,200                              |
| 8  | Over \$2,155,350 but not over         | \$143,754 plus 9.65% of excess over    |
| 9  | \$5,000,000                           | \$2,155,350                            |
| 10 | Over \$5,000,000 but not over         | \$418,263 plus 10.30% of excess over   |
| 11 | \$25,000,000                          | \$5,000,000                            |
| 12 | Over \$25,000,000                     | \$2,478,263 plus 10.90% of excess over |
| 13 |                                       | \$25,000,000                           |

14 (vii) For taxable years beginning after two thousand [twenty-seven]  
 15 twenty-four and before two thousand thirty-three the following rates  
 16 shall apply:

|    |  |   |
|----|--|---|
| 17 | [If the New York taxable income is:          | The tax is:                               |
| 18 | Not over \$17,150                            | 4% of the New York taxable income         |
| 19 | Over \$17,150 but not over \$23,600          | \$686 plus 4.5% of excess over            |
| 20 |  | \$17,150                                  |
| 21 | Over \$23,600 but not over \$27,900          | \$976 plus 5.25% of excess over           |
| 22 |  | \$23,600                                  |
| 23 | Over \$27,900 but not over \$161,550         | \$1,202 plus 5.5% of excess over          |
| 24 |  | \$27,900                                  |
| 25 | Over \$161,550 but not over \$323,200        | \$8,553 plus 6.00% of excess              |
| 26 |  | over \$161,550                            |
| 27 | Over \$323,200 but not over                  | \$18,252 plus 6.85% of excess             |
| 28 | \$2,155,350                                  | over \$323,200                            |
| 29 | Over \$2,155,350                             | \$143,754 plus 8.82% of excess            |
| 30 |  | over \$2,155,350]                         |
| 31 | <u>If the New York taxable income is:</u>    | <u>The tax is:</u>                        |
| 32 | <u>Not over \$17,150</u>                     | <u>3.75% of the New York taxable</u>      |
| 33 |  | <u>income</u>                             |
| 34 | <u>Over \$17,150 but not over \$23,600</u>   | <u>\$643 plus 4.00% of excess over</u>    |
| 35 |  | <u>\$17,150</u>                           |
| 36 | <u>Over \$23,600 but not over \$27,900</u>   | <u>\$901 plus 4.25% of excess over</u>    |
| 37 |  | <u>\$23,600</u>                           |
| 38 | <u>Over \$27,900 but not over \$161,550</u>  | <u>\$1,084 plus 4.50% of excess over</u>  |
| 39 |  | <u>\$27,900</u>                           |
| 40 | <u>Over \$161,550 but not over \$323,200</u> | <u>\$7,098 plus 5.00% of excess over</u>  |
| 41 |  | <u>\$161,550</u>                          |
| 42 | <u>Over \$323,200 but not over</u>           | <u>\$15,181 plus 6.85% of excess</u>      |
| 43 | <u>\$2,155,350</u>                           | <u>over \$323,200</u>                     |
| 44 | <u>Over \$2,155,350 but not over</u>         | <u>\$140,683 plus 9.65% of excess</u>     |
| 45 | <u>\$5,000,000</u>                           | <u>over \$2,155,350</u>                   |
| 46 | <u>Over \$5,000,000 but not over</u>         | <u>\$415,192 plus 10.50% of excess</u>    |
| 47 | <u>\$10,000,000</u>                          | <u>over \$5,000</u>                       |
| 48 | <u>Over \$10,000,000 but not over</u>        | <u>\$940,192 plus 10.75% of excess</u>    |
| 49 | <u>\$25,000,000</u>                          | <u>over \$10,000,000</u>                  |
| 50 | <u>Over \$25,000,000 but not</u>             | <u>\$2,552,692 plus 11.75% of excess</u>  |
| 51 | <u>over \$100,000,000</u>                    | <u>over \$25,000,000</u>                  |
| 52 | <u>Over \$100,000,000</u>                    | <u>\$11,365,192 plus 12.00% of excess</u> |
| 53 |  | <u>over \$100,000,000</u>                 |



1 § 2. Subparagraph (B) of paragraph 1 of subsection (a) of section 601  
2 of the tax law is amended by adding a new clause (viii) to read as  
3 follows:

4 (vii) For taxable years beginning after two thousand thirty-two the  
5 following rates shall apply:

| 6 <u>If the New York taxable income is:</u>     | <u>The tax is:</u>                       |
|---|--|
| 7 <u>Not over \$17,150</u>                      | <u>3.75% of the New York taxable</u>     |
| 8   | <u>income</u>                            |
| 9 <u>Over \$17,150 but not over \$23,600</u>    | <u>\$643 plus 4.00% of excess over</u>   |
| 10  | <u>\$17,150</u>                          |
| 11 <u>Over \$23,600 but not over \$27,900</u>   | <u>\$901 plus 4.25% of excess over</u>   |
| 12  | <u>\$23,600</u>                          |
| 13 <u>Over \$27,900 but not over \$161,550</u>  | <u>\$1,084 plus 4.50% of excess over</u> |
| 14  | <u>\$27,900</u>                          |
| 15 <u>Over \$161,550 but not over \$323,200</u> | <u>\$7,098 plus 5.00% of excess</u>      |
| 16  | <u>over \$161,550</u>                    |
| 17 <u>Over \$323,200 but not over</u>           | <u>\$15,181 plus 6.85% of excess</u>     |
| 18 <u>\$2,155,350</u>                           | <u>over \$323,200</u>                    |
| 19 <u>Over \$2,155,350</u>                      | <u>\$140,683 plus 8.82% of excess</u>    |
| 20  | <u>over \$2,155,350</u>                  |

21 § 3. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of  
22 subsection (b) of section 601 of the tax law, as amended by section 2 of  
23 subpart A of part A of chapter 59 of the laws of 2022, are amended to  
24 read as follows:

25 (vi) For taxable years beginning in two thousand twenty-three and  
26 before two thousand [twenty-eight] twenty-five the following rates shall  
27 apply:

| 28 If the New York taxable income is:    | The tax is:                            |
|--|--|
| 29 Not over \$12,800                     | 4% of the New York taxable income      |
| 30 Over \$12,800 but not over \$17,650   | \$512 plus 4.5% of excess over         |
| 31                                       | \$12,800                               |
| 32 Over \$17,650 but not over \$20,900   | \$730 plus 5.25% of excess over        |
| 33                                       | \$17,650                               |
| 34 Over \$20,900 but not over \$107,650  | \$901 plus 5.5% of excess over         |
| 35                                       | \$20,900                               |
| 36 Over \$107,650 but not over \$269,300 | \$5,672 plus 6.00% of excess over      |
| 37                                       | \$107,650                              |
| 38 Over \$269,300 but not over           | \$15,371 plus 6.85% of excess over     |
| 39 \$1,616,450                           | \$269,300                              |
| 40 Over \$1,616,450 but not over         | \$107,651 plus 9.65% of excess over    |
| 41 \$5,000,000                           | \$1,616,450                            |
| 42 Over \$5,000,000 but not over         | \$434,163 plus 10.30% of excess over   |
| 43 \$25,000,000                          | \$5,000,000                            |
| 44 Over \$25,000,000                     | \$2,494,163 plus 10.90% of excess over |
| 45                                       | \$25,000,000                           |

46 (vii) For taxable years beginning after two thousand [twenty-seven]  
47 twenty-four and before two thousand thirty-three the following rates  
48 shall apply:

| 49 [If the New York taxable income is: | The tax is:                       |
|--|-----------------------------------|
| 50 Not over \$12,800                   | 4% of the New York taxable income |
| 51 Over \$12,800 but not over          | \$512 plus 4.5% of excess over    |
| 52 \$17,650                            | \$12,800                          |
| 53 Over \$17,650 but not over          | \$730 plus 5.25% of excess over   |
| 54 \$20,900                            | \$17,650                          |



|   |                             |                                |
|---|-----------------------------|--------------------------------|
| 1 | Over \$20,900 but not over  | \$901 plus 5.5% of excess over |
| 2 | \$107,650                   | \$20,900                       |
| 3 | Over \$107,650 but not over | \$5,672 plus 6.00% of excess   |
| 4 | \$269,300                   | over \$107,650                 |
| 5 | Over \$269,300 but not over | \$15,371 plus 6.85% of excess  |
| 6 | \$1,616,450                 | over \$269,300                 |
| 7 | Over \$1,616,450            | \$107,651 plus 8.82% of excess |
| 8 |                             | over \$1,616,450]              |

|    |   |   |
|----|---|---|
| 9  | <u>If the New York taxable income is:</u> | <u>The tax is:</u>                        |
| 10 | <u>Not over \$12,800</u>                  | <u>3.75% of the New York taxable</u>      |
| 11 |   | <u>income</u>                             |
| 12 | <u>Over \$12,800 but not over</u>         | <u>\$480 plus 4.00% of excess over</u>    |
| 13 | <u>\$17,650</u>                           | <u>\$12,800</u>                           |
| 14 | <u>Over \$17,650 but not over</u>         | <u>\$674 plus 4.25% of excess over</u>    |
| 15 | <u>\$20,900</u>                           | <u>\$17,650</u>                           |
| 16 | <u>Over \$20,900 but not over</u>         | <u>\$812 plus 4.50% of excess over</u>    |
| 17 | <u>\$107,650</u>                          | <u>\$20,900</u>                           |
| 18 | <u>Over \$107,650 but not over</u>        | <u>\$4,716 plus 5.00% of excess</u>       |
| 19 | <u>\$269,300</u>                          | <u>over \$107,650</u>                     |
| 20 | <u>Over \$269,300 but not over</u>        | <u>\$12,798 plus 6.85% of excess</u>      |
| 21 | <u>\$1,616,450</u>                        | <u>over \$269,300</u>                     |
| 22 | <u>Over \$1,616,450 but not over</u>      | <u>\$105,078 plus 9.65% of excess</u>     |
| 23 | <u>\$5,000,000</u>                        | <u>over \$1,616,450</u>                   |
| 24 | <u>Over \$5,000,000 but not over</u>      | <u>\$431,591 plus 10.50% of</u>           |
| 25 | <u>\$10,000,000</u>                       | <u>excess over \$5,000,000</u>            |
| 26 | <u>Over \$10,000,000 but not over</u>     | <u>\$956,591 plus 10.75% of excess</u>    |
| 27 | <u>\$25,000,000</u>                       | <u>over \$10,000,000</u>                  |
| 28 | <u>Over \$25,000,000 but not over</u>     | <u>\$2,569,091 plus 11.75% of excess</u>  |
| 29 | <u>\$100,000,000</u>                      | <u>over \$25,000,000</u>                  |
| 30 | <u>Over \$100,000,000</u>                 | <u>\$11,381,591 plus 12.00% of excess</u> |
| 31 |   | <u>over \$100,000,000</u>                 |

32 § 4. Subparagraph (B) of paragraph 1 of subsection (b) of section 601  
 33 of the tax law is amended by adding a new clause (viii) to read as  
 34 follows:

35 (viii) For taxable years beginning after two thousand thirty-two the  
 36 following rates shall apply:

|    |   |  |
|----|---|--|
| 37 | <u>If the New York taxable income is:</u> | <u>The tax is:</u>                     |
| 38 | <u>Not over \$12,800</u>                  | <u>3.75% of the New York taxable</u>   |
| 39 |   | <u>income</u>                          |
| 40 | <u>Over \$12,800 but not over</u>         | <u>\$480 plus 4.00% of excess over</u> |
| 41 | <u>\$17,650</u>                           | <u>\$12,800</u>                        |
| 42 | <u>Over \$17,650 but not over</u>         | <u>\$674 plus 4.25% of excess over</u> |
| 43 | <u>\$20,900</u>                           | <u>\$17,650</u>                        |
| 44 | <u>Over \$20,900 but not over</u>         | <u>\$812 plus 4.50% of excess over</u> |
| 45 | <u>\$107,650</u>                          | <u>\$20,900</u>                        |
| 46 | <u>Over \$107,650 but not over</u>        | <u>\$4,716 plus 5.00% of excess</u>    |
| 47 | <u>\$269,300</u>                          | <u>over \$107,650</u>                  |
| 48 | <u>Over \$269,300 but not over</u>        | <u>\$12,798 plus 6.85% of excess</u>   |
| 49 | <u>\$1,616,450</u>                        | <u>over \$269,300</u>                  |
| 50 | <u>Over \$1,616,450</u>                   | <u>\$105,078 plus 8.82% of excess</u>  |
| 51 |   | <u>over \$1,616,450</u>                |

52 § 5. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of  
 53 subsection (c) of section 601 of the tax law, as amended by section 3 of

1 subpart A of part A of chapter 59 of the laws of 2022, are amended to  
2 read as follows:

3 (vi) For taxable years beginning in two thousand twenty-three and  
4 before two thousand [twenty-eight] twenty-five the following rates shall  
5 apply:

| 6 If the New York taxable income is:                | The tax is:   |
|---|---|
| 7 Not over \$8,500                                  | 4% of the New York taxable income                         |
| 8 Over \$8,500 but not over \$11,700                | \$340 plus 4.5% of excess over<br>9 \$8,500               |
| 10 Over \$11,700 but not over \$13,900              | \$484 plus 5.25% of excess over<br>11 \$11,700            |
| 12 Over \$13,900 but not over \$80,650              | \$600 plus 5.50% of excess over<br>13 \$13,900            |
| 14 Over \$80,650 but not over \$215,400             | \$4,271 plus 6.00% of excess over<br>15 \$80,650          |
| 16 Over \$215,400 but not over<br>17 \$1,077,550    | \$12,356 plus 6.85% of excess over<br>\$215,400           |
| 18 Over \$1,077,550 but not over<br>19 \$5,000,000  | \$71,413 plus 9.65% of excess over<br>\$1,077,550         |
| 20 Over \$5,000,000 but not over<br>21 \$25,000,000 | \$449,929 plus 10.30% of excess over<br>\$5,000,000       |
| 22 Over \$25,000,000                                | \$2,509,929 plus 10.90% of excess over<br>23 \$25,000,000 |

24 (vii) For taxable years beginning after two thousand [twenty-seven]  
25 twenty-four and before two thousand thirty-three the following rates  
26 shall apply:

| 27 [If the New York taxable income is:           | The tax is:  |
|--|--|
| 28 Not over \$8,500                              | 4% of the New York taxable income                  |
| 29 Over \$8,500 but not over \$11,700            | \$340 plus 4.5% of excess over<br>30 \$8,500       |
| 31 Over \$11,700 but not over \$13,900           | \$484 plus 5.25% of excess over<br>32 \$11,700     |
| 33 Over \$13,900 but not over \$80,650           | \$600 plus 5.50% of excess over<br>34 \$13,900     |
| 35 Over \$80,650 but not over \$215,400          | \$4,271 plus 6.00% of excess<br>36 over \$80,650   |
| 37 Over \$215,400 but not over<br>38 \$1,077,550 | \$12,356 plus 6.85% of excess<br>over \$215,400    |
| 39 Over \$1,077,550                              | \$71,413 plus 8.82% of excess<br>over \$1,077,550] |

| 41 <u>If the New York taxable income is:</u>                      | <u>The tax is:</u>   |
|---|--|
| 42 <u>Not over \$8,500</u>  | <u>3.75% of the New York taxable income</u>                    |
| 43 <u>Over \$8,500 but not over \$11,700</u>                      | <u>\$319 plus 4.00% of excess over</u><br>44 <u>\$8,500</u>    |
| 45 <u>Over \$11,700 but not over \$13,900</u>                     | <u>\$447 plus 4.25% of excess over</u><br>46 <u>\$11,700</u>   |
| 47 <u>Over \$13,900 but not over \$80,650</u>                     | <u>\$540 plus 4.50% of excess over</u><br>48 <u>\$13,900</u>   |
| 49 <u>Over \$80,650 but not over \$215,400</u>                    | <u>\$3,544 plus 5.00% of excess</u><br>50 <u>over \$80,650</u> |
| 51 <u>Over \$215,400 but not over</u><br>52 <u>\$1,077,550</u>    | <u>\$10,282 plus 6.85% of excess</u><br>over \$215,400         |
| 53 <u>Over \$1,077,550 but not over</u><br>54 <u>\$5,000,000</u>  | <u>\$69,339 plus 9.65% of excess</u><br>over \$1,077,550       |
| 55 <u>Over \$5,000,000 but not over</u><br>56 <u>\$10,000,000</u> | <u>\$447,855 plus 10.50% of excess</u><br>over \$5,000,000     |





|   |                                       |  |
|---|---------------------------------------|--|
| 1 | <u>Over \$10,000,000 but not over</u> | <u>\$972,855 plus 10.75% of excess</u>     |
| 2 | <u>\$25,000,000</u>                   | <u>over \$10,000,000</u>                   |
| 3 | <u>Over \$25,000,000 but not over</u> | <u>\$2,585,355 plus \$11.75% of excess</u> |
| 4 | <u>\$100,000,000</u>                  | <u>over \$25,000,000</u>                   |
| 5 | <u>Over \$100,000,000</u>             | <u>\$11,397,855 plus 12.00% of excess</u>  |
| 6 |                                       | <u>over \$100,000,000</u>                  |

7 § 6. Subparagraph (B) of paragraph 1 of subsection (c) of section 601  
8 of the tax law is amended by adding a new clause (viii) to read as  
9 follows:

10 (viii) For taxable years beginning after two thousand thirty-two the  
11 following rates shall apply:

|    |   |   |
|----|---|---|
| 12 | <u>If the New York taxable income is:</u>   | <u>The tax is:</u>                          |
| 13 | <u>Not over \$8,500</u>                     | <u>3.75% of the New York taxable income</u> |
| 14 | <u>Over \$8,500 but not over \$11,700</u>   | <u>\$319 plus 4.00% of excess over</u>      |
| 15 |   | <u>\$8,500</u>                              |
| 16 | <u>Over \$11,700 but not over \$13,900</u>  | <u>\$447 plus 4.25% of excess over</u>      |
| 17 |   | <u>\$11,700</u>                             |
| 18 | <u>Over \$13,900 but not over \$80,650</u>  | <u>\$540 plus 4.50% of excess over</u>      |
| 19 |   | <u>\$13,900</u>                             |
| 20 | <u>Over \$80,650 but not over \$215,400</u> | <u>\$3,544 plus 5.00% of excess</u>         |
| 21 |   | <u>over \$80,650</u>                        |
| 22 | <u>Over \$215,400 but not over</u>          | <u>\$10,282 plus 6.85% of excess</u>        |
| 23 | <u>\$1,077,550</u>                          | <u>over \$215,400</u>                       |
| 24 | <u>Over \$1,077,550</u>                     | <u>\$69,339 plus 8.82% of excess</u>        |
| 25 |   | <u>over \$1,077,550</u>                     |

26 § 7. The opening paragraph of subsection (d-4) of section 601 of the  
27 tax law, as added by section 3 of subpart B of part A of chapter 59 of  
28 the laws of 2022, is amended to read as follows:

29 Alternative tax table benefit recapture. Notwithstanding the  
30 provisions of subsection (d), (d-1), (d-2) or (d-3) of this section, for  
31 taxable years beginning on or after two thousand twenty-three and before  
32 two thousand [twenty-eight] ~~twenty-five~~, there is hereby imposed a  
33 supplemental tax in addition to the tax imposed under subsections (a),  
34 (b) and (c) of this section for the purpose of recapturing the benefit  
35 of the tax tables contained in such subsections. During these taxable  
36 years, any reference in this chapter to subsection (d), (d-1), (d-2) or  
37 (d-3) of this section shall be read as a reference to this subsection.

38 § 8. Section 601 of the tax law is amended by adding two new  
39 subsections (d-5) and (d-6) to read as follows:

40 (d-5) Alternative tax table benefit recapture. Notwithstanding the  
41 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-6) of  
42 this section, for taxable years beginning on or after two thousand twen-  
43 ty-five and before two thousand thirty-three, there is hereby imposed a  
44 supplemental tax in addition to the tax imposed under subsections (a),  
45 (b) and (c) of this section for the purpose of recapturing the benefit  
46 of the tax tables contained in such subsections. During these taxable  
47 years, any reference in this chapter to subsection (d), (d-1), (d-2),  
48 (d-3), (d-4), or (d-6) of this section shall be read as a reference to  
49 this subsection.

50 (1) For resident married individuals filing joint returns and resident  
51 surviving spouses:

52 (A) If New York adjusted gross income is greater than \$107,650, but  
53 not over \$25,000,000:

1 (i) the recapture base and incremental benefit shall be determined by  
 2 New York taxable income as follows:

| 3 Greater than | Not over     | Recapture Base | Incremental Benefit |
|----------------|--------------|----------------|---------------------|
| 4 \$27,900     | \$161,550    | \$0            | \$172               |
| 5 \$161,550    | \$323,200    | \$172          | \$807               |
| 6 \$323,200    | \$2,155,350  | \$979          | \$5,979             |
| 7 \$2,155,350  | \$5,000,000  | \$6,959        | \$60,350            |
| 8 \$5,000,000  | \$10,000,000 | \$67,308       | \$42,500            |
| 9 \$10,000,000 | \$25,000,000 | \$109,808      | \$25,000            |

10 (ii) the applicable amount shall be determined by New York taxable  
 11 income as follows:

| 12 Greater than | Not over     | Applicable Amount                                 |
|-----------------|--------------|---|
| 13 \$27,900     | \$161,550    | New York adjusted gross income minus \$107,650    |
| 14 \$161,550    | \$323,200    | New York adjusted gross income minus \$161,550    |
| 15 \$323,200    | \$2,155,350  | New York adjusted gross income minus \$323,200    |
| 16 \$2,155,350  | \$5,000,000  | New York adjusted gross income minus \$2,155,350  |
| 17 \$5,000,000  | \$10,000,000 | New York adjusted gross income minus \$5,000,000  |
| 18 \$10,000,000 | \$25,000,000 | New York adjusted gross income minus \$10,000,000 |

19 (iii) the phase-in fraction shall be a fraction, the numerator of  
 20 which shall be the lesser of fifty thousand dollars or the applicable  
 21 amount and the denominator of which shall be fifty thousand dollars; and

22 (iv) the supplemental tax due shall equal the sum of the recapture  
 23 base and the product of (i) the incremental benefit and (ii) the phase-  
 24 in fraction. Provided, however, that if the New York taxable income of  
 25 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
 26 the supplemental tax shall equal the difference between the product of  
 27 4.50 percent and New York taxable income and the tax table computation  
 28 on the New York taxable income set forth in paragraph one of subsection  
 29 (a) of this section, multiplied by a fraction, the numerator of which is  
 30 the lesser of fifty thousand dollars or New York adjusted gross income  
 31 minus one hundred seven thousand six hundred fifty dollars, and the  
 32 denominator of which is fifty thousand dollars.

33 (B) If New York adjusted gross income is greater than twenty-five  
 34 million dollars but less than or equal to one hundred million dollars,  
 35 the supplemental tax due shall equal the difference between the product  
 36 of 11.75 percent and New York taxable income and the tax table computa-  
 37 tion on the New York taxable income set forth in paragraph one of  
 38 subsection (a) of this section.

39 (C) If New York adjusted gross income is greater than one hundred  
 40 million dollars, the supplemental tax due shall equal the difference  
 41 between the product of 12.00 percent and New York taxable income and the  
 42 tax table computation on the New York taxable income set forth in para-  
 43 graph one of subsection (a) of this section.

44 (2) For resident heads of households:

45 (A) If New York adjusted gross income is greater than \$107,650, but  
 46 not over \$25,000,000:

47 (i) the recapture base and incremental benefit shall be determined by  
 48 New York taxable income as follows:

| 49 Greater than | Not over     | Recapture Base | Incremental Benefit |
|-----------------|--------------|----------------|---------------------|
| 50 \$107,650    | \$269,300    | \$0            | \$667               |
| 51 \$269,300    | \$1,616,450  | \$667          | \$4,982             |
| 52 \$1,616,450  | \$5,000,000  | \$5,649        | \$45,261            |
| 53 \$5,000,000  | \$10,000,000 | \$50,909       | \$42,500            |
| 54 \$10,000,000 | \$25,000,000 | \$93,409       | \$25,500            |

55 (ii) the applicable amount shall be determined by New York taxable  
 56 income as follows:

| <u>Greater than</u> | <u>Not over</u>     | <u>Applicable Amount</u>                                 |
|---------------------|---------------------|--|
| <u>\$107,650</u>    | <u>\$269,300</u>    | <u>New York adjusted gross income minus \$107,650</u>    |
| <u>\$269,300</u>    | <u>\$1,616,450</u>  | <u>New York adjusted gross income minus \$269,300</u>    |
| <u>\$1,616,450</u>  | <u>\$5,000,000</u>  | <u>New York adjusted gross income minus \$1,616,450</u>  |
| <u>\$5,000,000</u>  | <u>\$10,000,000</u> | <u>New York adjusted gross income minus \$5,000,000</u>  |
| <u>\$10,000,000</u> | <u>\$25,000,000</u> | <u>New York adjusted gross income minus \$10,000,000</u> |

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

(iv) the supplemental tax due shall equal the sum of the recapture base and the product of (i) the incremental benefit and (ii) the phase-in fraction. Provided, however, that if the New York taxable income of the taxpayer is less than one hundred seven thousand six hundred fifty dollars, the supplemental tax shall equal the difference between the product of 5.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section, multiplied by a fraction, the numerator of which is the lesser of fifty thousand dollars or New York adjusted gross income minus one hundred seven thousand six hundred fifty dollars, and the denominator of which is fifty thousand dollars.

(B) If New York adjusted gross income is greater than twenty-five million dollars but less than or equal to one hundred million dollars, the supplemental tax due shall equal the difference between the product of 11.75 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(C) If New York adjusted gross income is greater than one hundred million dollars, the supplemental tax due shall equal the difference between the product of 12.00 percent and New York taxable income and the tax table computation on the New York taxable income set forth in paragraph one of subsection (b) of this section.

(3) For resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts:

(A) If New York adjusted gross income is greater than \$107,650, but not over \$25,000,000:

(i) the recapture base and incremental benefit shall be determined by New York taxable income as follows:

| <u>Greater than</u> | <u>Not over</u>     | <u>Recapture Base</u> | <u>Incremental Benefit</u> |
|---------------------|---------------------|-----------------------|----------------------------|
| <u>\$80,650</u>     | <u>\$215,400</u>    | <u>\$0</u>            | <u>\$488</u>               |
| <u>\$215,400</u>    | <u>\$1,077,550</u>  | <u>\$488</u>          | <u>\$3,985</u>             |
| <u>\$1,077,550</u>  | <u>\$5,000,000</u>  | <u>\$4,473</u>        | <u>\$30,171</u>            |
| <u>\$5,000,000</u>  | <u>\$10,000,000</u> | <u>\$34,645</u>       | <u>\$42,500</u>            |
| <u>\$10,000,000</u> | <u>\$25,000,000</u> | <u>\$77,145</u>       | <u>\$25,000</u>            |

(ii) the applicable amount shall be determined by New York taxable income as follows:

| <u>Greater than</u> | <u>Not over</u>     | <u>Applicable Amount</u>                                 |
|---------------------|---------------------|--|
| <u>\$80,650</u>     | <u>\$215,400</u>    | <u>New York adjusted gross income minus \$107,650</u>    |
| <u>\$215,400</u>    | <u>\$1,077,550</u>  | <u>New York adjusted gross income minus \$215,400</u>    |
| <u>\$1,077,550</u>  | <u>\$5,000,000</u>  | <u>New York adjusted gross income minus \$1,077,550</u>  |
| <u>\$5,000,000</u>  | <u>\$10,000,000</u> | <u>New York adjusted gross income minus \$5,000,000</u>  |
| <u>\$10,000,000</u> | <u>\$25,000,000</u> | <u>New York adjusted gross income minus \$10,000,000</u> |

(iii) the phase-in fraction shall be a fraction, the numerator of which shall be the lesser of fifty thousand dollars or the applicable amount and the denominator of which shall be fifty thousand dollars; and

1 (iv) the supplemental tax due shall equal the sum of the recapture  
 2 base and the product of (i) the incremental benefit and (ii) the phase-  
 3 in fraction. Provided, however, that if the New York taxable income of  
 4 the taxpayer is less than eighty thousand six hundred fifty dollars, the  
 5 supplemental tax shall equal the difference between the product of 5.00  
 6 percent and New York taxable income and the tax table computation on the  
 7 New York taxable income set forth in paragraph one of subsection (c) of  
 8 this section, multiplied by a fraction, the numerator of which is the  
 9 lesser of fifty thousand dollars or New York adjusted gross income minus  
 10 one hundred seven thousand six hundred fifty dollars, and the denomina-  
 11 tor of which is fifty thousand dollars.

12 (B) If New York adjusted gross income is greater than twenty-five  
 13 million dollars but less than or equal to one hundred million dollars,  
 14 the supplemental tax due shall equal the difference between the product  
 15 of 11.75 percent and New York taxable income and the tax table computa-  
 16 tion on the New York taxable income set forth in paragraph one of  
 17 subsection (c) of this section.

18 (C) If New York adjusted gross income is greater than one hundred  
 19 million dollars, the supplemental tax due shall equal the difference  
 20 between the product of 12.00 percent and New York taxable income and the  
 21 tax table computation on the New York taxable income set forth in para-  
 22 graph one of subsection (c) of this section.

23 (d-6) Alternative tax table benefit recapture. Notwithstanding the  
 24 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-5) of  
 25 this section, for taxable years beginning on or after two thousand thir-  
 26 ty-three, there is hereby imposed a supplemental tax in addition to the  
 27 tax imposed under subsections (a), (b) and (c) of this section for the  
 28 purpose of recapturing the benefit of the tax tables contained in such  
 29 subsections. During these taxable years, any reference in this chapter  
 30 to subsection (d), (d-1), (d-2), (d-3), (d-4), or (d-5) of this section  
 31 shall be read as a reference to this subsection.

32 (1) For resident married individuals filing joint returns and resident  
 33 surviving spouses:

34 (A) If New York adjusted gross income is greater than \$107,650:

35 (i) the recapture base and incremental benefit shall be determined by  
 36 New York taxable income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Recapture Base</u> | <u>Incremental Benefit</u> |
|---------------------|--------------------|-----------------------|----------------------------|
| <u>\$27,900</u>     | <u>\$161,550</u>   | <u>\$0</u>            | <u>\$172</u>               |
| <u>\$161,550</u>    | <u>\$323,200</u>   | <u>\$172</u>          | <u>\$808</u>               |
| <u>\$323,200</u>    | <u>\$2,155,350</u> | <u>\$979</u>          | <u>\$5,979</u>             |
| <u>\$2,155,350</u>  |                    | <u>\$6,959</u>        | <u>\$42,460</u>            |

42 (ii) the applicable amount shall be determined by New York taxable  
 43 income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Applicable Amount</u>                                |
|---------------------|--------------------|---|
| <u>\$27,900</u>     | <u>\$161,550</u>   | <u>New York adjusted gross income minus \$107,650</u>   |
| <u>\$161,550</u>    | <u>\$323,200</u>   | <u>New York adjusted gross income minus \$161,550</u>   |
| <u>\$323,200</u>    | <u>\$2,155,350</u> | <u>New York adjusted gross income minus \$323,200</u>   |
| <u>\$2,155,350</u>  |                    | <u>New York adjusted gross income minus \$2,155,350</u> |

49 (iii) the phase-in fraction shall be a fraction, the numerator of  
 50 which shall be the lesser of fifty thousand dollars or the applicable  
 51 amount and the denominator of which shall be fifty thousand dollars; and

52 (iv) the supplemental tax due shall equal the sum of the recapture  
 53 base and the product of (i) the incremental benefit and (ii) the phase-  
 54 in fraction. Provided, however, that if the New York taxable income of  
 55 the taxpayer is less than twenty-seven thousand nine hundred dollars,  
 56 the supplemental tax shall equal the difference between the product of

1 4.50 percent and New York taxable income and the tax table computation  
 2 on the New York taxable income set forth in paragraph one of subsection  
 3 (a) of this section, multiplied by a fraction, the numerator of which is  
 4 the lesser of fifty thousand dollars or New York adjusted gross income  
 5 minus one hundred seven thousand six hundred fifty dollars, and the  
 6 denominator of which is fifty thousand dollars.

7 (2) For resident heads of households:

8 (A) If New York adjusted gross income is greater than \$107,650:

9 (i) the recapture base and incremental benefit shall be determined by  
 10 New York taxable income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Recapture Base</u> | <u>Incremental Benefit</u> |
|---------------------|--------------------|-----------------------|----------------------------|
| <u>\$107,650</u>    | <u>\$269,300</u>   | <u>\$0</u>            | <u>\$667</u>               |
| <u>\$269,300</u>    | <u>\$1,616,450</u> | <u>\$667</u>          | <u>\$4,982</u>             |
| <u>\$1,616,450</u>  |                    | <u>\$5,649</u>        | <u>\$31,844</u>            |

15 (ii) the applicable amount shall be determined by New York taxable  
 16 income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Applicable Amount</u>                                |
|---------------------|--------------------|---|
| <u>\$107,650</u>    | <u>\$269,300</u>   | <u>New York adjusted gross income minus \$107,650</u>   |
| <u>\$269,300</u>    | <u>\$1,616,450</u> | <u>New York adjusted gross income minus \$269,300</u>   |
| <u>\$1,616,450</u>  |                    | <u>New York adjusted gross income minus \$1,616,450</u> |

21 (iii) the phase-in fraction shall be a fraction, the numerator of  
 22 which shall be the lesser of fifty thousand dollars or the applicable  
 23 amount and the denominator of which shall be fifty thousand dollars; and

24 (iv) the supplemental tax due shall equal the sum of the recapture  
 25 base and the product of (i) the incremental benefit and (ii) the phase-  
 26 in fraction. Provided, however, that if the New York taxable income of  
 27 the taxpayer is less than one hundred seven thousand six hundred fifty  
 28 dollars, the supplemental tax shall equal the difference between the  
 29 product of 5.00 percent and New York taxable income and the tax table  
 30 computation on the New York taxable income set forth in paragraph one of  
 31 subsection (b) of this section, multiplied by a fraction, the numerator  
 32 of which is the lesser of fifty thousand dollars or New York adjusted  
 33 gross income minus one hundred seven thousand six hundred fifty dollars,  
 34 and the denominator of which is fifty thousand dollars.

35 (3) For resident unmarried individuals, resident married individuals  
 36 filing separate returns and resident estates and trusts:

37 (A) If New York adjusted gross income is greater than \$107,650:

38 (i) the recapture base and incremental benefit shall be determined by  
 39 New York taxable income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Recapture Base</u> | <u>Incremental Benefit</u> |
|---------------------|--------------------|-----------------------|----------------------------|
| <u>\$80,650</u>     | <u>\$215,400</u>   | <u>\$0</u>            | <u>\$488</u>               |
| <u>\$215,400</u>    | <u>\$1,077,550</u> | <u>\$488</u>          | <u>\$3,985</u>             |
| <u>\$1,077,550</u>  |                    | <u>\$4,473</u>        | <u>\$21,228</u>            |

44 (ii) the applicable amount shall be determined by New York taxable  
 45 income as follows:

| <u>Greater than</u> | <u>Not over</u>    | <u>Applicable Amount</u>                                |
|---------------------|--------------------|---|
| <u>\$80,650</u>     | <u>\$215,400</u>   | <u>New York adjusted gross income minus \$107,650</u>   |
| <u>\$215,400</u>    | <u>\$1,077,550</u> | <u>New York adjusted gross income minus \$215,400</u>   |
| <u>\$1,077,550</u>  |                    | <u>New York adjusted gross income minus \$1,077,550</u> |

50 (iii) the phase-in fraction shall be a fraction, the numerator of  
 51 which shall be the lesser of fifty thousand dollars or the applicable  
 52 amount and the denominator of which shall be fifty thousand dollars; and

53 (iv) the supplemental tax due shall equal the sum of the recapture  
 54 base and the product of (i) the incremental benefit and (ii) the phase-  
 55 in fraction. Provided, however, that if the New York taxable income of  
 56 the taxpayer is less than eighty thousand six hundred fifty dollars, the

1 supplemental tax shall equal the difference between the product of 5.00  
2 percent and New York taxable income and the tax table computation on the  
3 New York taxable income set forth in paragraph one of subsection (c) of  
4 this section, multiplied by a fraction, the numerator of which is the  
5 lesser of fifty thousand dollars or New York adjusted gross income minus  
6 one hundred seven thousand six hundred fifty dollars, and the denomina-  
7 tor of which is fifty thousand dollars.

8 § 9. This act shall take effect immediately.

9

PART C

10 Section 1. Paragraph 1 of subsection (c-1) of section 606 of the tax  
11 law, as amended by section 1 of part HH of chapter 56 of the laws of  
12 2023, is amended to read as follows:

13 (1) [A] For taxable years beginning before January first, two thousand  
14 twenty-five, a resident taxpayer shall be allowed a credit as provided  
15 herein equal to the greater of one hundred dollars times the number of  
16 qualifying children of the taxpayer or the applicable percentage of the  
17 child tax credit allowed the taxpayer under section twenty-four of the  
18 internal revenue code for the same taxable year for each qualifying  
19 child. Provided, however, in the case of a taxpayer whose federal  
20 adjusted gross income exceeds the applicable threshold amount set forth  
21 by section 24(b)(2) of the Internal Revenue Code, the credit shall only  
22 be equal to the applicable percentage of the child tax credit allowed  
23 the taxpayer under section 24 of the Internal Revenue Code for each  
24 qualifying child. For the purposes of this subsection, a qualifying  
25 child shall be a child who meets the definition of qualified child under  
26 section 24(c) of the internal revenue code. The applicable percentage  
27 shall be thirty-three percent. For purposes of this subsection, any  
28 reference to section 24 of the Internal Revenue Code shall be a refer-  
29 ence to such section as it existed immediately prior to the enactment of  
30 Public Law 115-97.

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

33 (1-a) (A) For taxable years beginning on and after January first, two  
34 thousand twenty-five, and before January first, two thousand twenty-six,  
35 a resident taxpayer shall be allowed a credit as provided herein, equal  
36 to the sum of:

37 (i) one thousand dollars times the number of qualifying children of  
38 the taxpayer aged three or younger; and

39 (ii) five hundred dollars times the number of qualifying children of  
40 the taxpayer who have attained age four and not yet attained age seven-  
41 teen.

42 (B) The amount of the credit allowable under subparagraph (A) of this  
43 paragraph shall be reduced (but not to below zero) by sixteen dollars  
44 and fifty cents for each one thousand dollars by which the taxpayer's  
45 federal adjusted gross income exceeds the threshold amount. For the  
46 purposes of this subparagraph, the term "threshold amount" shall mean:

47 (i) one hundred ten thousand dollars in the case of married taxpayers  
48 filing jointly; (ii) seventy-five thousand dollars in the case of a  
49 taxpayer filing as single, head of household, or qualified surviving  
50 spouse; and (iii) fifty-five thousand dollars in the case of a married  
51 taxpayer filing a separate return.

52 (C) For the purposes of this paragraph, a qualifying child shall be an  
53 individual who: (i) is a child, sibling, or stepsibling of the taxpayer,  
54 or a descendent of any such relative; (ii) has the same principal place

1 of abode as the taxpayer for more than one-half of the taxable year;  
2 (iii) has not attained age seventeen; (iv) has not provided over one-  
3 half of such individual's own support for the calendar year in which the  
4 taxable year of the taxpayer begins; (v) has not filed a joint return  
5 (other than only for a claim of refund) with the individual's spouse  
6 under section six hundred fifty-one of this article for the taxable  
7 year; and (vi) is a citizen or national of the United States, or an  
8 individual with an individual taxpayer identification number issued by  
9 the internal revenue service.

10 (D) For the purposes of this paragraph, the term "child" shall mean an  
11 individual who is the offspring or stepchild of the taxpayer, or an  
12 eligible foster child of the taxpayer, or a legally adopted individual  
13 of the taxpayer, or an individual who is lawfully placed with the  
14 taxpayer for legal adoption by the taxpayer.

15 (E) (i) Except as provided in subparagraph (B) of this paragraph, if  
16 an individual may be claimed as a qualifying child by two or more  
17 taxpayers for a taxable year, such individual shall be treated as the  
18 qualifying child of the taxpayer who is: (I) a parent of the individual,  
19 or (II) if subclause (I) does not apply, the taxpayer with the highest  
20 federal adjusted gross income for such taxable year.

21 (ii) If the parents claiming any qualifying child do not file a joint  
22 return together, such child shall be treated as the qualifying child of:  
23 (I) the parent with whom the child resided for the longest period of  
24 time during the taxable year, or (II) if the child resides with both  
25 parents for the same amount of time during such taxable year, the parent  
26 with the highest federal adjusted gross income who files a return pursu-  
27 ant to section six hundred fifty-one of this article.

28 (iii) If the parents of an individual may claim such individual as a  
29 qualifying child but no parent so claims the individual, such individual  
30 may be claimed as the qualifying child of another taxpayer, but only if  
31 the federal adjusted gross income of such taxpayer is higher than the  
32 highest federal adjusted gross income of any parent of the individual,  
33 regardless of a requirement to file a return pursuant to section six  
34 hundred fifty-one of this article.

35 § 3. This act shall take effect immediately.

36 PART D

37 Section 1. Subdivision 3 of section 22 of the public housing law, as  
38 added by section 1 of part CC of chapter 63 of the laws of 2000, is  
39 amended to read as follows:

40 3. Amount of credit. Except as provided in subdivisions four and five  
41 of this section, the amount of low-income housing credit shall be the  
42 applicable percentage of the qualified basis of each eligible low-income  
43 building. Buildings financed by refunded bonds using the rules of  
44 section 146(i)(6) of the internal revenue code, shall be eligible for  
45 credit pursuant to the rules of section 42(b)(2) of the internal revenue  
46 code.

47 § 2. Subdivision 4 of section 22 of the public housing law, as amended  
48 by section 4 of part J of chapter 59 of the laws of 2022, is amended to  
49 read as follows:

50 4. Statewide limitation. The aggregate dollar amount of credit which  
51 the commissioner may allocate to eligible low-income buildings under  
52 this article shall be one hundred [seventy-two] eighty-seven million  
53 dollars. The limitation provided by this subdivision applies only to  
54 allocation of the aggregate dollar amount of credit by the commission-

1 er[,] and does not apply to allowance to a taxpayer of the credit with  
2 respect to an eligible low-income building for each year of the credit  
3 period.

4 § 3. Subdivision 4 of section 22 of the public housing law, as amended  
5 by section two of this act, is amended to read as follows:

6 4. Statewide limitation. The aggregate dollar amount of credit which  
7 the commissioner may allocate to eligible low-income buildings under  
8 this article shall be [one] two hundred [eighty-seven] seventeen million  
9 dollars. The limitation provided by this subdivision applies only to  
10 allocation of the aggregate dollar amount of credit by the commissioner  
11 and does not apply to allowance to a taxpayer of the credit with respect  
12 to an eligible low-income building for each year of the credit period.

13 § 4. Subdivision 4 of section 22 of the public housing law, as amended  
14 by section three of this act, is amended to read as follows:

15 4. Statewide limitation. The aggregate dollar amount of credit which  
16 the commissioner may allocate to eligible low-income buildings under  
17 this article shall be two hundred [seventeen] forty-seven million  
18 dollars. The limitation provided by this subdivision applies only to  
19 allocation of the aggregate dollar amount of credit by the commissioner  
20 and does not apply to allowance to a taxpayer of the credit with respect  
21 to an eligible low-income building for each year of the credit period.

22 § 5. Subdivision 4 of section 22 of the public housing law, as amended  
23 by section four of this act, is amended to read as follows:

24 4. Statewide limitation. The aggregate dollar amount of credit which  
25 the commissioner may allocate to eligible low-income buildings under  
26 this article shall be two hundred [forty-seven] seventy-seven million  
27 dollars. The limitation provided by this subdivision applies only to  
28 allocation of the aggregate dollar amount of credit by the commissioner  
29 and does not apply to allowance to a taxpayer of the credit with respect  
30 to an eligible low-income building for each year of the credit period.

31 § 6. Subdivision 4 of section 22 of the public housing law, as amended  
32 by section five of this act, is amended to read as follows:

33 4. Statewide limitation. The aggregate dollar amount of credit which  
34 the commissioner may allocate to eligible low-income buildings under  
35 this article shall be [two] three hundred [seventy-seven] seven million  
36 dollars. The limitation provided by this subdivision applies only to  
37 allocation of the aggregate dollar amount of credit by the commissioner  
38 and does not apply to allowance to a taxpayer of the credit with respect  
39 to an eligible low-income building for each year of the credit period.

40 § 7. This act shall take effect immediately; provided, however,  
41 section two of this act shall take effect April 1, 2025; section three  
42 of this act shall take effect April 1, 2026; section four of this act  
43 shall take effect April 1, 2027; section five of this act shall take  
44 effect April 1, 2028; and section six of this act shall take effect  
45 April 1, 2029.

46

## PART E

47 Section 1. Subdivision 26 of section 210-B of the tax law, as added by  
48 section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a)  
49 and (c) as amended by section 2 of part RR of chapter 59 of the laws of  
50 2018, subparagraph (i) of paragraph (a) as amended by section 2, subpar-  
51 agraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1)  
52 as amended by section 3 of subpart B of part I of chapter 59 of the laws  
53 of 2023, paragraph (e) as amended by section 1 of part U of chapter 59



1 of the laws of 2019, paragraph (f) as added by section 2 of part CCC of  
2 chapter 59 of the laws of 2021, is amended to read as follows:

3 26. Credit for rehabilitation of historic properties. (a) Application  
4 of credit. (i) For taxable years beginning on or after January first,  
5 two thousand ten, and before January first, two thousand thirty, a  
6 taxpayer, or a transferee of such a taxpayer as described in paragraph  
7 (g) of this subdivision, shall be allowed a credit as hereinafter  
8 provided, against the tax imposed by this article, in an amount equal to  
9 one hundred percent of the amount of credit allowed the taxpayer for the  
10 same taxable year with respect to a certified historic structure, and  
11 one hundred fifty percent of the amount of credit allowed the taxpayer  
12 with respect to a certified historic structure that is a small project,  
13 under internal revenue code section 47(c)(3), determined without regard  
14 to ratably allocating the credit over a five year period as required by  
15 subsection (a) of such section 47, with respect to a certified historic  
16 structure located within the state. Provided, however, the credit shall  
17 not exceed five million dollars.

18 (ii) For taxable years beginning on or after January first, two thou-  
19 sand thirty, a taxpayer, or a transferee of such a taxpayer as described  
20 in paragraph (g) of this subdivision, shall be allowed a credit as here-  
21 inafter provided, against the tax imposed by this article, in an amount  
22 equal to thirty percent of the amount of credit allowed the taxpayer for  
23 the same taxable year determined without regard to ratably allocating  
24 the credit over a five year period as required by subsection (a) of  
25 section 47 of the internal revenue code, with respect to a certified  
26 historic structure under subsection (c)(3) of section 47 of the internal  
27 revenue code with respect to a certified historic structure located  
28 within the state. Provided, however, the credit shall not exceed one  
29 hundred thousand dollars.

30 (a-1) If the taxpayer or transferee is a partner in a partnership or a  
31 shareholder in a New York S corporation, then the credit caps imposed in  
32 paragraph (a) of this subdivision shall be applied at the entity level,  
33 so that the aggregate credit allowed to all the partners or shareholders  
34 of each such entity in the taxable year does not exceed the credit cap  
35 that is applicable in that taxable year.

36 (b) Tax credits allowed pursuant to this subdivision shall be allowed  
37 in the taxable year that the qualified rehabilitation is placed in  
38 service under section 167 of the federal internal revenue code.

39 (c) If the taxpayer is allowed a credit pursuant to section 47 of the  
40 internal revenue code with respect to a qualified rehabilitation that is  
41 also the subject of the credit allowed by this subdivision and that  
42 credit pursuant to such section 47 is recaptured pursuant to subsection  
43 (a) of section 50 of the internal revenue code, a portion of the credit  
44 allowed under this subdivision must be added back by the taxpayer or  
45 transferee in the same taxable year and in the same proportion as the  
46 federal credit.

47 (d) The credit allowed under this subdivision for any taxable year  
48 shall not reduce the tax due for such year to less than the amount  
49 prescribed in paragraph (d) of subdivision one of section two hundred  
50 ten of this article. However, if the amount of the credit allowed under  
51 this subdivision for any taxable year reduces the tax to such amount or  
52 if the taxpayer otherwise pays tax based on the fixed dollar minimum  
53 amount, any amount of credit thus not deductible in such taxable year  
54 shall be treated as an overpayment of tax to be recredited or refunded  
55 in accordance with the provisions of section one thousand eighty-six of  
56 this chapter. Provided, however, the provisions of subsection (c) of

1 section one thousand eighty-eight of this chapter notwithstanding, no  
2 interest shall be paid thereon.

3 (e) [Except in the case of a qualified rehabilitation project under-  
4 taken within a state park, state historic site, or other land owned by  
5 the state, that is under the jurisdiction of the office of parks, recre-  
6 ation and historic preservation, to] To be eligible for the credit  
7 allowable under this subdivision, the rehabilitation project shall be in  
8 whole or in part located within a census tract which is identified as  
9 being at or below one hundred percent of the state median family income  
10 as calculated as of April first of each year using the most recent five  
11 year estimate from the American community survey published by the United  
12 States Census bureau. If there is a change in the most recent five year  
13 estimate, a census tract that qualified for eligibility under this  
14 program before information about the change was released will remain  
15 eligible for a credit under this subdivision for an additional two  
16 calendar years. The eligibility restrictions set forth in this paragraph  
17 shall not be applicable if:

18 (i) a qualified rehabilitation project is undertaken within a state  
19 park, state historic site, or other land owned by the state, that is  
20 under the jurisdiction of the office of parks, recreation and historic  
21 preservation; or

22 (ii) a qualified rehabilitation project is undertaken for the  
23 provision of affordable housing and the taxpayer has entered into a  
24 regulatory agreement with any state or federal agency or authority, or  
25 any other government entity that is authorized to engage in the financ-  
26 ing, construction or oversight of affordable housing within such enti-  
27 ty's jurisdiction, and where such regulatory agreement sets forth  
28 affordability requirements applicable for a period of not less than  
29 thirty years and that is binding on all successors of the taxpayer.

30 (f) For purposes of this subdivision "small project" means qualified  
31 rehabilitation expenditures totaling two million five hundred thousand  
32 dollars or less.

33 (g)(i) A taxpayer allowed a credit pursuant to this subdivision may  
34 transfer the credit, in whole or in part, to another person or entity,  
35 who shall be referred to as the transferee, without regard to how any  
36 tax credit authorized pursuant to section forty-seven of the internal  
37 revenue code with respect to a qualified rehabilitation project may be  
38 allocated and notwithstanding that such other person or entity owns no  
39 interest in the qualified rehabilitation project or in an entity with an  
40 ownership interest in the qualified rehabilitation project. A transferee  
41 may not transfer any credit, or portion thereof, acquired by transfer.

42 (ii) A taxpayer seeking to transfer a credit allowed pursuant to this  
43 subdivision must enter into a transfer contract with the transferee. The  
44 transfer contract must specify:

45 (A) the building identification numbers for all buildings in the  
46 project;

47 (B) the date each building was placed into service;

48 (C) the schedule of years for which the transfer credit may be claimed  
49 and the amount of credit previously claimed;

50 (D) the amount of consideration received by the taxpayer for the  
51 transfer credit; and

52 (E) the amount of credit being transferred.

53 (iii) No transfer shall be effective unless the taxpayer allowed a  
54 credit pursuant to this subdivision and seeking to transfer the credit  
55 files a transfer application with the commissioner of parks, recreation  
56 and historic preservation prior to the transfer and such transfer appli-



1 cation is approved. The transfer application shall include the name and  
2 federal identification numbers of the taxpayer and each proposed trans-  
3 feree, the amount of credit proposed to be transferred to each proposed  
4 transferee, a copy of the transfer contract, and such other information  
5 as the commissioner or the commissioner of parks, recreation and histor-  
6 ic preservation may require. The commissioner of parks, recreation and  
7 historic preservation shall approve or deny each transfer application  
8 and, if an application is denied, shall issue a written determination to  
9 the taxpayer. If the transfer is approved, the commissioner of parks,  
10 recreation and historic preservation shall issue a transfer approval  
11 certificate that provides the name of the transferor and all transfer-  
12 ees, the amount of credit being transferred and such other information  
13 as the commissioner of parks, recreation and historic preservation and  
14 the commissioner deem necessary. A copy of the transfer approval certif-  
15 icate must be attached to each transferee's tax return. The commissioner  
16 of parks, recreation and historic preservation, in consultation with the  
17 commissioner, may establish such other procedures and standards deemed  
18 necessary for the transferability of credits allowed under this subdivi-  
19 sion.

20 (iv) The commissioner of parks, recreation and historic preservation  
21 shall forward copies of all transfer applications and attachments there-  
22 to and approval certificates to the commissioner within thirty days  
23 after the transfer is approved.

24 (v) A taxpayer allowed a credit pursuant to section forty-seven of the  
25 internal revenue code with respect to a qualified rehabilitation that is  
26 also the subject of the credit allowed by this subdivision shall remain  
27 solely liable for all obligations and liabilities imposed on the taxpay-  
28 er with respect to the credit allowed by this subdivision, none of which  
29 shall apply to a party to whom the credit has been subsequently trans-  
30 ferred.

31 (h) The commissioner shall submit a report to the governor, the tempo-  
32 rary president of the senate, the speaker of the assembly, the chair of  
33 the senate finance committee, the chair of the senate housing committee,  
34 the chair of the assembly ways and means committee, and the chair of the  
35 assembly housing committee on or before November first, two thousand  
36 twenty-five and annually thereafter. Such report shall include the  
37 aggregate amount of credits claimed pursuant to this subdivision on  
38 returns filed during the preceding calendar year and shall be made  
39 publicly available on the department's website on the same day the  
40 report is submitted.

41 § 2. Subsection (oo) of section 606 of the tax law, as amended by  
42 chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472  
43 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by  
44 section 1 of subpart B of part I of chapter 59 of the laws of 2023,  
45 paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws  
46 of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of  
47 the laws of 2013, paragraph 5 as amended by section 2 of part U of chap-  
48 ter 59 of the laws of 2019, paragraph 6 as added by section 1 of part  
49 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

50 (oo) Credit for rehabilitation of historic properties. (1) (A) For  
51 taxable years beginning on or after January first, two thousand ten and  
52 before January first, two thousand thirty, a taxpayer, or a transferee  
53 of such a taxpayer as described in paragraph seven of this subsection,  
54 shall be allowed a credit as hereinafter provided, against the tax  
55 imposed by this article, in an amount equal to one hundred percent of  
56 the amount of credit allowed the taxpayer with respect to a certified

1 historic structure, and one hundred fifty percent of the amount of cred-  
2 it allowed the taxpayer with respect to a certified historic structure  
3 that is a small project, under internal revenue code section 47(c)(3),  
4 determined without regard to ratably allocating the credit over a five  
5 year period as required by subsection (a) of such section 47, with  
6 respect to a certified historic structure located within the state.  
7 Provided, however, the credit shall not exceed five million dollars. For  
8 taxable years beginning on or after January first, two thousand thirty,  
9 a taxpayer, or a transferee of such a taxpayer as described in paragraph  
10 seven of this subsection, shall be allowed a credit as hereinafter  
11 provided, against the tax imposed by this article, in an amount equal to  
12 thirty percent of the amount of credit allowed the taxpayer with respect  
13 to a certified historic structure under internal revenue code section  
14 47(c)(3), determined without regard to ratably allocating the credit  
15 over a five year period as required by subsection (a) of such section  
16 47, with respect to a certified historic structure located within the  
17 state; provided, however, the credit shall not exceed one hundred thou-  
18 sand dollars.

19 (B) If the taxpayer or transferee is a partner in a partnership or a  
20 shareholder of a New York S corporation, then the credit cap imposed in  
21 subparagraph (A) of this paragraph shall be applied at the entity level,  
22 so that the aggregate credit allowed to all the partners or shareholders  
23 of each such entity in the taxable year does not exceed the credit cap  
24 that is applicable in that taxable year.

25 (2) Tax credits allowed pursuant to this subsection shall be allowed  
26 in the taxable year that the qualified rehabilitation is placed in  
27 service under section 167 of the federal internal revenue code.

28 (3) If the taxpayer is allowed a credit pursuant to section 47 of the  
29 internal revenue code with respect to a qualified rehabilitation that is  
30 also the subject of the credit allowed by this subsection and that cred-  
31 it pursuant to such section 47 is recaptured pursuant to subsection (a)  
32 of section 50 of the internal revenue code, a portion of the credit  
33 allowed under this subsection must be added back by the taxpayer or  
34 transferee in the same taxable year and in the same proportion as the  
35 federal recapture.

36 (4) If the amount of the credit allowed under this subsection for any  
37 taxable year shall exceed the taxpayer's tax for such year, the excess  
38 shall be treated as an overpayment of tax to be credited or refunded in  
39 accordance with the provisions of section six hundred eighty-six of this  
40 article, provided, however, that no interest shall be paid thereon.

41 (5) [Except in the case of a qualified rehabilitation project under-  
42 taken within a state park, state historic site, or other land owned by  
43 the state, that is under the jurisdiction of the office of parks, recre-  
44 ation and historic preservation, to] To be eligible for the credit  
45 allowable under this subsection the rehabilitation project shall be in  
46 whole or in part located within a census tract which is identified as  
47 being at or below one hundred percent of the state median family income  
48 as calculated as of April first of each year using the most recent five  
49 year estimate from the American community survey published by the United  
50 States Census bureau. If there is a change in the most recent five year  
51 estimate, a census tract that qualified for eligibility under this  
52 program before information about the change was released will remain  
53 eligible for a credit under this subsection for an additional two calen-  
54 dar years. The eligibility restrictions set forth in this paragraph  
55 shall not be applicable if:

1 (A) a qualified rehabilitation project is undertaken within a state  
2 park, state historic site, or other land owned by the state, that is  
3 under the jurisdiction of the office of parks, recreation and historic  
4 preservation; or

5 (B) a qualified rehabilitation project is undertaken for the provision  
6 of affordable housing and the taxpayer has entered into a regulatory  
7 agreement with any state or federal agency or authority, or any other  
8 government entity that is authorized to engage in the financing,  
9 construction or oversight of affordable housing within such entity's  
10 jurisdiction, and where such regulatory agreement sets forth affordabil-  
11 ity requirements applicable for a period of not less than thirty years  
12 and that is binding on all successors of the taxpayer.

13 (6) For purposes of this subsection the term "small project" means  
14 qualified rehabilitation expenditures totaling two million five hundred  
15 thousand dollars or less.

16 (7) (A) A taxpayer allowed a credit pursuant to this subsection may  
17 transfer the credit, in whole or in part, to another person or entity,  
18 who shall be referred to as the transferee, without regard to how any  
19 tax credit authorized pursuant to section forty-seven of the internal  
20 revenue code with respect to a qualified rehabilitation project may be  
21 allocated and notwithstanding that such other person or entity owns no  
22 interest in the qualified rehabilitation project or in an entity with an  
23 ownership interest in the qualified rehabilitation project. A transferee  
24 may not transfer any credit, or portion thereof, acquired by transfer.

25 (B) A taxpayer seeking to transfer a credit allowed pursuant to this  
26 subsection must enter into a transfer contract with the transferee. The  
27 transfer contract must specify:

28 (i) the building identification numbers for all buildings in the  
29 project;

30 (ii) the date each building was placed into service;

31 (iii) the schedule of years for which the transfer credit may be  
32 claimed and the amount of credit previously claimed;

33 (iv) the amount of consideration received by the taxpayer for the  
34 transfer credit; and

35 (v) the amount of credit being transferred.

36 (C) No transfer shall be effective unless the taxpayer allowed a cred-  
37 it pursuant to this subsection and seeking to transfer the credit files  
38 a transfer application with the commissioner of parks, recreation and  
39 historic preservation prior to the transfer and such transfer applica-  
40 tion is approved. The transfer application shall include the name and  
41 federal identification numbers of the taxpayer and each proposed trans-  
42 feree, the amount of credit proposed to be transferred to each proposed  
43 transferee, a copy of the transfer contract, and such other information  
44 as the commissioner or the commissioner of parks, recreation and histor-  
45 ic preservation may require. The commissioner of parks, recreation and  
46 historic preservation shall approve or deny each transfer application  
47 and, if an application is denied, shall issue a written determination to  
48 the taxpayer. If the transfer is approved, the commissioner of parks,  
49 recreation and historic preservation shall issue a transfer approval  
50 certificate that provides the name of the transferor and all transfer-  
51 ees, the amount of credit being transferred and such other information  
52 as the commissioner of parks, recreation and historic preservation and  
53 the commissioner deem necessary. A copy of the transfer approval certif-  
54 icate must be attached to each transferee's tax return. The commissioner  
55 of parks, recreation and historic preservation, in consultation with the  
56 commissioner, may establish such other procedures and standards deemed

1 necessary for the transferability of credits allowed under this  
2 subsection.

3 (D) The commissioner of parks, recreation and historic preservation  
4 shall forward copies of all transfer applications and attachments there-  
5 to and approval certificates to the commissioner within thirty days  
6 after the transfer is approved.

7 (E) A taxpayer allowed a credit pursuant to section forty-seven of the  
8 internal revenue code with respect to a qualified rehabilitation that is  
9 also the subject of the credit allowed by this subsection shall remain  
10 solely liable for all obligations and liabilities imposed on the taxpay-  
11 er with respect to the credit allowed by this subsection, none of which  
12 shall apply to a party to whom the credit has been subsequently trans-  
13 ferred.

14 (8) The commissioner shall submit a report to the governor, the tempo-  
15 rary president of the senate, the speaker of the assembly, the chair of  
16 the senate finance committee, the chair of the senate housing committee,  
17 the chair of the assembly ways and means committee, and the chair of the  
18 assembly housing committee on or before November first, two thousand  
19 twenty-five and annually thereafter. Such report shall include the  
20 aggregate amount of credits claimed pursuant to this subsection on  
21 returns filed during the preceding calendar year and shall be made  
22 publicly available on the department's website on the same day the  
23 report is submitted.

24 § 3. Subdivision (y) of section 1511 of the tax law, as added by chap-  
25 ter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended  
26 by section 5 of subpart B of part I of chapter 59 of the laws of 2023,  
27 paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws  
28 of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of  
29 the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-  
30 ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part  
31 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

32 (y) Credit for rehabilitation of historic properties. (1) (A) For  
33 taxable years beginning on or after January first, two thousand ten and  
34 before January first, two thousand thirty, a taxpayer, or a transferee  
35 of such a taxpayer as described in paragraph seven of this subdivision,  
36 shall be allowed a credit as hereinafter provided, against the tax  
37 imposed by this article, in an amount equal to one hundred percent of  
38 the amount of credit allowed the taxpayer with respect to a certified  
39 historic structure, and one hundred fifty percent of the amount of cred-  
40 it allowed the taxpayer with respect to a certified historic structure  
41 that is a small project, under internal revenue code section 47(c)(3),  
42 determined without regard to ratably allocating the credit over a five  
43 year period as required by subsection (a) of such section 47, with  
44 respect to a certified historic structure located within the state.  
45 Provided, however, the credit shall not exceed five million dollars. For  
46 taxable years beginning on or after January first, two thousand thirty,  
47 a taxpayer, or a transferee of such a taxpayer as described in paragraph  
48 seven of this subdivision, shall be allowed a credit as hereinafter  
49 provided, against the tax imposed by this article, in an amount equal to  
50 thirty percent of the amount of credit allowed the taxpayer with respect  
51 to a certified historic structure under internal revenue code section  
52 47(c)(3), determined without regard to ratably allocating the credit  
53 over a five year period as required by subsection (a) of such section 47  
54 with respect to a certified historic structure located within the state.  
55 Provided, however, the credit shall not exceed one hundred thousand  
56 dollars.

1 (B) If the taxpayer or transferee is a partner in a partnership, then  
2 the cap imposed in subparagraph (A) of this paragraph shall be applied  
3 at the entity level, so that the aggregate credit allowed to all the  
4 partners of such partnership in the taxable year does not exceed the  
5 credit cap that is applicable in that taxable year.

6 (2) Tax credits allowed pursuant to this subsection shall be allowed  
7 in the taxable year that the qualified rehabilitation is placed in  
8 service under section 167 of the federal internal revenue code.

9 (3) If the taxpayer is allowed a credit pursuant to section 47 of the  
10 internal revenue code with respect to a qualified rehabilitation that is  
11 also the subject of the credit allowed by this subdivision and that  
12 credit pursuant to such section 47 is recaptured pursuant to subsection  
13 (a) of section 50 of the internal revenue code, a portion of the credit  
14 allowed under this subdivision in the taxable year the credit was  
15 claimed must be added back by the taxpayer or transferee in the same  
16 taxable year and in the same proportion as the federal recapture.

17 (4) The credit allowed under this subdivision for any taxable year  
18 shall not reduce the tax due for such year to less than the minimum  
19 fixed by paragraph four of subdivision (a) of section fifteen hundred  
20 two or section fifteen hundred two-a of this article, whichever is  
21 applicable. However, if the amount of credits allowed under this subdivi-  
22 sion for any taxable year reduces the tax to such amount, any amount  
23 of credit thus not deductible in such taxable year shall be treated as  
24 an overpayment of tax to be credited or refunded in accordance with the  
25 provisions of section one thousand eighty-six of this chapter. Provided,  
26 however, the provisions of subsection (c) of section one thousand eight-  
27 y-eight of this chapter notwithstanding, no interest shall be paid ther-  
28 eon.

29 (5) [Except in the case of a qualified rehabilitation project under-  
30 taken within a state park, state historic site, or other land owned by  
31 the state, that is under the jurisdiction of the office of parks, recre-  
32 ation and historic preservation, to] To be eligible for the credit  
33 allowable under this subdivision, the rehabilitation project shall be in  
34 whole or in part located within a census tract which is identified as  
35 being at or below one hundred percent of the state median family income  
36 as calculated as of April first of each year using the most recent five  
37 year estimate from the American community survey published by the United  
38 States Census bureau. If there is a change in the most recent five year  
39 estimate, a census tract that qualified for eligibility under this  
40 program before information about the change was released will remain  
41 eligible for a credit under this subdivision for an additional two  
42 calendar years. The eligibility restrictions set forth in this paragraph  
43 shall not be applicable if:

44 (A) a qualified rehabilitation project is undertaken within a state  
45 park, state historic site, or other land owned by the state, that is  
46 under the jurisdiction of the office of parks, recreation and historic  
47 preservation; or

48 (B) a qualified rehabilitation project is undertaken for the provision  
49 of affordable housing and the taxpayer has entered into a regulatory  
50 agreement with any state or federal agency or authority, or any other  
51 government entity that is authorized to engage in the financing,  
52 construction or oversight of affordable housing within such entity's  
53 jurisdiction, and where such regulatory agreement sets forth affordabil-  
54 ity requirements applicable for a period of not less than thirty years  
55 and that is binding on all successors of the taxpayer.

1 (6) For purposes of this subdivision "small project" means qualified  
2 rehabilitation expenditures totaling two million five hundred thousand  
3 dollars or less.

4 (7)(A) A taxpayer allowed a credit pursuant to this subdivision may  
5 transfer the credit, in whole or in part, to another person or entity,  
6 who shall be referred to as the transferee, without regard to how any  
7 tax credit authorized pursuant to section forty-seven of the internal  
8 revenue code with respect to a qualified rehabilitation project may be  
9 allocated and notwithstanding that such other person or entity owns no  
10 interest in the qualified rehabilitation project or in an entity with an  
11 ownership interest in the qualified rehabilitation project. A transferee  
12 may not transfer any credit, or portion thereof, acquired by transfer.

13 (B) A taxpayer seeking to transfer a credit allowed pursuant to this  
14 subdivision must enter into a transfer contract with the transferee. The  
15 transfer contract must specify:

16 (i) the building identification numbers for all buildings in the  
17 project;

18 (ii) the date each building was placed into service;

19 (iii) the schedule of years for which the transfer credit may be  
20 claimed and the amount of credit previously claimed;

21 (iv) the amount of consideration received by the taxpayer for the  
22 transfer credit; and

23 (v) the amount of credit being transferred.

24 (C) No transfer shall be effective unless the taxpayer allowed a cred-  
25 it pursuant to this subdivision and seeking to transfer the credit files  
26 a transfer application with the commissioner of parks, recreation and  
27 historic preservation prior to the transfer and such transfer applica-  
28 tion is approved. The transfer application shall include the name and  
29 federal identification numbers of the taxpayer and each proposed trans-  
30 feree, the amount of credit proposed to be transferred to each proposed  
31 transferee, a copy of the transfer contract, and such other information  
32 as the commissioner or the commissioner of parks, recreation and histor-  
33 ic preservation may require. The commissioner of parks, recreation and  
34 historic preservation shall approve or deny each transfer application  
35 and, if an application is denied, shall issue a written determination to  
36 the taxpayer. If the transfer is approved, the commissioner of parks,  
37 recreation and historic preservation shall issue a transfer approval  
38 certificate that provides the name of the transferor and all transfer-  
39 ees, the amount of credit being transferred and such other information  
40 as the commissioner of parks, recreation and historic preservation and  
41 the commissioner deem necessary. A copy of the transfer approval certif-  
42 icate must be attached to each transferee's tax return. The commissioner  
43 of parks, recreation and historic preservation, in consultation with the  
44 commissioner, may establish such other procedures and standards deemed  
45 necessary for the transferability of credits allowed under this subdivi-  
46 sion.

47 (D) The commissioner of parks, recreation and historic preservation  
48 shall forward copies of all transfer applications and attachments there-  
49 to and approval certificates to the commissioner within thirty days  
50 after the transfer is approved.

51 (E) A taxpayer allowed a credit pursuant to section forty-seven of the  
52 internal revenue code with respect to a qualified rehabilitation that is  
53 also the subject of the credit allowed by this subdivision shall remain  
54 solely liable for all obligations and liabilities imposed on the taxpay-  
55 er with respect to the credit allowed by this subdivision, none of which



1 shall apply to a party to whom the credit has been subsequently trans-  
2 ferred.

3 (8) The commissioner shall submit a report to the governor, the tempo-  
4 rary president of the senate, the speaker of the assembly, the chair of  
5 the senate finance committee, the chair of the senate housing committee,  
6 the chair of the assembly ways and means committee, and the chair of the  
7 assembly housing committee on or before November first, two thousand  
8 twenty-five and annually thereafter. Such report shall include the  
9 aggregate amount of credits claimed pursuant to this subdivision on  
10 returns filed during the preceding calendar year and shall be made  
11 publicly available on the department's website on the same day the  
12 report is submitted.

13 § 3-a. Section 14.05 of the parks, recreation and historic preserva-  
14 tion law is amended by adding a new subdivision 5 to read as follows:

15 5. The commissioner shall submit a report to the governor, the tempo-  
16 rary president of the senate, the speaker of the assembly, the chair of  
17 the senate finance committee, the chair of the senate housing committee,  
18 the chair of the assembly ways and means committee, and the chair of the  
19 assembly housing committee on or before November first, two thousand  
20 twenty-five and annually thereafter. Such report shall be made publicly  
21 available on the office's website on the same day the report is submit-  
22 ted and shall include the following information related to tax credits  
23 pursuant to subsection (oo) of section six hundred six of the tax law,  
24 subdivision twenty-six of section two hundred ten-B of the tax law, and  
25 subdivision (y) of section fifteen hundred eleven of the tax law organ-  
26 ized by project size, municipality and county:

27 (a) the aggregate number and value of projects applied for during the  
28 preceding calendar year;

29 (b) the aggregate number and value of the projects deemed eligible to  
30 receive the tax credit as certified by the office during the preceding  
31 calendar year;

32 (c) the total value of credits certified annually for each of the  
33 taxable years beginning on or after January first, two thousand seven;

34 (d) the number of housing units before and after the completion of a  
35 rehabilitation project during the preceding calendar year;

36 (e) the aggregate number of credits that were authorized to be trans-  
37 ferred during the preceding calendar year; and

38 (f) the aggregate amount of credits claimed pursuant to this subdivi-  
39 sion on returns filed during the preceding calendar year.

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

42

## PART F

43 Section 1. This Part enacts into law major components of legislation  
44 relating to the purchase of residential real property by certain  
45 purchasers, and taxation relating thereto. Each component is wholly  
46 contained within a Subpart identified as Subparts A through C. The  
47 effective date for each particular provision contained within such  
48 Subpart is set forth in the last section of such Subpart. Any provision  
49 in any section contained within a Subpart, including the effective date  
50 of the Subpart, which makes a reference to a section "of this act", when  
51 used in connection with that particular component, shall be deemed to  
52 mean and refer to the corresponding section of the Subpart in which it  
53 is found. Section three of this Part sets forth the general effective  
54 date of this Part.

1

## SUBPART A

2 Section 1. The real property law is amended by adding a new article 16  
3 to read as follows:

4

ARTICLE 16

5

NINETY-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY  
6 RESIDENCES TO CERTAIN PURCHASERS

7

Section 520. Definitions.

8

521. Ninety-day waiting period.

9

522. Enforcement.

10

§ 520. Definitions. As used in this article, the following terms shall  
11 have the following meanings:

12

1. "Community land trust" shall mean a nonprofit organization exempt  
13 from certain taxes pursuant to section 501 (c) (3) or section 501(c) (4)  
14 of the United States internal revenue code and/or that is incorporated  
15 under the not-for-profit corporation law whose primary purpose is to  
16 provide affordable housing by owning land and leasing or selling resi-  
17 dential housing situated on that land to households that meet certain  
18 income requirements.

19

2. (a) "Covered entity" shall mean an institutional real estate inves-  
20 tor or an entity that receives funding from an institutional real estate  
21 investor for the purchase of a single-family residence or two-family  
22 residence. A loan provided in exchange for a mortgage of the residence  
23 that is being purchased shall not be considered funding for the purposes  
24 of this subdivision, provided that such mortgage must be of a type which  
25 members of the general public can apply.

26

(b) "Covered entity" shall not include:

27

(i) an organization which is described in section 501(c)(3) of the  
28 Internal Revenue Code and exempt from tax under section 501(a) of the  
29 Internal Revenue Code;

30

(ii) a land bank; or

31

(iii) a community land trust.

32

3. (a) "Institutional real estate investor" shall mean an entity or  
33 combined group that:

34

(i) manages or receives funds from an investor or funds pooled from  
35 investors and acts as a fiduciary with respect to one or more investors;  
36 and

37

(ii) owns ten or more single-family residences and/or two-family resi-  
38 dences; or

39

(iii) has five million dollars or more in net value and/or assets  
40 under management on any day during the taxable year.

41

(b) An entity is considered owning a single-family residence or two-  
42 family residence if it directly owns the single-family residence or  
43 two-family residence or indirectly owns ten percent or more of the  
44 single-family residence or two-family residence.

45

(c) An institutional real estate investor shall also include an indi-  
46 vidual or entity who, directly or indirectly, through any contract,  
47 arrangement, understanding, relationship, or otherwise:

48

(i) exercises substantial control over another entity; or

49

(ii) owns or controls not less than twenty-five percent of the owner-  
50 ship interests of another entity.

51

4. "Land bank" shall mean an entity created in accordance with article  
52 sixteen of the not-for-profit corporation law.

53

5. "Single-family residence" shall mean a residential property  
54 consisting of one dwelling unit; provided that such term shall not  
55 include:



1 (a) any single-family residence that is to be used as the principal  
2 residence of any person who has an ownership interest in the covered  
3 entity that seeks to purchase the single-family residence; or

4 (b) any single-family residence constructed, acquired, or operated  
5 with federal, state, or local appropriated funding sources.

6 6. "Two-family residence" shall mean a residential property consisting  
7 of two dwelling units; provided that such term shall not include:

8 (a) any two-family residence in which one of the dwelling units is to  
9 be used as the principal residence of any person who has an ownership  
10 interest in the covered entity that seeks to purchase the two-family  
11 residence; or

12 (b) any two-family residence constructed, acquired, or operated with  
13 federal, state, or local appropriated funding sources.

14 § 521. Ninety-day waiting period. 1. Notwithstanding any other  
15 provision of law, on and after July first, two thousand twenty-five, it  
16 shall be unlawful for a covered entity to purchase, acquire, or offer to  
17 purchase or acquire any interest in a single-family residence or two-fa-  
18 family residence unless the single-family residence or two-family resi-  
19 dence has been listed for sale to the general public for at least ninety  
20 days.

21 2. The ninety-day waiting period set forth in subdivision one of this  
22 section shall restart if the seller changes the asking price for the  
23 single-family residence or two-family residence, and a covered entity  
24 shall be prohibited from purchasing, acquiring, or offering to purchase  
25 or acquire any interest in the single-family residence or two-family  
26 residence until it has been listed for sale to the general public at the  
27 new asking price for at least an additional ninety days.

28 3. A covered entity that violates this section may be subject to civil  
29 damages and penalties in an amount not to exceed two hundred fifty thou-  
30 sand dollars.

31 4. At the time an offer is made by a covered entity purchasing such  
32 residence it shall be required to submit to the seller or anyone acting  
33 as an agent for such seller, a form that has been signed by the covered  
34 entity purchaser, or an authorized agent thereof, and notarized, stating  
35 that the purchaser is a covered entity.

36 (a) This form shall be filed with the attorney general's office upon  
37 receipt by the seller or anyone acting as an agent for such seller.

38 (b) Following the closing of such property, the form must be recorded  
39 in the office of clerk of the county or the office of registrar of the  
40 city where such real property is situated, and such county clerk or city  
41 registrar shall, upon the request of any party, on tender of the fee of  
42 ten percent of the purchase price therefor, record the same in said  
43 office. The recording officer shall deduct fifty percent of collected  
44 fees and remit the remainder of the revenue collected to the commission-  
45 er of tax and finance every month for deposit into the general fund for  
46 allocation to the division of housing and community renewal for housing  
47 programs to support first time homebuyers and provides closing cost  
48 assistance. The amount duly deducted by the recording officer shall be  
49 retained by the county or by the city of New York.

50 (c) Any covered entity or covered entity's agent that violates this  
51 section may be subject to civil damages and penalties in an amount not  
52 to exceed ten thousand dollars.

53 5. The following form shall be completed by a covered entity purchas-  
54 ing a single-family residence or two-family residence:

55 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

1 Pursuant to Article 16 of the New York State Real Property Law,  
 2 covered entities are required to wait at least 90 days after a single-  
 3 family residence or two-family residence has been listed for sale to the  
 4 general public to purchase, acquire, or offer to purchase or acquire any  
 5 interest in the single-family residence or two-family residence. This  
 6 form shall be filed with the attorney general's office upon receipt by  
 7 the seller or anyone acting as an agent for such seller. Prior to final-  
 8 izing the sale, the covered entity or its agent is required to complete  
 9 this form stating that the purchaser is a covered entity and submit this  
 10 form at the time of the sale with the county clerk or office of the  
 11 registrar of the city where the real property is situated.

12 The buyer of this single-family residence or two-family residence is a  
 13 covered entity as defined in New York State Real Property Law § 520. The  
 14 buyer is subject to the statutory 90-day waiting period. Failure to  
 15 comply with the 90-day waiting period may result in civil fines and  
 16 penalties.

17 Any covered entity or covered entity's agent that does not complete  
 18 and submit this form as required by statute, or abide by the statutory  
 19 waiting period, may be liable for civil damages.

20 IDENTIFYING INFORMATION

21 BUYER OR BUYERS OF THIS RESIDENCE:

22 \_\_\_\_\_  
 23 Printed Name and Mailing Address

24 \_\_\_\_\_  
 25 Printed Name and Mailing Address

26 By signing this form, the buyer or its agent affirms that the statements  
 27 herein are true under the penalties of perjury.

28 SIGNATURE OF BUYER(S) OR ITS AGENT OF THIS SINGLE-FAMILY RESIDENCE OR  
 29 TWO-FAMILY RESIDENCE:

30 \_\_\_\_\_  
 31 Signature Date

32 \_\_\_\_\_  
 33 Signature Date

34 \_\_\_\_\_  
 35 SIGNATURE OF WITNESSES

36 \_\_\_\_\_  
 37 Signature Date

38 \_\_\_\_\_  
 39 Signature Date

40 \_\_\_\_\_  
 41 NOTARY ACKNOWLEDGEMENT

42 (insert notary acknowledgement for this form here)"

43 § 522. Enforcement. Notwithstanding any other provision of law, the  
 44 attorney general of the state of New York shall have the authority to  
 45 enforce the provisions of section five hundred twenty-one of this arti-  
 46 cle by applying, in the name of the people of the state of New York, to  
 47 the supreme court of the state of New York, on notice of five days, for  
 48 an order enjoining the continuance of such violative activity, including  
 49 but not limited to by bringing an action for injunctive or declaratory  
 50 relief if a single-family residence or two-family residence is in the  
 51 process of being or has been sold in a manner that contravenes the  
 52 requirements of section five hundred twenty-one of this article, and  
 53 imposing civil damages and penalties pursuant to subdivisions three and  
 54 four of section five hundred twenty-one of this article, as applicable.

55 § 2. Severability. If any provision of this act, or any application of  
 56 any provision of this act, is held to be invalid, that shall not affect

1 the validity or effectiveness of any other provision of this act, or of  
2 any other application of any provision of this act, which can be given  
3 effect without that provision or application; and to that end, the  
4 provisions and applications of this act are severable.

5 § 3. This act shall take effect on the one hundred twentieth day after  
6 it shall have become a law.

7

## SUBPART B

8 Section 1. Subdivision 9 of section 208 of the tax law is amended by  
9 adding a new paragraph (c-4) to read as follows:

10 (c-4) Depreciation and interest deduction adjustments for covered  
11 properties owned by an institutional real estate investor. (1) Notwith-  
12 standing any other provision of this section, in the case of a corpo-  
13 ration or combined group that is an institutional real estate investor  
14 or a partner, member or shareholder of an entity that is an institu-  
15 tional real estate investor, entire net income shall be computed with  
16 the adjustments for depreciation and interest related to covered proper-  
17 ties as set forth in this paragraph.

18 (2) Definitions. (A) (i) "Institutional real estate investor" means an  
19 entity or combined group that (I) manages or receives funds from an  
20 investor or funds pooled from investors and acts as a fiduciary with  
21 respect to one or more investors, and (II) owns ten or more covered  
22 properties, or (III) has five million dollars or more in net value  
23 and/or assets under management on any day during the taxable year. (ii)  
24 An entity is considered owning a covered property if it directly owns  
25 the covered property or indirectly owns ten percent or more of the  
26 covered property. An institutional real estate investor shall also  
27 include an individual or entity who, directly or indirectly, through any  
28 contract, arrangement, understanding, relationship, or otherwise: (I)  
29 exercises substantial control over another entity; or (II) owns or  
30 controls not less than twenty-five percent of the ownership interests of  
31 another entity.

32 (B) "Covered property" means a residential property consisting of no  
33 more than two dwelling units located in New York state.

34 (3) Depreciation deductions. With respect to covered properties, no  
35 deduction for depreciation allowed under the internal revenue code or  
36 this section shall be allowed.

37 (4) Interest deductions. With respect to covered properties, the  
38 interest deduction for federal income tax purposes allowed under section  
39 one hundred sixty-three of the internal revenue code shall not be  
40 allowed and must be added back in the computation of entire net income,  
41 except with respect to interest paid or accrued in the taxable year when  
42 such covered property is sold to an individual for use as the principal  
43 residence of such individual or sold to a nonprofit organization that  
44 has as its principal purpose the creation, development, or preservation  
45 of affordable housing. For purposes of this subparagraph, any amount of  
46 interest that would have been allowed under section one hundred sixty-  
47 three of the internal revenue code in connection with a covered property  
48 but for an election to treat such interest as chargeable to capital  
49 account shall be treated as an amount allowed under section one hundred  
50 sixty-three of the internal revenue code.

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

53 (y) Depreciation and interest adjustments for covered properties owned  
54 by an institutional real estate investor. (1) Notwithstanding any other

1 provision of this section, in the case of a taxpayer that is a partner,  
2 member or shareholder of an entity that is an institutional real estate  
3 investor as defined in paragraph (c-4) of subdivision nine of section  
4 two hundred eight of this chapter, New York adjusted gross income shall  
5 be computed with adjustments for depreciation and interest related to  
6 covered properties as set forth in this subsection.

7 (2) Depreciation deductions. With respect to covered properties, no  
8 deduction for depreciation allowed under the internal revenue code or  
9 this section shall be allowed.

10 (3) Federal interest deductions. With respect to covered properties,  
11 the interest deduction for federal income tax purposes allowed under  
12 section one hundred sixty-three of the internal revenue code shall not  
13 be allowed and must be added back in the computation of New York  
14 adjusted gross income, except with respect to interest paid or accrued  
15 in the taxable year when such covered property is sold to an individual  
16 for use as the principal residence of such individual or sold to a  
17 nonprofit organization that has as its principal purpose the creation,  
18 development, or preservation of affordable housing. For purposes of this  
19 paragraph, any amount of interest that would have been allowed under  
20 section one hundred sixty-three of the internal revenue code in  
21 connection with a covered property but for an election to treat such  
22 interest as chargeable to capital account shall be treated as an amount  
23 allowed under section one hundred sixty-three of the internal revenue  
24 code.

25 § 3. Subdivision (b) of section 1503 of the tax law is amended by  
26 adding a new paragraph 17 to read as follows:

27 (17) Depreciation and interest adjustments for covered properties  
28 owned by an institutional real estate investor. (A) Notwithstanding any  
29 other provision of this section, in the case of a taxpayer that is an  
30 institutional real estate investor or partner, member or shareholder of  
31 an entity that is an institutional real estate investor as defined in  
32 paragraph (c-4) of subdivision nine of section two hundred eight of this  
33 chapter, entire net income shall be computed with adjustments for depre-  
34 ciation and interest related to covered properties as set forth in this  
35 paragraph.

36 (B) Depreciation deductions. With respect to covered properties, no  
37 deduction for depreciation allowed under the internal revenue code or  
38 this section shall be allowed.

39 (C) Federal interest deductions. With respect to covered properties,  
40 the interest deduction for federal income tax purposes allowed under  
41 section one hundred sixty-three of the internal revenue code shall not  
42 be allowed and must be added back in the computation of entire net  
43 income, except with respect to interest paid or accrued in the taxable  
44 year when such covered property is sold to an individual for use as the  
45 principal residence of such individual or sold to a nonprofit organiza-  
46 tion that has as its principal purpose the creation, development, or  
47 preservation of affordable housing. For purposes of this subparagraph,  
48 any amount of interest that would have been allowed under section one  
49 hundred sixty-three of the internal revenue code in connection with a  
50 covered property but for an election to treat such interest as chargea-  
51 ble to capital account shall be treated as an amount allowed under  
52 section one hundred sixty-three of the internal revenue code.

53 § 4. This act shall take effect immediately and shall apply to taxable  
54 years beginning on or after January 1, 2025.

1 Section 1. Subdivision 3 of section 442-h of the real property law, as  
2 amended by chapter 505 of the laws of 2001, is amended to read as  
3 follows:

4 3. (a) If the secretary of state determines that some owners of resi-  
5 dential real property within a defined geographic area are subject to  
6 intense and repeated solicitation by real estate brokers and salesper-  
7 sons to place their property for sale with such real estate brokers or  
8 salespersons, or are subject to intense and repeated solicitation by  
9 other persons regularly engaged in the trade or business of buying and  
10 selling real estate to sell their real estate, the secretary of state  
11 may adopt a rule establishing a cease and desist zone, which zone shall  
12 be bounded or otherwise specifically defined in the rule. After the  
13 secretary of state has established a cease and desist zone, the owners  
14 of residential real property located within the zone may file an owner's  
15 statement with the secretary of state expressing their wish [not] to  
16 opt-out of the cease and desist and be solicited by real estate brokers,  
17 salespersons or other persons regularly engaged in the trade or business  
18 of buying and selling real estate. The form and content of the statement  
19 shall be prescribed by the secretary of state. After a cease and desist  
20 zone has been established by the secretary of state, no real estate  
21 broker, salesperson or other person regularly engaged in the trade or  
22 business of buying and selling real estate shall solicit a listing from  
23 any owner of residential real property located in the zone, other than  
24 an owner who has filed a statement with the secretary of state [if such  
25 owner's name] and appears on the current cease and desist opt-out list  
26 prepared by the secretary of state. The prohibition on solicitation  
27 shall apply to direct forms of solicitation such as the use of the tele-  
28 phone, the mail, personal contact and other forms of direct solicitation  
29 as may be specified by the secretary of state.

30 (b) The secretary of state shall compile a cease and desist opt-out  
31 list for each zone established pursuant to paragraph (a) of this subdi-  
32 vision. In addition to such other information as the secretary of state  
33 may deem appropriate, each cease and desist opt-out list shall contain  
34 the name of each owner who has filed an owner's statement with the  
35 secretary, as well as the address of the property within the zone to  
36 which the owner's statement applies. The secretary of state shall send  
37 to each owner who has filed an owner's statement a written acknowledge-  
38 ment of the secretary of state's receipt thereof and a pamphlet explain-  
39 ing to the owner [his or her] their rights in connection therewith [and  
40 the procedures and time limits applicable to the filing of complaints  
41 for violations]. The secretary of state shall allow [an] any owner who  
42 files, or on behalf of whom is filed, a complaint or other report of a  
43 violation of a cease and desist rule ninety days in which to perfect a  
44 complaint by submitting such other or further information or documents  
45 as the secretary of state may require. The secretary of state shall  
46 print [a] an opt-out list for each zone. Each opt-out list shall be  
47 revised and reprinted at least annually on or before December thirty-  
48 first and shall be made available to the public and to real estate  
49 brokers at a reasonable price to be set by the secretary of state and  
50 approved by the director of the division of the budget. Additions or  
51 deletions shall be made to each opt-out list only at the time the opt-  
52 out list is reprinted, and the secretary of state shall not issue amend-  
53 ments or addenda to any printed opt-out list.

54 (c) No rule establishing a cease and desist zone shall be effective  
55 for longer than five years. However, the secretary of state may re-adopt  
56 the rule to continue the cease and desist zone for additional periods

1 not to exceed five years each. Whenever a rule establishing a cease and  
2 desist zone shall have expired or shall have been repealed, all owner's  
3 statements filed with the secretary of state pursuant to that rule shall  
4 also expire. However, an owner may file a new statement with the secre-  
5 tary of state if a new rule is adopted establishing a cease and desist  
6 zone containing the owner's property. Once the boundaries of a cease and  
7 desist zone have been established by rule of the secretary of state, the  
8 boundaries may not be changed except by repeal of the existing rule and  
9 adoption of a new rule establishing the new boundaries.

10 § 2. This act shall take effect on the one hundred twentieth day after  
11 it shall have become a law. Effective immediately, the addition, amend-  
12 ment and/or repeal of any rule or regulation necessary for the implemen-  
13 tation of this act on its effective date are authorized to be made and  
14 completed on or before such effective date.

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

24 § 3. This act shall take effect immediately, provided, however, that  
25 the applicable effective date of Subparts A through C of this act shall  
26 be as specifically set forth in the last section of such Subparts.

27 PART G

28 Intentionally Omitted

29 PART H

30 Section 1. This Part enacts into law major components of legislation  
31 relating to the excelsior jobs program and the empire state jobs  
32 retention program. Each component is wholly contained within a Subpart  
33 identified as Subpart A and Subpart B. The effective date for each  
34 particular provision contained within such Subpart is set forth in the  
35 last section of such Subpart. Any provision in any section contained  
36 within a Subpart, including the effective date of the Subpart, which  
37 makes a reference to a section "of this act", when used in connection  
38 with that particular component, shall be deemed to mean and refer to the  
39 corresponding section of the Subpart in which it is found. Section three  
40 of this Part sets forth the general effective date of this Part.

41 SUBPART A

42 Section 1. Section 352 of the economic development law is amended by  
43 adding a new subdivision 25 to read as follows:

44 25. "Semiconductor supply chain project" means a project deemed by the  
45 commissioner to make products or develop technologies that: (a) are  
46 primarily aimed at supporting the growth of the semiconductor manufac-  
47 turing and related equipment and material supplier sector; (b) includes  
48 sustainability measures to mitigate the project's greenhouse gas emis-  
49 sions impact over its lifetime; (c) provides for the payment of not



1 less than federal prevailing wage rates for its project construction;  
2 (d) makes commitments to worker and community investment, including  
3 through training and education benefits paid by the participant and  
4 programs to expand employment opportunity for economically disadvantaged  
5 individuals; and (e) will create at least fifty net new jobs. "Semicon-  
6 ductor supply chain project" shall include, but need not be limited to,  
7 semiconductor device manufacturing, producers of component parts, direct  
8 input materials and equipment necessary for the manufacture of semicon-  
9 ductor chips, machinery, equipment, and materials necessary for the  
10 operational efficiency of semiconductor manufacturing facilities, other  
11 such inputs directly supportive of the domestic production of semicon-  
12 ductor chips, and companies engaged in the assembly, testing, packaging  
13 and advanced packaging semiconductor value chain. "Semiconductor supply  
14 chain project" shall not include a project primarily composed of: (i)  
15 machinery, equipment, or materials that are inputs to manufacturing  
16 generally, but are not direct inputs to semiconductor manufacturing in  
17 specific; (ii) the production of products or development of technologies  
18 that would produce only marginal and incremental benefits to the semi-  
19 conductor manufacturing sector; (iii) projects that would otherwise  
20 qualify as a Green CHIPS project as defined in section twenty-four of  
21 this section.

22 § 2. Paragraphs (m) and (n) of subdivision 1 of section 353 of the  
23 economic development law, as amended by chapter 494 of the laws of 2022,  
24 are amended and a new paragraph (o) is added to read as follows:

25 (m) as a participant operating in one of the industries listed in  
26 paragraphs (a) through (k) of this subdivision and operating or sponsor-  
27 ing child care services to its employees as defined in section three  
28 hundred fifty-two of this article; [or]

29 (n) as a Green CHIPS project[.]; or

30 (o) as a company operating in one of the industries listed in para-  
31 graphs (a) through (k) of this subdivision and engaging in a semiconduc-  
32 tor supply chain project as defined in section three hundred fifty-two  
33 of this article.

34 § 3. Subdivision 3 of section 353 of the economic development law, as  
35 amended by chapter 494 if the laws of 2022, is amended to read as  
36 follows:

37 3. For the purposes of this article, in order to participate in the  
38 excelsior jobs program, a business entity operating predominantly in  
39 manufacturing must create at least five net new jobs; a business entity  
40 operating predominately in agriculture must create at least five net new  
41 jobs; a business entity operating predominantly as a financial service  
42 data center or financial services customer back office operation must  
43 create at least twenty-five net new jobs; a business entity operating  
44 predominantly in scientific research and development must create at  
45 least five net new jobs; a business entity operating predominantly in  
46 software development must create at least five net new jobs; a business  
47 entity creating or expanding back office operations must create at least  
48 twenty-five net new jobs; a business entity operating predominately in  
49 music production must create at least five net new jobs; a business  
50 entity operating predominantly as an entertainment company must create  
51 or obtain at least one hundred net new jobs; or a business entity oper-  
52 ating predominantly as a distribution center in the state must create at  
53 least fifty net new jobs, notwithstanding subdivision five of this  
54 section; or a business entity operating predominately as a life sciences  
55 company must create at least five net new jobs; or a business entity  
56 must be a regionally significant project or Green CHIPS project as

1 defined in this article; or a business entity must be a semiconductor  
2 supply chain project as defined by this article and that creates at  
3 least fifty net new jobs.

4 § 4. Subdivisions 1, 2 and 3 of section 355 of the economic develop-  
5 ment law, as amended by chapter 494 of the laws of 2022, are amended to  
6 read as follows:

7 1. Excelsior jobs tax credit component. A participant in the excelsior  
8 jobs program shall be eligible to claim a credit for each net new job it  
9 creates in New York state. In a project that is not a green project, the  
10 amount of such credit per job shall be equal to the product of the gross  
11 wages paid and up to 6.85 percent. In a green project, or a Green CHIPS  
12 project, the amount of such credit per job shall be equal to the product  
13 of the gross wages paid and up to 7.5 percent. Provided, however, given  
14 the transformational nature of Green CHIPS projects, only the first two  
15 hundred thousand dollars of gross wages per job shall be eligible for  
16 this credit. The maximum amount of gross wages per job for a Green CHIPS  
17 project may be adjusted for inflation at an annual amount determined by  
18 the commissioner in a manner substantially similar to the cost of living  
19 adjustments calculated by the United States Social Security Adminis-  
20 tration based on changes in consumer price indices or a rate of four  
21 percent per year, whichever is higher. In a semiconductor supply chain  
22 project, the amount of such credit per job shall be equal to the product  
23 of the gross wages paid and up to seven percent.

24 2. Excelsior investment tax credit component. A participant in the  
25 excelsior jobs program shall be eligible to claim a credit on qualified  
26 investments. In a project that is not a green project, the credit shall  
27 be equal to two percent of the cost or other basis for federal income  
28 tax purposes of the qualified investment. In a green project, the credit  
29 shall be equal to five percent of the cost or other basis for federal  
30 income tax purposes of the qualified investment. In a project for child  
31 care services or a Green CHIPS project, the credit shall be up to five  
32 percent of the cost or other basis for federal income tax purposes of  
33 the qualified investment in child care services or in the Green CHIPS  
34 project as applicable. In a semiconductor supply chain project, the  
35 credit shall be up to three percent of the cost or other basis for  
36 federal income tax purposes of the qualified investment. A participant  
37 may not claim both the excelsior investment tax credit component and the  
38 investment tax credit set forth in subdivision one of section two  
39 hundred ten-B, subsection (a) of section six hundred six, the former  
40 subsection (i) of section fourteen hundred fifty-six, or subdivision (q)  
41 of section fifteen hundred eleven of the tax law for the same property  
42 in any taxable year, except that a participant may claim both the  
43 excelsior investment tax credit component and the investment tax credit  
44 for research and development property. In addition, a taxpayer who or  
45 which is qualified to claim the excelsior investment tax credit compo-  
46 nent and is also qualified to claim the brownfield tangible property  
47 credit component under section twenty-one of the tax law may claim  
48 either the excelsior investment tax credit component or such tangible  
49 property credit component, but not both with regard to a particular  
50 piece of property. A credit may not be claimed until a business enter-  
51 prise has received a certificate of tax credit, provided that qualified  
52 investments made on or after the issuance of the certificate of eligi-  
53 bility but before the issuance of the certificate of tax credit to the  
54 business enterprise, may be claimed in the first taxable year for which  
55 the business enterprise is allowed to claim the credit. Expenses



|    |                       |             |
|----|-----------------------|-------------|
| 1  | \$ 36 million         | 2024        |
| 2  | \$ 200 million        | 2025        |
| 3  | \$ 200 million        | 2026        |
| 4  | \$ 200 million        | 2027        |
| 5  | \$ 200 million        | 2028        |
| 6  | \$ 200 million        | 2029        |
| 7  | <u>\$ 200 million</u> | <u>2030</u> |
| 8  | <u>\$ 200 million</u> | <u>2031</u> |
| 9  | <u>\$ 200 million</u> | <u>2032</u> |
| 10 | <u>\$ 200 million</u> | <u>2033</u> |
| 11 | <u>\$ 200 million</u> | <u>2034</u> |

12 2. Twenty-five percent of tax credits shall be allocated to businesses  
 13 accepted into the program under subdivision four of section three  
 14 hundred fifty-three of this article and seventy-five percent of tax  
 15 credits shall be allocated to businesses accepted into the program under  
 16 subdivision three of section three hundred fifty-three of this article.

17 3. Provided, however, if by September thirtieth of a calendar year,  
 18 the department has not allocated the full amount of credits available in  
 19 that year to either: (i) businesses accepted into the program under  
 20 subdivision four of section three hundred fifty-three of this article or  
 21 (ii) businesses accepted into the program under subdivision three of  
 22 section three hundred fifty-three of this article, the commissioner may  
 23 allocate any remaining tax credits to businesses referenced in this  
 24 paragraph as needed; provided, however, that under no circumstances may  
 25 the aggregate statutory cap for all program years be exceeded. One  
 26 hundred percent of the unawarded amounts remaining at the end of two  
 27 thousand twenty-nine may be allocated in subsequent years, notwithstand-  
 28 ing the fifty percent limitation on any amounts of tax credits not  
 29 awarded in taxable years two thousand eleven through two thousand twen-  
 30 ty-nine. Provided, however, no tax credits may be allowed for taxable  
 31 years beginning on or after January first, two thousand [forty] forty-  
 32 five.

33 4. The total amount of tax credits issued by the commissioner for the  
 34 taxable years two thousand twenty-two to two thousand forty-one for  
 35 Green CHIPS projects shall not exceed five hundred million per year. One  
 36 hundred percent of any amount of tax credits not awarded for a partic-  
 37 ular taxable year may be used by the commissioner to award tax credits  
 38 in another taxable year. Notwithstanding the foregoing, Green CHIPS  
 39 projects may be allowed to claim credits for taxable years up to January  
 40 first, two thousand fifty.

41 § 6. Article 22 of the economic development law, as added by section 1  
 42 of part O of chapter 59 of the laws of 2015, sections 441 and 442 as  
 43 amended by section 1 of part L of chapter 59 of the laws of 2017, subdi-  
 44 vision 3 of section 441 as amended by section 1, paragraph (b) of subdi-  
 45 vision 1 of section 442 as amended by section 2, and paragraph (a) of  
 46 subdivision 2 of section 443 as amended by section 3 of part B of chap-  
 47 ter 59 of the laws of 2019, is amended to read as follows:

48 ARTICLE 22

49 EMPLOYEE TRAINING INCENTIVE PROGRAM

50 Section 441. Definitions.

51 442. Eligibility criteria.

52 443. Application and approval process.

53 444. Powers and duties of the commissioner.

54 445. Recordkeeping requirements.

55 446. Cap on tax credit.

1           447. Reporting.

2       § 441. Definitions. As used in this article, the following terms shall  
3 have the following meanings:

4       1. "Approved provider" means an entity meeting such criteria as shall  
5 be established by the commissioner in rules and regulations promulgated  
6 pursuant to this article, that may provide eligible training to employ-  
7 ees of a business entity participating in the employee training incen-  
8 tive program; provided that, for internship programs, the business enti-  
9 ty shall be an approved provider or an approved provider in contract  
10 with such business entity. Such criteria shall ensure that any approved  
11 provider possess adequate credentials to provide the training described  
12 in an application by a business entity to the commissioner to partic-  
13 ipate in the employee training incentive program.

14       2. "Commissioner" means the commissioner of economic development.

15       3. "Eligible training" means (a) training provided by the business  
16 entity or an approved provider that is:

17       (i) to upgrade, retrain or improve the productivity of employees;

18       (ii) provided to employees in connection with a significant capital  
19 investment by a participating business entity;

20       (iii) determined by the commissioner to satisfy a business need on the  
21 part of a participating business entity;

22       (iv) not designed to train or upgrade skills as required by a federal  
23 or state entity;

24       (v) not training the completion of which may result in the awarding of  
25 a license or certificate required by law in order to perform a job func-  
26 tion; and

27       (vi) not culturally focused training; or

28       (b) an internship program in advanced technology, life sciences, soft-  
29 ware development or clean energy approved by the commissioner and  
30 provided by the business entity or an approved provider, on or after  
31 August first, two thousand fifteen, to provide employment and experience  
32 opportunities for current students, recent graduates, and recent members  
33 of the armed forces.

34       4. "Life sciences" means agricultural biotechnology, biogenetics,  
35 bioinformatics, biomedical engineering, biopharmaceuticals, academic  
36 medical centers, biotechnology, chemical synthesis, chemistry technolo-  
37 gy, medical diagnostics, genomics, medical image analysis, marine biolo-  
38 gy, medical devices, medical nanotechnology, natural product pharmaceu-  
39 ticals, proteomics, regenerative medicine, RNA interference, stem cell  
40 research, medical and neurological clinical trials, health robotics and  
41 veterinary science. "Life sciences company" is a business entity or an  
42 organization or institution that devotes the majority of its efforts in  
43 the various stages of research, development, technology transfer and  
44 commercialization related to any life sciences field.

45       5. "Manufacturing business" means a business that is engaged in the  
46 process of working raw materials into products suitable for use or which  
47 gives new shapes, new quality or new combinations to matter which has  
48 already gone through some artificial process by the use of machinery,  
49 tools, appliances, or other similar equipment. "Manufacturing" does not  
50 include an operation that involves only the assembly of components,  
51 provided, however, that the assembly of motor vehicles or other high  
52 value-added products shall be considered manufacturing.

53       6. "Significant capital investment" means a capital investment in new  
54 business processes or equipment, the cost of which is equal to or  
55 exceeds ten dollars for every one dollar of tax credit allowed to an  
56 eligible business entity under this program pursuant to subdivision

1 fifty of section two hundred ten-B or subsection (ddd) of section six  
2 hundred six of the tax law.

3 [6.] 7. "Semiconductor manufacturing business" means a business deemed  
4 by the commissioner to make products or develop technologies that are  
5 primarily aimed at supporting the growth of the semiconductor manufac-  
6 turing and related equipment and material supplier sector. This shall  
7 include, but need not be limited to, semiconductor device manufacturing,  
8 producers of component parts, direct input materials and equipment  
9 necessary for the manufacture of semiconductor chips, machinery, equip-  
10 ment, and materials necessary for the operational efficiency of semicon-  
11 ductor manufacturing facilities, other such inputs directly supportive  
12 of the domestic production of semiconductor chips, and companies engaged  
13 in the assembly, testing, packaging and advanced packaging semiconductor  
14 value chain. The "semiconductor and supply chain" tier shall not include  
15 a project primarily composed of: (a) machinery, equipment, or materials  
16 that are inputs to manufacturing generally, but are not direct inputs to  
17 semiconductor manufacturing in specific; or (b) the production of  
18 products or development of technologies that would produce only marginal  
19 and incremental benefits to the semiconductor manufacturing sector.

20 8. "Strategic industry" means an industry in this state, as  
21 established by the commissioner in regulations promulgated pursuant to  
22 this article, based upon the following criteria:

- 23 (a) shortages of workers trained to work within the industry;  
24 (b) technological disruption in the industry, requiring significant  
25 capital investment for existing businesses to remain competitive;  
26 (c) the ability of businesses in the industry to relocate outside of  
27 the state in order to attract talent;  
28 (d) the potential to recruit minorities and women to be trained to  
29 work in the industry in which they are traditionally underrepresented;  
30 (e) the potential to create jobs in economically distressed areas,  
31 which shall be based on criteria indicative of economic distress,  
32 including poverty rates, numbers of persons receiving public assistance,  
33 and unemployment rates; or  
34 (f) such other criteria as shall be developed by the commissioner in  
35 consultation with the commissioner of labor.

36 9. "Wrap around services" means transportation, childcare, case  
37 management and other services designed to maximize the economic impact  
38 of workforce development training for participants, and to provide the  
39 support services necessary to ensure trainees can access training.

40 § 442. Eligibility criteria. In order to participate in the employee  
41 training incentive program, a business entity must satisfy the following  
42 criteria:

- 43 1. (a) The business entity must operate in the state predominantly in  
44 a strategic industry;  
45 (b) The business entity must demonstrate that it is conducting eligi-  
46 ble training or obtaining eligible training from an approved provider;  
47 (c) The business entity must make a significant capital investment in  
48 connection with the eligible training; and  
49 (d) The business entity must be in compliance with all worker  
50 protection and environmental laws and regulations. In addition, the  
51 business entity may not owe past due state taxes or local property  
52 taxes; or  
53 2. (a) The business entity, or an approved provider in contract with  
54 such business entity, must be approved by the commissioner to provide  
55 eligible training in the form of an internship program in advanced tech-



1 nology or at a life sciences company pursuant to paragraph (b) of subdi-  
2 vision three of section four hundred forty-one of this article;

3 (b) The business entity must be located in the state;

4 (c) The business entity must be in compliance with all worker  
5 protection and environmental laws and regulations. In addition, the  
6 business entity must not have past due state taxes or local property  
7 taxes;

8 (d) The internship program shall not displace regular employees;

9 (e) The business entity must have less than one hundred employees,  
10 provided, however, that this restriction shall not apply to business  
11 entities defined in subdivision seven of section four hundred forty-one  
12 of this article; [and]

13 (f) The business entity must agree to allow the department and the  
14 department of taxation and finance to share and exchange information  
15 contained in or derived from the applications or admission into the  
16 employee training incentive program, the credit claim forms submitted to  
17 the department of taxation and finance. However, any information shared  
18 as a result of this agreement shall not be available for disclosure or  
19 inspection under the state freedom of information law; and

20 (g) Participation of an individual in an internship program shall not  
21 last more than a total of twelve months.

22 § 443. Application and approval process. 1. A business entity must  
23 submit a completed application in such form and with such information as  
24 prescribed by the commissioner.

25 2. As part of such application, each business entity must:

26 (a) provide such documentation as the commissioner may require in  
27 order for the commissioner to determine that the business entity intends  
28 to conduct eligible training or procure eligible training for its  
29 employees from an approved provider;

30 (b) agree to allow the department of taxation and finance to share its  
31 tax information with the department. However, any information shared as  
32 a result of this agreement shall not be available for disclosure or  
33 inspection under the state freedom of information law;

34 (c) agree to allow the department of labor to share its tax and  
35 employer information with the department. However, any information  
36 shared as a result of this agreement shall not be available for disclo-  
37 sure or inspection under the state freedom of information law;

38 (d) allow the department and its agents access to any and all books  
39 and records the department may require to monitor compliance;

40 (e) provide a clear and detailed presentation of all related persons  
41 to the applicant to assure the department that jobs are not being shift-  
42 ed within the state; and

43 (f) certify, under penalty of perjury, that it is in substantial  
44 compliance with all environmental, worker protection, and local, state,  
45 and federal tax laws.

46 3. The commissioner may approve an application from a business entity  
47 upon determining that such business entity meets the eligibility crite-  
48 ria established in section four hundred forty-two of this article.  
49 Following approval by the commissioner of an application by a business  
50 entity to participate in the employee training incentive program, the  
51 commissioner shall issue a certificate of tax credit to the business  
52 entity upon its demonstrating successful completion of such eligible  
53 training to the satisfaction of the commissioner.

54 (a) For eligible training as defined by paragraph (a) of subdivision  
55 three of section four hundred forty-one of this article the amount of  
56 the credit shall be equal to fifty percent of eligible training costs,

1 up to a credit of ten thousand dollars per employee receiving eligible  
2 training. For eligible training as defined by paragraph (b) of subdivi-  
3 sion three of section four hundred forty-one of this article, the amount  
4 of the credit shall be equal to fifty percent of the stipend paid to an  
5 intern, up to a credit of three thousand dollars per intern. The tax  
6 credits shall be claimed by the qualified employer as specified in  
7 subdivision fifty of section two hundred ten-B and subsection (ddd) of  
8 section six hundred six of the tax law.

9 (b) For eligible training for businesses defined in subdivisions five  
10 and seven of section four hundred forty-one of this article, the amount  
11 of the credit shall be equal to seventy-five percent of wages, salaries  
12 or other compensation, training costs, and wrap around services, up to a  
13 credit of twenty-five thousand dollars per employee receiving eligible  
14 training, up to one million dollars per eligible non-semiconductor manu-  
15 facturing business and up to five million dollars per eligible semicon-  
16 ductor manufacturing business. The tax credits shall be claimed by the  
17 qualified employer as specified in subdivision sixty-two of section two  
18 hundred ten-B and subsection (sss) of section six hundred six of the  
19 tax law. For the purposes of this paragraph "wrap around services" means  
20 transportation, childcare, case management and other services designed  
21 to maximize the economic impact of workforce development training for  
22 participants, and to provide the support services necessary to ensure  
23 trainees can access training.

24 § 444. Powers and duties of the commissioner. 1. The commissioner  
25 shall, in consultation with the commissioner of labor, promulgate regu-  
26 lations consistent with the purposes of this article that, notwithstand-  
27 ing any provisions to the contrary in the state administrative procedure  
28 act, may be adopted on an emergency basis. Such regulations shall  
29 include, but not be limited to, eligibility criteria for business enti-  
30 ties desiring to participate in the employee training incentive program,  
31 procedures for the receipt and evaluation of applications from business  
32 entities to participate in the program, and such other provisions as the  
33 commissioner deems to be appropriate in order to implement the  
34 provisions of this article.

35 2. The commissioner shall, in consultation with the department of  
36 taxation and finance, develop a certificate of tax credit that shall be  
37 issued by the commissioner to participating business entities. Partic-  
38 ipants may be required by the commissioner of taxation and finance to  
39 include the certificate of tax credit with their tax return to receive  
40 any tax benefits under this article.

41 3. The commissioner shall solely determine the eligibility of any  
42 applicant applying for entry into the program and shall remove any  
43 participant from the program for failing to meet any of the requirements  
44 set forth in subdivision one of section four hundred forty-two of this  
45 article or for making a material misrepresentation with respect to its  
46 participation in the employee training incentive program.

47 § 445. Recordkeeping requirements. Each business entity participating  
48 in the employee training incentive program shall maintain all relevant  
49 records for the duration of its program participation plus three years.

50 § 446. Cap on tax credit. [The] 1. Except as provided in subdivision  
51 two of this section, the total amount of tax credits listed on certifi-  
52 icates of tax credit issued by the commissioner for any taxable year may  
53 not exceed five million dollars, and shall be allotted from the funds  
54 available for tax credits under the excelsior jobs program act pursuant  
55 to section three hundred fifty-nine of this chapter, provided however,  
56 that the portion of this tax credit cap allocated to internship programs



1 in advanced technology shall be not less than two hundred fifty thousand  
2 dollars nor more than one million dollars.

3 2. For business entities defined in subdivision seven of section four  
4 hundred forty-one of this article, the total amount of tax credits list-  
5 ed on certificates of tax credit issued by the commissioner for any  
6 taxable year may not exceed twenty million dollars, and shall be allot-  
7 ted from the funds available for tax credits under the excelsior jobs  
8 program act pursuant to section three hundred fifty-nine of this chap-  
9 ter.

10 § 447. Reporting. The commissioner shall prepare an annual employee  
11 incentive training program report that shall be posted on the depart-  
12 ment's website. Such report shall also be sent to the governor, the  
13 temporary president of the senate, and the speaker of the assembly. The  
14 first report shall be due February first, two thousand twenty-six, and  
15 annually thereafter. In preparing the report, the department shall  
16 coordinate with the urban development corporation and its subsidiaries,  
17 the department of taxation and finance and other relevant agencies or  
18 entities. Such report shall include, but need not be limited to: a list-  
19 ing of approved providers; the number of business participants by  
20 sector; the number of internships made available and filled by partic-  
21 ipating business entities; the total tax credits awarded; and the total  
22 number of trainees and interns assisted.

23 § 7. The economic development law is amended by adding a new article  
24 17-A to read as follows:

25

ARTICLE 17-A

26

SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

27

Section 359-a. Short title.

28

359-b. Statement of legislative findings and declaration.

29

359-c. Definitions.

30

359-d. Eligibility criteria.

31

359-e. Application and approval process.

32

359-f. Powers and duties of the commissioner.

33

359-g. Semiconductor research and development tax credit.

34

359-h. Reporting.

35

§ 359-a. Short title. This article shall be known and may be cited as  
36 the "semiconductor research and development project act".

37

§ 359-b. Statement of legislative findings and declaration. It is  
38 hereby found and declared that New York state needs, as a matter of  
39 public policy, to create competitive financial incentives to attract  
40 large scale semiconductor research and development projects to New York  
41 state, and to position New York state to be at the center of cutting  
42 edge innovations in the semiconductor industry.

43

§ 359-c. Definitions. For the purposes of this article:

44

1. "Certificate of eligibility" means the document issued by the  
45 department to an applicant that has completed an application to be  
46 admitted into the semiconductor research and development project program  
47 and has been accepted into the program by the department. Possession of  
48 a certificate of eligibility does not by itself guarantee the eligibil-  
49 ity to claim the tax credit.

50

2. "Certificate of tax credit" means the document issued to a partic-  
51 ipant by the department, after the department has verified that the  
52 participant has met all applicable eligibility criteria in this article.  
53 The certificate shall be issued annually if such criteria are satisfied  
54 and shall specify the exact amount of the tax credit under this article



1 that a participant may claim and shall specify the taxable year in which  
2 such credit may be claimed.

3 3. "Participant" means a business entity that:

4 (a) has completed an application prescribed by the department to be  
5 admitted into the program;

6 (b) has been issued a certificate of eligibility by the department;

7 (c) has demonstrated that it meets the eligibility criteria in section  
8 three hundred fifty-nine-d and subdivision two of section three hundred  
9 fifty-nine-e of this article; and

10 (d) has been certified as a participant by the commissioner.

11 4. "Preliminary schedule of benefits" means the aggregate amount of  
12 the tax credit that a participant in the semiconductor research and  
13 development project program may be eligible to receive pursuant to this  
14 article. The schedule shall indicate the annual amount of the credit a  
15 participant may claim in each of its ten years of eligibility. The  
16 preliminary schedule of benefits shall be issued by the department when  
17 the department approves the application for admission into the program.

18 5. "Qualified investment" means an investment in tangible property  
19 (including a building or a structural component of a building) owned by  
20 a business enterprise which:

21 (a) is depreciable pursuant to section one hundred sixty-seven of the  
22 internal revenue code;

23 (b) has a useful life of four years or more;

24 (c) is acquired by purchase as defined in section one hundred seven-  
25 ty-nine (d) of the internal revenue code;

26 (d) has a situs in this state; and

27 (e) is placed in service in the state on or after the date the certif-  
28 icate of eligibility is issued to the business enterprise.

29 6. "Semiconductor research and development project" means a project  
30 for a physical research and development facility, deemed by the commis-  
31 sioner as being primarily aimed at supporting research and development  
32 within the semiconductor manufacturing and related equipment and materi-  
33 al supplier sector. Such project shall: (a) incur at least one hundred  
34 million dollars in qualified investment in New York state; (b) include  
35 sustainability measures to mitigate the project's greenhouse gas emis-  
36 sions impact over its lifetime; (c) provide for the payment of not less  
37 than federal prevailing wage rates for its project construction; (d)  
38 make commitments to worker and community investment, including through  
39 training and education benefits paid by the participant and programs to  
40 expand employment opportunity for economically disadvantaged individ-  
41 uals; (e) create at least two hundred fifty net new jobs; and (f) main-  
42 tain a benefit-cost ratio of at least fifteen to one. Such project must  
43 lead to the establishment and operation of a research and development  
44 facility separate and apart from new or existing semiconductor or semi-  
45 conductor supply chain manufacturing facilities.

46 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-  
47 ductor research and development project program, a business entity shall  
48 operate in New York state and be undertaking a semiconductor research  
49 and development project as defined in section three hundred fifty-nine-c  
50 of this article.

51 2. A business entity must be in compliance with all worker protection  
52 and environmental laws and regulations. In addition, a business entity  
53 may not owe past due state taxes or local property taxes unless the  
54 business entity is making payments and complying with an approved bind-  
55 ing payment agreement entered into with the taxing authority.

1 § 359-e. Application and approval process. 1. A business enterprise  
2 must submit a completed application as prescribed by the commissioner.

3 2. As part of such application, each business enterprise must:

4 (a) Agree to allow the department of taxation and finance to share the  
5 business enterprise's tax information with the department. However, any  
6 information shared as a result of this agreement shall not be available  
7 for disclosure or inspection under the state freedom of information law;

8 (b) Agree to allow the department of labor to share its employer  
9 information with the department. However, any information shared as a  
10 result of this agreement shall not be available for disclosure or  
11 inspection under the state freedom of information law;

12 (c) Allow the department and its agents access to any and all books  
13 and records the department may require to monitor compliance;

14 (d) Provide to the department, upon request, a plan outlining the  
15 schedule for meeting the investment requirements as set forth in subdi-  
16 vision six of section three hundred fifty-nine-c of this article. Such  
17 plan must include the amount and description of projected qualified  
18 investments for which it plans to claim the semiconductor research and  
19 development tax credit;

20 (e) Agree to allow the department and the department of taxation and  
21 finance to share and exchange information contained in or derived from  
22 the applications for admission into the semiconductor research and  
23 development project program and the credit claim forms submitted to the  
24 department of taxation and finance. However, any information shared as a  
25 result of this agreement shall not be available for disclosure or  
26 inspection under the state freedom of information law.

27 (f) Certify, under penalty of perjury, that it is in substantial  
28 compliance with all environmental, worker protection, and local, state,  
29 and federal tax laws.

30 3. After reviewing a business enterprise's completed application and  
31 determining that the business enterprise will meet the condition set  
32 forth in subdivision six of section three hundred fifty-nine-c of this  
33 article, the department may admit the applicant into the program and  
34 provide the applicant with a certificate of eligibility and a prelimi-  
35 nary schedule of benefits by year based on the applicant's projections  
36 as set forth in its application. This preliminary schedule of benefits  
37 delineates the maximum possible benefits an applicant may receive.

38 4. In order to become a participant in the program, an applicant must  
39 submit evidence that it satisfies the eligibility criteria specified in  
40 section three hundred fifty-nine-d of this article and subdivision two  
41 of this section in such form as the commissioner may prescribe. After  
42 reviewing such evidence and finding it sufficient, the department shall  
43 certify the applicant as a participant and issue to that participant a  
44 certificate of tax credit for one taxable year. To receive a certificate  
45 of tax credit for subsequent taxable years, the participant must submit  
46 to the department a performance report demonstrating that the partic-  
47 ipant continues to satisfy the eligibility criteria specified in this  
48 article.

49 5. A participant may claim tax benefits commencing in the first taxa-  
50 ble year that the business enterprise receives a certificate of tax  
51 credit. A participant may claim such benefits for the next nine consec-  
52 utive taxable years, provided that the participant demonstrates to the  
53 department that it continues to satisfy the eligibility criteria speci-  
54 fied in section three hundred fifty-nine-d of this article and subdivi-  
55 sion two of this section in each of those taxable years.

1 § 359-f. Powers and duties of the commissioner. 1. The commissioner  
2 may promulgate regulations establishing an application process and  
3 eligibility criteria, that will be applied consistent with the purposes  
4 of this article, so as not to exceed the annual cap on tax credits set  
5 forth in section three hundred fifty-nine-g of this article which,  
6 notwithstanding any provisions to the contrary in the state administra-  
7 tive procedure act, may be adopted on an emergency basis.

8 2. The commissioner shall, in consultation with the department of  
9 taxation and finance, develop a certificate of tax credit that shall be  
10 issued by the commissioner to participants. Participants must include  
11 the certificate of tax credit with their tax return to receive any tax  
12 benefits under this article.

13 3. The commissioner shall solely determine the eligibility of any  
14 applicant applying for entry into the program and shall remove any  
15 participant from the program for failing to meet any of the requirements  
16 set forth in subdivision six of section three hundred fifty-nine-c of  
17 this article and section three hundred fifty-nine-d of this article.

18 § 359-g. Semiconductor research and development tax credit. 1. A  
19 participant in the semiconductor research and development project  
20 program shall be eligible to claim a credit on qualified investments in  
21 semiconductor research and development projects in New York state. The  
22 amount of such credit shall be equal to fifteen percent of the cost or  
23 other basis for federal income tax purposes of the qualified investment.

24 2. The total amount of tax credits listed on certificates of tax cred-  
25 it issued by the commissioner shall be allotted from the funds available  
26 for Green CHIPS tax credits as provided under subdivision four of  
27 section three hundred fifty-nine of this chapter.

28 § 359-h. Reporting. The commissioner shall prepare an annual semicon-  
29 ductor research and development project program report that shall be  
30 posted on the department's website. Such report shall also be sent to  
31 the governor, the temporary president of the senate, and the speaker of  
32 the assembly. The first report will be due February first, two thousand  
33 twenty-six, and annually thereafter. Such report shall include informa-  
34 tion on the utilization of the semiconductor research and development  
35 project program, including but not be limited to, the following: number  
36 of applicants; number of participants approved; names of business enti-  
37 ties; total amount of benefits certified; benefits received per business  
38 entity; total number of net new jobs created; number of net new jobs  
39 created per business entity; estimate on direct and indirect returns on  
40 the investment; and such other information as the commissioner deter-  
41 mines is necessary and appropriate.

42 § 8. Section 210-B of the tax law is amended by adding a new subdivi-  
43 sion 61 to read as follows:

44 61. Semiconductor research and development tax credit. (a) Allowance  
45 of credit. A taxpayer that has been approved by the commissioner of  
46 economic development to participate in the semiconductor research and  
47 development program and has been issued a certificate of tax credit  
48 pursuant to section three hundred fifty-nine-e of the economic develop-  
49 ment law shall be allowed to claim a credit against the tax imposed by  
50 this article. The credit shall equal up to fifteen percent of the cost  
51 or other basis for federal income tax purposes of the qualified invest-  
52 ment and shall be allowable in each taxable year for which the commis-  
53 sioner of economic development has issued a certificate of tax credit,  
54 for up to ten consecutive taxable years. In no event shall a taxpayer be  
55 allowed a credit greater than the amount of credit listed on the certif-  
56 icate of tax credit issued by the commissioner of economic development.

1 No cost or expense paid or incurred by the taxpayer that is the basis  
2 for this credit shall be the basis for any other tax credit provided by  
3 this chapter.

4 (b) Application of credit. The credit allowed under this subdivision  
5 for any taxable year may not reduce the tax due for such year to less  
6 than the amount prescribed in paragraph (d) of subdivision one of  
7 section two hundred ten of this article. However, if the amount of cred-  
8 it allowed under this subdivision for any taxable year reduces the tax  
9 to such amount, or if the taxpayer otherwise pays tax based on the fixed  
10 dollar minimum amount, any amount of credit thus not deductible in that  
11 taxable year will be treated as an overpayment of tax to be credited or  
12 refunded in accordance with the provisions of section one thousand  
13 eighty-six of this chapter. Provided, however, the provisions of  
14 subsection (c) of section one thousand eighty-eight of this chapter  
15 notwithstanding, no interest will be paid thereon.

16 (c) Reporting. The taxpayer shall attach to its tax return its certif-  
17 icate of tax credit issued by the commissioner of economic development  
18 pursuant to section three hundred fifty-nine-e of the economic develop-  
19 ment law. In no event shall the taxpayer be allowed a credit greater  
20 than the amount of the credit listed on the certificate of tax credit,  
21 or in the case of a taxpayer who is a partner in a partnership, a member  
22 of a limited liability company, or shareholder in an S corporation, its  
23 pro rata share of the amount of credit listed on the certificate of tax  
24 credit.

25 (d) Credit recapture. If a certificate of eligibility or a certificate  
26 of tax credit issued by the department of economic development under  
27 article seventeen-A of the economic development law is revoked by such  
28 department because the taxpayer does not meet the eligibility require-  
29 ment set forth in subdivision six of section three hundred fifty-nine-c  
30 of the economic development law, the amount of credit described in this  
31 subdivision and claimed by the taxpayer prior to that revocation shall  
32 be added back to tax in the taxable year in which any such revocation  
33 becomes final.

34 § 9. Section 606 of the tax law is amended by adding a new subsection  
35 (rrr) to read as follows:

36 (rrr) Semiconductor research and development tax credit. (1) Allowance  
37 of credit. A taxpayer that has been approved by the commissioner of  
38 economic development to participate in the semiconductor research and  
39 development tax credit program and has been issued a certificate of tax  
40 credit pursuant to section three hundred fifty-nine-e of the economic  
41 development law shall be allowed to claim a credit against the tax  
42 imposed by this article. The credit shall equal up to fifteen percent of  
43 the cost or other basis for federal income tax purposes of the qualified  
44 investment and shall be allowable in each taxable year for which the  
45 commissioner of economic development has issued a certificate of tax  
46 credit, for up to ten consecutive taxable years. In no event shall a  
47 taxpayer be allowed a credit greater than the amount listed on the  
48 certificate of tax credit issued by the commissioner of economic devel-  
49 opment. In the case of a taxpayer who is a partner in a partnership,  
50 member of a limited liability company or shareholder in an S corpo-  
51 ration, the taxpayer shall be allowed its pro rata share of the credit  
52 earned by the partnership, limited liability company or S corporation.  
53 No cost or expense paid or incurred by the taxpayer that is the basis  
54 for this credit shall be the basis for any other tax credit provided by  
55 this chapter.

1     (2) Application of credit. If the amount of the credit allowed under  
2 this subsection for any taxable year exceeds the taxpayer's tax for the  
3 taxable year, the excess shall be treated as an overpayment of tax to be  
4 credited or refunded in accordance with the provisions of section six  
5 hundred eighty-six of this article, provided, however, no interest will  
6 be paid thereon.

7     (3) Reporting. The taxpayer shall attach to its tax return its certifi-  
8 cate of tax credit issued by the commissioner of economic development  
9 pursuant to section three hundred fifty-nine-e of the economic develop-  
10 ment law. In no event shall the taxpayer be allowed a credit greater  
11 than the amount of the credit listed on the certificate of tax credit,  
12 or in the case of a taxpayer who is a partner in a partnership, a member  
13 of a limited liability company, or shareholder in an S corporation, its  
14 pro rata share of the amount of credit listed on the certificate of tax  
15 credit.

16     (4) Credit recapture. If a certificate of eligibility or a certificate  
17 of tax credit issued by the department of economic development under  
18 article seventeen-A of the economic development law is revoked by such  
19 department because the taxpayer does not meet the eligibility require-  
20 ment set forth in subdivision six of section three hundred fifty-nine-c  
21 of economic development law, the amount of credit described in this  
22 subdivision and claimed by the taxpayer prior to that revocation shall  
23 be added back to tax in the taxable year in which any such revocation  
24 becomes final.

25     § 10. Section 210-B of the tax law is amended by adding a new subdivi-  
26 sion 62 to read as follows:

27     62. Employee training incentive program for semiconductor manufactur-  
28 ing workforce tax credit. (a) Allowance of tax credit. A taxpayer that  
29 has been approved by the commissioner of economic development to partic-  
30 ipate in the employee training incentive program and has been issued a  
31 certificate of tax credit pursuant to paragraph (b) of subdivision three  
32 of section four hundred forty-three of the economic development law  
33 shall be allowed to claim a credit against the tax imposed by this arti-  
34 cle. The credit shall equal seventy-five percent of wages, salaries or  
35 other compensation, training costs, and wrap around services, up to a  
36 credit of twenty-five thousand dollars per employee receiving eligible  
37 training, up to one million dollars per eligible non-semiconductor manu-  
38 facturing business and up to five million dollars per eligible semicon-  
39 ductor manufacturing business pursuant to paragraph (b) of subdivision  
40 three of section four hundred forty-three of the economic development  
41 law. The credit shall equal fifty percent of a taxpayer's eligible  
42 training costs, up to a credit of ten thousand dollars per employee  
43 completing eligible training pursuant to paragraph (a) of subdivision  
44 three of section four hundred forty-one of the economic development  
45 law. The credit shall equal fifty percent of the stipend paid to an  
46 intern, up to a credit of three thousand dollars per intern completing  
47 eligible training pursuant to paragraph (b) of subdivision three  
48 of section four hundred forty-one of the economic development law. In  
49 no event shall a taxpayer be allowed a credit greater than the amount of  
50 credit listed on the certificate of tax credit issued by the commission-  
51 er of economic development. The credit shall be allowed in the taxable  
52 year in which the eligible training is completed. No cost or other  
53 expense paid or incurred by the taxpayer that is the basis for this  
54 credit shall be the basis for any other tax credit provided by this  
55 chapter.

1 (b) Application of credit. The credit allowed under this subdivision  
2 for any taxable year may not reduce the tax due for such year to less  
3 than the amount prescribed in paragraph (d) of subdivision one of  
4 section two hundred ten of this article. However, if the amount of cred-  
5 it allowed under this subdivision for any taxable year reduces the tax  
6 to such amount, or if the taxpayer otherwise pays tax based on the fixed  
7 dollar minimum amount, any amount of credit thus not deductible in that  
8 taxable year will be treated as an overpayment of tax to be credited or  
9 refunded in accordance with the provisions of section one thousand  
10 eighty-six of this chapter. Provided, however, the provisions of  
11 subsection (c) of section one thousand eighty-eight of this chapter  
12 notwithstanding, no interest will be paid thereon.

13 (c) Reporting. The taxpayer shall attach to its tax return its certif-  
14 icate of tax credit issued by the commissioner of economic development  
15 pursuant to paragraph (b) of subdivision three of section four hundred  
16 forty-three of the economic development law. In no event shall the  
17 taxpayer be allowed a credit greater than the amount of the credit list-  
18 ed on the certificate of tax credit, or in the case of a taxpayer who is  
19 a partner in a partnership, a member of a limited liability company, or  
20 shareholder in an S corporation, its pro rata share of the amount of  
21 credit listed in the certificate of tax credit.

22 (d) Credit recapture. If a certificate of eligibility or a certificate  
23 of tax credit issued by the department of economic development under  
24 article twenty-two of the economic development law is revoked by such  
25 department because the taxpayer does not meet the eligibility require-  
26 ment set forth in subdivision three of section five hundred three of the  
27 economic development law, the amount of credit described in this subdi-  
28 vision and claimed by the taxpayer prior to that revocation shall be  
29 added back to tax in the taxable year in which any such revocation  
30 becomes final.

31 § 11. Section 606 of the tax law is amended by adding a new subsection  
32 (sss) to read as follows:

33 (sss) Employee training incentive program for semiconductor workforce  
34 tax credit. (1) Allowance of tax credit. A taxpayer that has been  
35 approved by the commissioner of economic development to participate in  
36 the employee training incentive program and has been issued a certif-  
37 icate of tax credit pursuant to paragraph (b) of subdivision three of  
38 section four hundred forty-three of the economic development law shall  
39 be allowed to claim a credit against the tax imposed by this article.  
40 The credit shall equal seventy-five percent of wages, salaries or other  
41 compensation, training costs, and wrap around services, up to a credit  
42 of twenty-five thousand dollars per employee receiving eligible train-  
43 ing, up to one million dollars per eligible non-semiconductor manufac-  
44 turing business and up to five million dollars per eligible semiconduc-  
45 tor manufacturing business pursuant to paragraph (b) of subdivision  
46 three of section four hundred forty-three of the economic development  
47 law. The credit shall equal fifty percent of a taxpayer's eligible  
48 training costs, up to a credit of ten thousand dollars per employee  
49 completing eligible training pursuant to paragraph (a) of subdivision  
50 three of section four hundred forty-one of the economic development law.  
51 The credit shall equal fifty percent of the stipend paid to an intern,  
52 up to a credit of three thousand dollars per intern completing eligible  
53 training pursuant to paragraph (b) of subdivision three of section four  
54 hundred forty-one of the economic development law. In no event shall a  
55 taxpayer be allowed a credit greater than the amount listed on the  
56 certificate of tax credit issued by the commissioner of economic devel-

1 opment. In the case of a taxpayer who is a partner in a partnership,  
2 member of a limited liability company or shareholder in an S corpo-  
3 ration, the taxpayer shall be allowed its pro rata share of the credit  
4 earned by the partnership, limited liability company or S corporation.  
5 The credit shall be allowed in the taxable year in which the eligible  
6 training is completed. No cost or expense paid or incurred by the  
7 taxpayer that is the basis for this credit shall be the basis for any  
8 other tax credit provided by this chapter.

9 (2) Application of credit. If the amount of the credit allowed under  
10 this subsection for any taxable year exceeds the taxpayer's tax for the  
11 taxable year, the excess shall be treated as an overpayment of tax to be  
12 credited or refunded in accordance with the provisions of section six  
13 hundred eighty-six of this article, provided, however, no interest will  
14 be paid thereon.

15 (3) Reporting. The taxpayer shall attach to its tax return its certif-  
16 icate of tax credit issued by the commissioner of economic development  
17 pursuant to paragraph (b) of subdivision three of section four hundred  
18 forty-three of the economic development law. In no event shall the  
19 taxpayer be allowed a credit greater than the amount of the credit list-  
20 ed on the certificate of tax credit, or in the case of a taxpayer who is  
21 a partner in a partnership, a member of a limited liability company, or  
22 shareholder in an S corporation, its pro rata share of the amount of  
23 credit listed on the certificate of tax credit.

24 (4) Credit recapture. If a certificate of eligibility or a certificate  
25 of tax credit issued by the department of economic development under  
26 article twenty-two of the economic development law is revoked by such  
27 department because the taxpayer does not meet the eligibility require-  
28 ment set forth in paragraph (b) of subdivision three of section four  
29 hundred forty-three of the economic development law, the amount of cred-  
30 it described in this subsection and claimed by the taxpayer prior to  
31 that revocation shall be added back to tax in the taxable year in which  
32 any such revocation becomes final.

33 § 12. This act shall take effect immediately and apply to taxable  
34 years beginning on or after January 1, 2025.

35

## SUBPART B

36 Section 1. Section 421 of the economic development law, as added by  
37 section 1 of part E of chapter 56 of the laws of 2011, is amended to  
38 read as follows:

39 § 421. Statement of legislative findings and declaration. It is hereby  
40 found and declared that New York state needs, as a matter of public  
41 policy, to create competitive financial incentives to retain [strategic]  
42 businesses, including small businesses and jobs that are at risk of  
43 leaving the state or closing operations due to the impact on its busi-  
44 ness operations of an event leading to an emergency declaration by the  
45 governor. The empire state jobs retention program is created to support  
46 the retention of the state's [most strategic] businesses, including  
47 small businesses in the event of an emergency.

48 This legislation creates a jobs tax credit for each job of a [strate-  
49 gic] business, including a small business directly impacted by an emer-  
50 gency and protects state taxpayers' dollars by ensuring that New York  
51 provides tax benefits only to businesses that can demonstrate substan-  
52 tial physical damage and economic harm resulting from an event leading  
53 to an emergency declaration by the governor.





1 § 2. Section 422 of the economic development law, as added by section  
2 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
3 follows:

4 § 422. Definitions. For the purposes of this article:

5 1. ["Agriculture" means both agricultural production (establishments  
6 performing the complete farm or ranch operation, such as farm owner-op-  
7 erators, tenant farm operators, and sharecroppers) and agricultural  
8 support (establishments that perform one or more activities associated  
9 with farm operation, such as soil preparation, planting, harvesting, and  
10 management, on a contract or fee basis).

11 2. "Back office operations" means a business function that may include  
12 one or more of the following activities: customer service, information  
13 technology and data processing, human resources, accounting and related  
14 administrative functions.

15 3.] "Certificate of eligibility" means the document issued by the  
16 department to an applicant that has completed an application to be  
17 admitted into the empire state jobs retention program and has been  
18 accepted into the program by the department. Possession of a certificate  
19 of eligibility does not by itself guarantee the eligibility to claim the  
20 tax credit.

21 [4.] 2. "Certificate of tax credit" means the document issued to a  
22 participant by the department, after the department has verified that  
23 the participant has met all applicable eligibility criteria in this  
24 article. The certificate shall be issued annually if such criteria are  
25 satisfied and shall specify the exact amount of each tax credit under  
26 this article that a participant may claim, pursuant to section four  
27 hundred twenty-five of this article, and shall specify the taxable year  
28 in which such credit may be claimed.

29 [5. "Distribution center" means a large scale facility involving proc-  
30 essing, repackaging and/or movement of finished or semi-finished goods  
31 to retail locations across a multi-state area.

32 6. "Financial services data centers" or "financial services customer  
33 back office operations" means operations that manage the data or  
34 accounts of existing customers or provide product or service information  
35 and support to customers of financial services companies, including  
36 banks, other lenders, securities and commodities brokers and dealers,  
37 investment banks, portfolio managers, trust offices, and insurance  
38 companies.

39 7.] 3. "Impacted jobs" means jobs [existing] at a business enterprise  
40 [at a location or locations within the county declared an emergency by  
41 the governor on the day immediately preceding the day on which the event  
42 leading to the emergency declaration by the governor occurred] existing  
43 the day before an event leading to an emergency declaration by the  
44 governor at a location or locations which demonstrate substantial phys-  
45 ical damage and economic harm caused by the event for which the emergen-  
46 cy declaration was made.

47 [8. "Manufacturing" means the process of working raw materials into  
48 products suitable for use or which gives new shapes, new quality or new  
49 combinations to matter which has already gone through some artificial  
50 process by the use of machinery, tools, appliances, or other similar  
51 equipment. "Manufacturing" does not include an operation that involves  
52 only the assembly of components, provided, however, the assembly of  
53 motor vehicles or other high value-added products shall be considered  
54 manufacturing.

55 9.] 4. "Participant" means a business entity that:

1 (a) has completed an application prescribed by the department to be  
2 admitted into the program;

3 (b) has been issued a certificate of eligibility by the department;

4 (c) has demonstrated that it meets the eligibility criteria in section  
5 four hundred twenty-three and subdivision two of section four hundred  
6 twenty-four of this article; and

7 (d) has been certified as a participant by the commissioner.

8 [10.] 5. "Preliminary schedule of benefits" means the maximum aggre-  
9 gate amount of the tax credit that a participant in the empire state  
10 jobs retention program is eligible to receive pursuant to this article.  
11 The schedule shall indicate the annual amount of the credit a partic-  
12 ipant may claim in [each of] its [ten years] six months of eligibility.  
13 The preliminary schedule of benefits shall be issued by the department  
14 when the department approves the application for admission into the  
15 program. The commissioner may amend that schedule, provided that the  
16 commissioner complies with the credit caps in section three hundred  
17 fifty-nine of this chapter.

18 [11.] 6. "Related person" means a related person pursuant to subpara-  
19 graph (c) of paragraph three of subsection (b) of section four hundred  
20 sixty-five of the internal revenue code.

21 [12. "Scientific research and development" means conducting research  
22 and experimental development in the physical, engineering, and life  
23 sciences, including but not limited to agriculture, electronics, envi-  
24 ronmental, biology, botany, biotechnology, computers, chemistry, food,  
25 fisheries, forests, geology, health, mathematics, medicine, oceanogra-  
26 phy, pharmacy, physics, veterinary, and other allied subjects. For the  
27 purposes of this article, scientific research and development does not  
28 include medical or veterinary laboratory testing facilities.

29 13. "Software development" means the creation of coded computer  
30 instructions and includes new media as defined by the commissioner in  
31 regulations.]

32 7. "Business entity" means a for profit business duly authorized to do  
33 business in and in good standing in the state of New York.

34 § 3. Section 423 of the economic development law, as added by section  
35 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
36 follows:

37 § 423. Eligibility criteria. 1. [To be a participant in the empire  
38 state jobs retention program, a business entity shall operate in New  
39 York state predominantly:

40 (a) as a financial services data center or a financial services back  
41 office operation;

42 (b) in manufacturing;

43 (c) in software development and new media;

44 (d) in scientific research and development;

45 (e) in agriculture;

46 (f) in the creation or expansion of back office operations in the  
47 state; or

48 (g) in a distribution center.

49 2. When determining whether an applicant is operating predominantly in  
50 one of the industries listed in subdivision one of this section, the  
51 commissioner will examine the nature of the business activity at the  
52 location for the proposed project and will make eligibility determi-  
53 nations based on such activity.

54 3.] For the purposes of this article, in order to participate in the  
55 empire state jobs retention program[, a business entity operating in one  
56 of the strategic industries listed in subdivision one of this section

1 (a) must be located in a county in which an emergency has been declared  
2 by the governor] on or after [January] June first, two thousand [eleven]  
3 twenty-five, [(b)] a business entity must demonstrate substantial phys-  
4 ical damage and economic harm at a location or locations within an area  
5 for which the governor has issued an emergency declaration and resulting  
6 from the event leading to the emergency declaration by the governor, and  
7 [(c) must have had at least one hundred full-time equivalent jobs in the  
8 county in which an emergency has been declared by the governor on the  
9 day immediately preceding the day on which the event leading to the  
10 emergency declaration by the governor occurred, and] must retain or  
11 exceed [that] the number of jobs in New York state that existed the day  
12 before an event leading to such an emergency declaration by the  
13 governor.

14 [4. A not-for-profit business entity, a business entity whose primary  
15 function is the provision of services including personal services, busi-  
16 ness services, or the provision of utilities, a business entity engaged  
17 predominantly in the retail or entertainment industry, or a company  
18 engaged in the generation or distribution of electricity, the distrib-  
19 ution of natural gas, or the production of steam associated with the  
20 generation of electricity are not eligible to receive the tax credit  
21 described in this article.

22 5.] 2. A business entity must be in compliance with all worker  
23 protection and environmental laws and regulations. In addition, a busi-  
24 ness entity may not owe past due state taxes. In addition, a business  
25 entity must not owe local property taxes for any year prior to the year  
26 in which it applies to participate in the empire state jobs retention  
27 program.

28 § 4. Section 424 of the economic development law, as added by section  
29 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
30 follows:

31 § 424. Application and approval process. 1. A business [enterprise]  
32 entity must submit a completed application as prescribed by the commis-  
33 sioner. Such completed application must be submitted to the commissioner  
34 within [(a)] one hundred eighty days of the declaration of an emergency  
35 by the governor in the county in which the business enterprise is  
36 located [or (b) one hundred eighty days of the enactment of this arti-  
37 cle, if such date is later than the date specified in paragraph (a) of  
38 this subdivision]; provided, however, that the eligibility period for  
39 the credit shall begin upon the date of declaration of an emergency by  
40 the governor covering the county in which the business entity is  
41 located.

42 2. As part of such application, each business [enterprise] entity  
43 must:

44 (a) agree to allow the department of taxation and finance to share its  
45 tax information with the department. However, any information shared as  
46 a result of this agreement shall not be available for disclosure or  
47 inspection under the state freedom of information law.

48 (b) agree to allow the department of labor to share its tax and  
49 employer information with the department. However, any information  
50 shared as a result of this agreement shall not be available for disclo-  
51 sure or inspection under the state freedom of information law.

52 (c) allow the department and its agents access to any and all books  
53 and records the department may require to monitor compliance.

54 (d) agree to be permanently disqualified for empire zone tax benefits  
55 at any location or locations that qualify for empire state jobs

1 retention program benefits if admitted into the empire state jobs  
2 retention program.

3 (e) provide the following information to the department upon request:

4 (i) a plan outlining the schedule for meeting the jobs retention  
5 requirements as set forth in subdivision [three] one of section four  
6 hundred twenty-three of this article. Such plan must include details on  
7 jobs titles and expected salaries;

8 (ii) the prior three years of federal and state income or franchise  
9 tax returns, unemployment insurance quarterly returns, real property tax  
10 bills and audited financial statements; and

11 (iii) the employer identification or social security numbers for all  
12 related persons to the applicant, including those of any members of a  
13 limited liability company or partners in a partnership.

14 (f) provide a clear and detailed presentation of all related persons  
15 to the applicant to assure the department that jobs are not being shift-  
16 ed within the state.

17 (g) certify, under penalty of perjury, that it is in substantial  
18 compliance with all environmental, worker protection, and local, state,  
19 and federal tax laws.

20 3. After reviewing a business enterprise's completed application and  
21 determining that the business enterprise will meet the conditions set  
22 forth in subdivision [three] one of section four hundred twenty-three of  
23 this article, the department may admit the applicant into the program  
24 and provide the applicant with a certificate of eligibility and a  
25 preliminary schedule of benefits by year based on the applicant's  
26 projections as set forth in its application. This preliminary schedule  
27 of benefits delineates the maximum possible benefits an applicant may  
28 receive.

29 4. In order to become a participant in the program, an applicant must  
30 submit evidence that it satisfies the eligibility criteria specified in  
31 section four hundred twenty-three of this article and subdivision two of  
32 this section in such form as the commissioner may prescribe. After  
33 reviewing such evidence and finding it sufficient, the department shall  
34 certify the applicant as a participant and issue to that participant a  
35 certificate of tax credit [for one taxable year. To receive a certif-  
36 icate of tax credit for subsequent taxable years, the participant must  
37 submit to the department a performance report demonstrating that the  
38 participant continues to satisfy the eligibility criteria specified in  
39 section four hundred twenty-three of this article and subdivision two of  
40 this section].

41 5. A participant may claim tax benefits commencing in the first taxa-  
42 ble year that the business enterprise receives a certificate of tax  
43 credit or the first taxable year listed on its preliminary schedule of  
44 benefits, whichever is later. [A participant may claim such benefits for  
45 the next nine consecutive taxable years, provided that the participant  
46 demonstrates to the department that it continues to satisfy the eligi-  
47 bility criteria specified in section four hundred twenty-three of this  
48 article and subdivision two of this section in each of those taxable  
49 years.]

50 § 5. Section 425 of the economic development law, as added by section  
51 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
52 follows:

53 § 425. Empire state jobs retention program credit. 1. A participant in  
54 the empire state jobs retention program shall be eligible to claim a  
55 credit for the impacted jobs. [The] For a business entity that employs  
56 three to forty-nine employees, the amount of such credit shall be equal

1 to the product of the gross wages paid for the impacted jobs and [6.85]  
2 up to 15 percent. For a business entity that employs fifty to one  
3 hundred employees, the amount of such credit shall be equal to the prod-  
4 uct of the gross wages paid for the impacted jobs and up to 7.5 percent.  
5 For a business entity that employs greater than one hundred employees,  
6 the amount of such credit shall be equal to the product of the gross  
7 wages paid for the impacted jobs and up to 3.75 percent. An eligible  
8 business entity may only receive up to \$500,000 in tax credits per event  
9 triggering an emergency declaration by the governor.

10 2. The tax credit established in this section shall be refundable as  
11 provided in the tax law. If a participant fails to satisfy the eligibil-  
12 ity criteria [in any one year], it will lose the ability to claim credit  
13 [for that year]. The event of such failure shall not extend the original  
14 [ten-year] six-month eligibility period.

15 3. The business enterprise shall be allowed to claim the credit as  
16 prescribed in section thirty-six of the tax law[; provided, however, a  
17 business enterprise shall not be allowed to claim the credit prior to  
18 tax year two thousand twelve].

19 4. A participant may be eligible for benefits under this article as  
20 well as article seventeen of this chapter, provided the participant can  
21 only receive benefits pursuant to subdivision two of section three  
22 hundred fifty-five of this chapter for costs in excess of costs recov-  
23 ered by insurance.

24 § 6. Section 426 of the economic development law, as added by section  
25 1 of part E of chapter 56 of the laws of 2011, is amended to read as  
26 follows:

27 § 426. Powers and duties of the commissioner. 1. The commissioner  
28 shall promulgate regulations establishing [an] the type of application  
29 process and the eligibility criteria, that will be applied consistent  
30 with the purposes of this article, so as not to exceed thirty million  
31 dollars from the annual cap on tax credits set forth in section three  
32 hundred fifty-nine of this chapter which, notwithstanding any provisions  
33 to the contrary in the state administrative procedure act, may be  
34 adopted on an emergency basis. Such regulations shall include, but not  
35 be limited to, criteria for determining whether a business entity demon-  
36 strates substantial physical damage and economic harm from the event  
37 leading to an emergency declaration by the governor.

38 2. The commissioner shall, in consultation with the department of  
39 taxation and finance, develop a certificate of tax credit that shall be  
40 issued by the commissioner to participants. Participants may be required  
41 by the commissioner of taxation and finance to include the certificate  
42 of tax credit with their tax return to receive any tax benefits under  
43 this article.

44 3. The commissioner shall solely determine the eligibility of any  
45 applicant applying for entry into the program and shall remove any  
46 participant from the program for failing to meet any of the requirements  
47 set forth in subdivision two of section four hundred twenty-four of this  
48 article, or for failing to meet the job retention requirements set forth  
49 in [subdivision three of] section four hundred twenty-three of this  
50 article[, or for failing to meet the requirements of subdivision five of  
51 section four hundred twenty-three of this article].

52 § 7. This act shall take effect immediately.

53 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
54 sion, section or part of this act shall be adjudged by any court of  
55 competent jurisdiction to be invalid, such judgment shall not affect,  
56 impair, or invalidate the remainder thereof, but shall be confined in

1 its operation to the clause, sentence, paragraph, subdivision, section  
2 or part thereof directly involved in the controversy in which such judg-  
3 ment shall have been rendered. It is hereby declared to be the intent of  
4 the legislature that this act would have been enacted even if such  
5 invalid provisions had not been included herein.

6 § 3. This act shall take effect immediately, provided, however, that  
7 the applicable effective date of Subparts A and B of this act shall be  
8 as specifically set forth in the last section of such Subparts.

9

## PART I

10 Section 1. Paragraphs 2 and 5 of subdivision (a) of section 24 of the  
11 tax law, paragraph 2 as amended by section 1 and paragraph 5 as amended  
12 by section 2 of part D of chapter 59 of the laws of 2023, are amended  
13 and a new paragraph 6 is added to read as follows:

14 (2) The amount of the credit shall be the product (or pro rata share  
15 of the product, in the case of a member of a partnership) of thirty  
16 percent and the qualified production costs paid or incurred in the  
17 production of a qualified film, provided that: (i) the qualified  
18 production costs (excluding post production costs) paid or incurred  
19 which are attributable to the use of tangible property or the perform-  
20 ance of services at a qualified film production facility in the  
21 production of such qualified film equal or exceed seventy-five percent  
22 of the production costs (excluding post production costs) paid or  
23 incurred which are attributable to the use of tangible property or the  
24 performance of services at any film production facility within and with-  
25 out the state in the production of such qualified film, and (ii) except  
26 with respect to a qualified independent film production company or  
27 pilot, at least ten percent of the total principal photography shooting  
28 days spent in the production of such qualified film must be spent at a  
29 qualified film production facility. However, if the qualified production  
30 costs (excluding post production costs) which are attributable to the  
31 use of tangible property or the performance of services at a qualified  
32 film production facility in the production of such qualified film is  
33 less than three million dollars, then the portion of the qualified  
34 production costs attributable to the use of tangible property or the  
35 performance of services in the production of such qualified film outside  
36 of a qualified film production facility shall be allowed only if the  
37 shooting days spent in New York outside of a film production facility in  
38 the production of such qualified film equal or exceed seventy-five  
39 percent of the total shooting days spent within and without New York  
40 outside of a film production facility in the production of such quali-  
41 fied film. The credit shall be allowed for the taxable year in which the  
42 production of such qualified film is completed. However, in the case of  
43 a qualified film that receives funds from additional pool 2, no credit  
44 shall be claimed before the later of (1) the taxable year the production  
45 of the qualified film is complete, or (2) the taxable year that includes  
46 the last day of the allocation year for which the film has been allo-  
47 cated credit by the department of economic development. If the amount of  
48 the credit is at least one million dollars but less than five million  
49 dollars, the credit shall be claimed over a two year period beginning in  
50 the first taxable year in which the credit may be claimed and in the  
51 next succeeding taxable year, with one-half of the amount of credit  
52 allowed being claimed in each year. If the amount of the credit is at  
53 least five million dollars, the credit shall be claimed over a three  
54 year period beginning in the first taxable year in which the credit may



1 be claimed and in the next two succeeding taxable years, with one-third  
2 of the amount of the credit allowed being claimed in each year.  
3 Provided, however, in the case of a qualified film for which the credit  
4 application was received on or after January first, two thousand twen-  
5 ty-five, the credit shall be claimed in the taxable year that includes  
6 the last day of the allocation year for which the film has been allo-  
7 cated a credit by the department of economic development.

8 (5) For the period two thousand fifteen through two thousand [thirty-  
9 four] thirty-six, in addition to the amount of credit established in  
10 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
11 equal to (i) the product (or pro rata share of the product, in the case  
12 of a member of a partnership) of ten percent and the wages, salaries or  
13 other compensation constituting qualified production costs as defined in  
14 paragraph two of subdivision (b) of this section, paid to individuals  
15 directly employed by a qualified film production company or a qualified  
16 independent film production company for services performed by those  
17 individuals in one of the counties specified in this paragraph in  
18 connection with a qualified film with a minimum budget of five hundred  
19 thousand dollars, and (ii) the product (or pro rata share of the prod-  
20 uct, in the case of a member of a partnership) of ten percent and the  
21 qualified production costs (excluding wages, salaries or other compen-  
22 sation) paid or incurred in the production of a qualified film where the  
23 property constituting such qualified production costs was used, and the  
24 services constituting such qualified production costs were performed in  
25 any of the counties specified in this paragraph in connection with a  
26 qualified film with a minimum budget of five hundred thousand dollars  
27 where the majority of principal photography shooting days in the  
28 production of such film were shot in any of the counties specified in  
29 this paragraph. Provided, however, that the aggregate total eligible  
30 qualified production costs constituting wages, salaries or other compen-  
31 sation, for writers, directors, composers, producers, and performers  
32 shall not exceed forty percent of the aggregate sum total of all other  
33 qualified production costs. For purposes of the credit, the services  
34 must be performed and the property must be used in one or more of the  
35 following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chau-  
36 tauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutch-  
37 ess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer,  
38 Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara,  
39 Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam,  
40 Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St.  
41 Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washing-  
42 ton, Wayne, Wyoming, or Yates.

43 (6) Production plus program. (i) A taxpayer who is a qualified inde-  
44 pendent film production company or a qualified film production company  
45 engaging in the production of a qualified film that undertakes multiple  
46 productions in New York state may be eligible for a tax credit in addi-  
47 tion to the credit pursuant to paragraph two of this subdivision.  
48 Production companies that submit at least two initial applications to  
49 the empire state film production tax credit program after January first,  
50 two thousand twenty-five the sum of which total at least one hundred  
51 million dollars in qualified production costs in New York state may be  
52 eligible to receive an additional tax credit equal to the product of ten  
53 percent and the qualified production costs incurred on all subsequent  
54 films or television series applied for.

55 (ii) A taxpayer who is a qualified independent film production company  
56 engaging in the production of a feature length film, television film or



1 television series as defined in the regulations promulgated for this  
2 program that undertakes multiple productions in New York state may be  
3 eligible for a tax credit in addition to the credit pursuant to para-  
4 graph two of this subdivision. Production companies that submit at least  
5 two applications to the empire state film production tax credit program  
6 after January first, two thousand twenty-five the sum of which total at  
7 least twenty million in qualified production costs in New York state may  
8 receive an additional tax credit equal to the product of five percent  
9 and the qualified production costs incurred on all subsequent films or  
10 series applied for.

11 (iii) Initial applications for feature length films and new television  
12 series submitted after December thirty-first, two thousand twenty-eight  
13 shall not be eligible for the program pursuant to this paragraph;  
14 provided, however, a television series that enters the program pursuant  
15 to this paragraph before January first, two thousand twenty-nine shall  
16 continue to be eligible.

17 § 2. Paragraphs 2 and 7 of subdivision (b) of section 24 of the tax  
18 law, paragraph 2 as amended by section 3 of part D of chapter 59 of the  
19 laws of 2023, and paragraph 7 as added by section 9 of part Q of chapter  
20 57 of the laws of 2010, are amended to read as follows:

21 (2) "Production costs" means any costs for tangible property used and  
22 services performed directly and predominantly in the production (includ-  
23 ing pre-production and post production) of a qualified film.  
24 "Production costs" shall not include [(i)] costs for a story, script or  
25 scenario to be used for a qualified film [and (ii) wages or salaries or  
26 other compensation for writers, directors, composers, and performers  
27 (other than background actors with no scripted lines) to the extent  
28 those wages or salaries or other compensation exceed five hundred thou-  
29 sand dollars per individual]. "Production costs" generally include the  
30 wages or salaries or other compensation for writers, directors, compos-  
31 ers and performers, technical and crew production costs, such as expend-  
32 itures for film production facilities, or any part thereof, props, make-  
33 up, wardrobe, film processing, camera, sound recording, set  
34 construction, lighting, shooting, editing and meals, and shall include  
35 the wages, salaries or other compensation of no more than two producers  
36 per qualified film[, not to exceed five hundred thousand dollars per  
37 producer, where only one of whom is the principal individual responsible  
38 for overseeing the creative and managerial process of production of the  
39 qualified film and only one of whom is the principal individual respon-  
40 sible for the day-to-day operational management of production of the  
41 qualified film; provided, however, that such producers are not compen-  
42 sated for any other position on the qualified film by a qualified film  
43 production company or a qualified independent film production company  
44 for services performed].

45 (7) "Qualified independent film production company" is a corporation,  
46 partnership, limited partnership, or other entity or individual, that or  
47 who (i) is principally engaged in the production of a qualified film  
48 [with a maximum budget of fifteen million dollars], [and] (ii) [controls  
49 the qualified film during production] is not publicly traded, and (iii)  
50 [either is not a publicly traded entity, or no more than five percent of  
51 the beneficial ownership of which is owned, directly or indirectly, by a  
52 publicly traded entity] is not majority owned, fifty-one percent or more,  
53 by a company publicly traded on a United States stock exchange.

54 § 3. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
55 amended by section 2 of chapter 606 of the laws of 2023, is amended to  
56 read as follows:



1 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
2 subdivision (a) of this section shall be increased by an additional four  
3 hundred twenty million dollars in each year starting in two thousand ten  
4 through two thousand twenty-three and seven hundred million dollars in  
5 each year starting in two thousand twenty-four through two thousand  
6 [thirty-four] thirty-six, provided however, seven million dollars of the  
7 annual allocation shall be available for the empire state film post  
8 production credit pursuant to section thirty-one of this article in two  
9 thousand thirteen and two thousand fourteen, twenty-five million dollars  
10 of the annual allocation shall be available for the empire state film  
11 post production credit pursuant to section thirty-one of this article in  
12 each year starting in two thousand fifteen through two thousand twenty-  
13 three, and forty-five million dollars of the annual allocation shall be  
14 available for the empire state film post production credit pursuant to  
15 section thirty-one of this article in each year starting in two thousand  
16 twenty-four through two thousand [thirty-four] thirty-six. Provided  
17 further, five million dollars of the annual allocation shall be made  
18 available for the television writers' and directors' fees and salaries  
19 credit pursuant to section twenty-four-b of this article in each year  
20 starting in two thousand twenty through two thousand [thirty-four] thir-  
21 ty-six. This amount shall be allocated by the department of economic  
22 development among taxpayers in accordance with subdivision (a) of this  
23 section. If the commissioner of economic development determines that the  
24 aggregate amount of tax credits available from additional pool 2 for the  
25 empire state film production tax credit have been previously allocated,  
26 and determines that the pending applications from eligible applicants  
27 for the empire state film post production tax credit pursuant to section  
28 thirty-one of this article is insufficient to utilize the balance of  
29 unallocated empire state film post production tax credits from such  
30 pool, the remainder, after such pending applications are considered,  
31 shall be made available for allocation in the empire state film tax  
32 credit pursuant to this section, subdivision twenty of section two  
33 hundred ten-B and subsection (gg) of section six hundred six of this  
34 chapter. Also, if the commissioner of economic development determines  
35 that the aggregate amount of tax credits available from additional pool  
36 2 for the empire state film post production tax credit have been previ-  
37 ously allocated, and determines that the pending applications from  
38 eligible applicants for the empire state film production tax credit  
39 pursuant to this section is insufficient to utilize the balance of unal-  
40 located film production tax credits from such pool, then all or part of  
41 the remainder, after such pending applications are considered, shall be  
42 made available for allocation for the empire state film post production  
43 credit pursuant to this section, subdivision thirty-two of section two  
44 hundred ten-B and subsection (qq) of section six hundred six of this  
45 chapter. The department of economic development must notify taxpayers of  
46 their allocation year and include the allocation year on the certificate  
47 of tax credit. Taxpayers eligible to claim a credit must report the  
48 allocation year directly on their empire state film production credit  
49 tax form for each year a credit is claimed and include a copy of the  
50 certificate with their tax return. In the case of a qualified film that  
51 receives funds from additional pool 2 where the taxpayer filed an  
52 initial application before April first, two thousand twenty-three and  
53 before January first, two thousand twenty-five, no empire state film  
54 production credit shall be claimed before the later of (1) the taxable  
55 year the production of the qualified film is complete, or (2) the taxa-  
56 ble year immediately following the allocation year for which the film



1 has been allocated credit by the department of economic development. In  
2 the case of a qualified film that receives funds from additional pool 2  
3 where the taxpayer filed an initial application on or after April first,  
4 two thousand twenty-three and before January first, two thousand twen-  
5 ty-five, no empire state film production credit shall be claimed before  
6 the later of (1) the taxable year the production of the qualified film  
7 is complete, or (2) the taxable year that includes the last day of the  
8 allocation year for which the film has been allocated credit by the  
9 department of economic development. In the case of a qualified film for  
10 which the taxpayer filed an initial application on or after January  
11 first, two thousand twenty-five, the credit shall be claimed in the  
12 taxable year that includes the last day of the allocation year for which  
13 the production of such qualified film has been allocated a credit by the  
14 department of economic development.

15 § 4. Paragraph 4 of subdivision (e) of section 24 of the tax law, as  
16 amended by section 3 of chapter 606 of the laws of 2023, is amended to  
17 read as follows:

18 (4) Additional pool 2 - The aggregate amount of tax credits allowed in  
19 subdivision (a) of this section shall be increased by an additional four  
20 hundred twenty million dollars in each year starting in two thousand ten  
21 through two thousand twenty-three and seven hundred million dollars each  
22 year starting in two thousand twenty-four through two thousand [thirty-  
23 four] thirty-six, provided however, seven million dollars of the annual  
24 allocation shall be available for the empire state film post production  
25 credit pursuant to section thirty-one of this article in two thousand  
26 thirteen and two thousand fourteen, twenty-five million dollars of the  
27 annual allocation shall be available for the empire state film post  
28 production credit pursuant to section thirty-one of this article in each  
29 year starting in two thousand fifteen through two thousand twenty-three,  
30 and forty-five million dollars of the annual allocation shall be avail-  
31 able for the empire state film post production credit pursuant to  
32 section thirty-one of this article in each year starting in two thousand  
33 twenty-four through two thousand [thirty-four] thirty-six. This amount  
34 shall be allocated by the department of economic development among  
35 taxpayers in accordance with subdivision (a) of this section. If the  
36 commissioner of economic development determines that the aggregate  
37 amount of tax credits available from additional pool 2 for the empire  
38 state film production tax credit have been previously allocated, and  
39 determines that the pending applications from eligible applicants for  
40 the empire state film post production tax credit pursuant to section  
41 thirty-one of this article is insufficient to utilize the balance of  
42 unallocated empire state film post production tax credits from such  
43 pool, the remainder, after such pending applications are considered,  
44 shall be made available for allocation in the empire state film tax  
45 credit pursuant to this section, subdivision twenty of section two  
46 hundred ten-B and subsection (gg) of section six hundred six of this  
47 chapter. Also, if the commissioner of economic development determines  
48 that the aggregate amount of tax credits available from additional pool  
49 2 for the empire state film post production tax credit have been previ-  
50 ously allocated, and determines that the pending applications from  
51 eligible applicants for the empire state film production tax credit  
52 pursuant to this section is insufficient to utilize the balance of unal-  
53 located film production tax credits from such pool, then all or part of  
54 the remainder, after such pending applications are considered, shall be  
55 made available for allocation for the empire state film post production  
56 credit pursuant to this section, subdivision thirty-two of section two

1 hundred ten-B and subsection (qq) of section six hundred six of this  
2 chapter. The department of economic development must notify taxpayers of  
3 their allocation year and include the allocation year on the certificate  
4 of tax credit. Taxpayers eligible to claim a credit must report the  
5 allocation year directly on their empire state film production credit  
6 tax form for each year a credit is claimed and include a copy of the  
7 certificate with their tax return. In the case of a qualified film that  
8 receives funds from additional pool 2 where the taxpayer filed an  
9 initial application before April first, two thousand twenty-three, no  
10 empire state film production credit shall be claimed before the later of  
11 (1) the taxable year the production of the qualified film is complete,  
12 or (2) the taxable year immediately following the allocation year for  
13 which the film has been allocated credit by the department of economic  
14 development. In the case of a qualified film that receives funds from  
15 additional pool 2 where the taxpayer filed an initial application on or  
16 after April first, two thousand twenty-three and before January first,  
17 two thousand twenty-five, no empire state film production credit shall  
18 be claimed before the later of (1) the taxable year the production of  
19 the qualified film is complete, or (2) the taxable year that includes  
20 the last day of the allocation year for which the film has been allo-  
21 cated credit by the department of economic development. Provided, howev-  
22 er, in the case of a qualified film for which the credit application was  
23 received on or after January first, two thousand twenty-five, the credit  
24 shall be claimed in the taxable year that includes the last day of the  
25 allocation year for which the film has been allocated a credit by the  
26 department of economic development.

27 § 5. Section 24 of the tax law is amended by adding a new subdivision  
28 (g) to read as follows:

29 (g) Credit recapture. If a certificate of tax credit issued by the  
30 department of economic development pursuant to this section is revoked  
31 by such department because the taxpayer does not meet the eligibility  
32 requirements of this section, the amount of credit described in this  
33 section and claimed by the taxpayer prior to that revocation shall be  
34 added back to tax in the taxable year in which any such revocation  
35 becomes final.

36 § 6. Paragraphs 3, 5 and 6 of subdivision (a) of section 31 of the  
37 tax law, paragraph 3 as amended by section 5 and paragraph 5 as added by  
38 section 5-a of part B of chapter 59 of the laws of 2013, and paragraph 6  
39 as amended by section 9 of part D of chapter 59 of the laws of 2023, are  
40 amended to read as follows:

41 (3) (i) A taxpayer shall not be eligible for the credit established by  
42 this section for qualified post production costs, excluding the costs  
43 for visual effects and animation, unless the qualified post production  
44 costs, excluding the costs for visual effects and animation, at a quali-  
45 fied post production facility meet or exceed one million dollars or  
46 seventy-five percent of the total post production costs, excluding the  
47 costs for visual effects and animation, paid or incurred in the post  
48 production of the qualified film at any post production facility, which-  
49 ever is less. (ii) A taxpayer shall not be eligible for the credit  
50 established by this section for qualified post production costs which  
51 are costs for visual effects or animation unless the qualified post  
52 production costs for visual effects or animation at a qualified post  
53 production facility meet or exceed [three million] five hundred thousand  
54 dollars or [twenty] ten percent of the total post production costs for  
55 visual effects or animation paid or incurred in the post production of a  
56 qualified film at any post production facility, whichever is less. (iii)



1 A taxpayer may claim a credit for qualified post production costs  
2 excluding the costs for visual effects and animation, and for qualified  
3 post production costs of visual effects and animation, provided that the  
4 criteria in subparagraphs (i) and (ii) of this paragraph are both satis-  
5 fied. The credit shall be allowed for the taxable year in which the  
6 production of such qualified film is completed.

7 (5) If the amount of the credit is at least one million dollars but  
8 less than five million dollars, the credit shall be claimed over a two  
9 year period beginning in the first taxable year in which the credit may  
10 be claimed and in the next succeeding taxable year, with one-half of the  
11 amount of credit allowed being claimed in each year. If the amount of  
12 the credit is at least five million dollars, the credit shall be claimed  
13 over a three year period beginning in the first taxable year in which  
14 the credit may be claimed and in the next two succeeding taxable years,  
15 with one-third of the amount of the credit allowed being claimed in each  
16 year. Provided, however, in the case of a qualified film for which the  
17 taxpayer filed an initial application on or after January first, two  
18 thousand twenty-five, the credit shall be claimed for the taxable year  
19 in which such qualified film is completed.

20 (6) For the period two thousand fifteen through two thousand [thirty-  
21 four] thirty-six, in addition to the amount of credit established in  
22 paragraph two of this subdivision, a taxpayer shall be allowed a credit  
23 equal to the product (or pro rata share of the product, in the case of a  
24 member of a partnership) of ten percent and the amount of wages or sala-  
25 ries paid to individuals directly employed (excluding those employed as  
26 writers, directors, composers, producers and performers, other than  
27 background actors with no scripted lines) for services performed by  
28 those individuals in one of the counties specified in this paragraph in  
29 connection with the post production work on a qualified film with a  
30 minimum budget of five hundred thousand dollars at a qualified post  
31 production facility in one of the counties listed in this paragraph. For  
32 purposes of this additional credit, the services must be performed in  
33 one or more of the following counties: Albany, Allegany, Broome, Catta-  
34 raugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cort-  
35 land, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee,  
36 Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison,  
37 Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans,  
38 Oswego, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie,  
39 Schuyler, Seneca, St. Lawrence, Steuben, Sullivan, Tioga, Tompkins,  
40 Ulster, Warren, Washington, Wayne, Wyoming, or Yates.

41 § 7. Paragraph 2 of subdivision b of section 31 of the tax law, as  
42 added by section 12 of part Q of chapter 57 of the laws of 2010, is  
43 amended and a new paragraph 5 is added to read as follows:

44 (2) "Post production costs" means production of original content for a  
45 qualified film employing traditional, emerging and new workflow tech-  
46 niques used in post-production for picture, sound and music editorial,  
47 rerecording and mixing, visual effects, graphic design, [original scor-  
48 ing,] animation, and musical composition in the state; but shall not  
49 include the editing of previously produced content for a qualified film.

50 § 8. Section 31 of the tax law is amended by adding a new subdivision  
51 (f) to read as follows:

52 (f) Credit recapture. If a certificate of tax credit issued by the  
53 department of economic development pursuant to this section is revoked  
54 by such department because the taxpayer does not meet the eligibility  
55 requirements of this section, the amount of credit described in this  
56 section and claimed by the taxpayer prior to that revocation shall be

1 added back to tax in the taxable year in which any such revocation  
2 becomes final.

3 § 9. The tax law is amended by adding a new section 24-d to read as  
4 follows:

5 § 24-d. Empire state independent film production credit. (a) (1)  
6 Allowance of credit. A taxpayer which is a qualified independent film  
7 production company, or which is a sole proprietor of or a member of a  
8 partnership which is a qualified independent film production company,  
9 and which is subject to tax under articles nine-A or twenty-two of this  
10 chapter, shall be allowed a credit against such tax, pursuant to the  
11 provisions referenced in subdivision (c) of this section, to be computed  
12 as hereinafter provided.

13 (2) (i) The amount of the credit shall be the product (or pro rata  
14 share of the product, in the case of a member of a partnership) of thir-  
15 ty percent and the qualified production costs paid or incurred in the  
16 production of a qualified film, provided that the qualified production  
17 costs (excluding post production costs) paid or incurred which are  
18 attributable to the use of tangible property or the performance of  
19 services at a qualified film production facility in the production of  
20 such qualified film equal or exceed seventy-five percent of the  
21 production costs (excluding post production costs) paid or incurred  
22 which are attributable to the use of tangible property or the perform-  
23 ance of services at any film production facility within and without the  
24 state in the production of such qualified film. However, if the quali-  
25 fied production costs (excluding post production costs) which are  
26 attributable to the use of tangible property or the performance of  
27 services at a qualified film production facility in the production of  
28 such qualified film is less than three million dollars, then the portion  
29 of the qualified production costs attributable to the use of tangible  
30 property or the performance of services in the production of such quali-  
31 fied film outside of a qualified film production facility shall be  
32 allowed only if the shooting days spent in New York outside of a film  
33 production facility in the production of such qualified film equal or  
34 exceed seventy-five percent of the total shooting days spent within and  
35 without the state outside of a film production facility in the  
36 production of such qualified film. The credit shall be allowed for the  
37 taxable year in which the production of such qualified film is  
38 completed. A taxpayer shall not be eligible for a tax credit established  
39 by this section for the production of more than two qualified films per  
40 calendar year.

41 (ii) In addition to the amount of credit established in subparagraph  
42 (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A)  
43 the product (or pro rata share of the product, in the case of a member  
44 of a partnership) of ten percent and the wages, salaries or other  
45 compensation constituting qualified production costs as defined in para-  
46 graph one of subdivision (b) of this section, paid to individuals  
47 directly employed by a qualified independent film production company for  
48 services performed by those individuals in one of the counties specified  
49 in this subparagraph in connection with a qualified independent film  
50 with a minimum budget of five hundred thousand dollars, and (B) the  
51 product (or pro rata share of the product, in the case of a member of a  
52 partnership) of ten percent and the qualified production costs (exclud-  
53 ing wages, salaries or other compensation) paid or incurred in the  
54 production of a qualified film where the property constituting such  
55 qualified production costs was used, and the services constituting such  
56 qualified production costs were performed in any of the counties speci-

1 fied in this subparagraph in connection with a qualified film with a  
2 minimum budget of five hundred thousand dollars where the majority of  
3 principal photography shooting days in the production of such film  
4 were shot in any of the counties specified in this paragraph. Provided,  
5 however, that the aggregate total eligible qualified production costs  
6 constituting wages, salaries or other compensation, for writers,  
7 directors, composers, producers, and performers shall not exceed forty  
8 percent of the aggregate sum total of all other qualified production  
9 costs. For purposes of the credit, the services must be performed and  
10 the property must be used in one or more of the following counties:  
11 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,  
12 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,  
13 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,  
14 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,  
15 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,  
16 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-  
17 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or  
18 Yates.

19 (3) No qualified production costs used by a taxpayer either as the  
20 basis for the allowance of the credit provided for under this section or  
21 used in the calculation of the credit provided for under this section  
22 shall be used by such taxpayer to claim any other credit allowed pursu-  
23 ant to this chapter.

24 (4) Notwithstanding the foregoing provisions of this subdivision, a  
25 qualified independent film production company that has applied for cred-  
26 it under the provisions of this section, agrees as a condition for the  
27 granting of the credit: (i) to include in each qualified film distrib-  
28 uted by DVD, or other media for the secondary market, a New York promo-  
29 tional video approved by the governor's office of motion picture and  
30 television development or to include in the end credits of each quali-  
31 fied film "Filmed With the Support of the New York State Governor's  
32 Office of Motion Picture and Television Development" and a logo provided  
33 by the governor's office of motion picture and television development,  
34 and (ii) to certify that it will purchase taxable tangible property and  
35 services, defined as qualified production costs pursuant to paragraph  
36 one of subdivision (b) of this section, only from companies registered  
37 to collect and remit state and local sales and use taxes pursuant to  
38 articles twenty-eight and twenty-nine of this chapter.

39 (b) Definitions. As used in this section, the following terms shall  
40 have the following meanings:

41 (1) "Qualified production costs" means production costs only to the  
42 extent such costs, excluding labor costs, do not exceed sixty million  
43 dollars and are attributable to the use of tangible property or the  
44 performance of services within the state directly and predominantly in  
45 the production (including pre-production and post production) of a qual-  
46 ified film. In the case of an eligible relocated television series, the  
47 term "qualified production costs" shall include, in the first season  
48 that the eligible relocated television series is produced in New York  
49 after relocation, qualified relocation costs. Provided, however, that  
50 the aggregate total eligible qualified production costs for producers,  
51 writers, directors, performers (other than background actors with no  
52 scripted lines), and composers shall not exceed forty percent of the  
53 aggregate sum total of all other qualified production costs.

54 (2) "Production costs" means any costs for tangible property used and  
55 services performed directly and predominantly in the production (includ-  
56 ing pre-production and post production) of a qualified film.

1 "Production costs" shall not include costs for a story, script or  
2 scenario to be used for a qualified film. "Production costs" generally  
3 include writers, directors, composers and performers, technical and crew  
4 production costs, such as expenditures for film production facilities,  
5 or any part thereof, props, makeup, wardrobe, film processing, camera,  
6 sound recording, set construction, lighting, shooting, editing and  
7 meals.

8 (3) "Qualified film" means a scripted narrative feature-length film,  
9 television film, relocated television series or television series,  
10 regardless of the medium by means of which the film or series is created  
11 or conveyed. For the purposes of the credit provided by this section  
12 only, a "qualified film" whose majority of principal photography shoot-  
13 ing days in the production of the qualified film are shot in Westches-  
14 ter, Rockland, Nassau, or Suffolk county or any of the five New York  
15 City boroughs shall have a minimum budget of one million dollars. A  
16 "qualified film", whose majority of principal photography shooting days  
17 in the production of the qualified film are shot in any other county of  
18 the state than those listed in the preceding sentence shall have a mini-  
19 imum budget of two hundred fifty thousand dollars. "Qualified film" shall  
20 not include: (i) a television pilot, documentary film, news or current  
21 affairs program, interview or talk program, "how-to" (i.e., instruc-  
22 tional) film or program, film or program consisting primarily of stock  
23 footage, sporting event or sporting program, game show, award ceremony,  
24 film or program intended primarily for industrial, corporate or institu-  
25 tional end-users, fundraising film or program, daytime drama (i.e.,  
26 daytime "soap opera"), commercials, music videos or "reality" program;  
27 (ii) a production for which records are required under section 2257 of  
28 title 18, United States code, to be maintained with respect to any  
29 performer in such production (reporting of books, films, etc. with  
30 respect to sexually explicit conduct); or (iii) a television series  
31 commonly known as variety entertainment, variety sketch and variety  
32 talk, i.e., a program with components of improvisational or scripted  
33 content (monologues, sketches, interviews), either exclusively or in  
34 combination with other entertainment elements such as musical perform-  
35 ances, dancing, cooking, crafts, pranks, stunts, and games and which may  
36 be further defined in regulations of the commissioner of economic devel-  
37 opment.

38 (4) "Film production facility" shall mean a building and/or complex of  
39 buildings and their improvements and associated back-lot facilities in  
40 which films are or are intended to be regularly produced and which  
41 contain at least one sound stage, provided, however, that an armory  
42 owned by the state or city of New York located in the city of New York  
43 shall not be considered to be a "film production facility" unless such  
44 facility is used by a qualified independent film production company.

45 (5) "Qualified film production facility" shall mean a film production  
46 facility in the state, which contains at least one sound stage having a  
47 minimum of seven thousand square feet of contiguous production space.

48 (6) "Qualified independent film production company" is a corporation,  
49 partnership, limited partnership, or other entity or individual, that or  
50 who (i) is principally engaged in the production of a qualified film,  
51 (ii) is not publicly traded, and (iii) is not majority owned, fifty-one  
52 percent or more, by a company publicly traded on a United States stock  
53 exchange.

54 (7) "Relocated television series" shall mean the first two years of a  
55 regularly occurring production intended to run in its initial broadcast,  
56 regardless of the medium or mode of its distribution, in a series of

1 narrative and/or thematically related episodes, each of which has a  
2 running time of at least thirty minutes in length (inclusive of commer-  
3 cial advertisement and interstitial programming, if any), which had  
4 filmed a minimum of six episodes of the television series outside the  
5 state immediately prior to relocating to the state, where the television  
6 series had a total minimum budget of at least one million dollars per  
7 episode. For the purposes of this definition only, a television series  
8 produced by and for media services providers described as streaming  
9 services and/or digital platforms (and excluding network/cable) shall  
10 mean a regularly occurring production intended to run in its initial  
11 release in a series of narrative and/or thematically related episodes,  
12 the aggregate length of which is at least seventy-five minutes, although  
13 the episodes themselves may vary in duration from the thirty minutes  
14 specified for network/cable production.

15 (8) "Qualified relocation costs" means the costs incurred, excluding  
16 wages, salaries and other compensation, in the first season that a relo-  
17 cated television series relocates to New York, including such costs  
18 incurred to transport sets, props and wardrobe to New York and other  
19 costs as determined by the department of economic development to the  
20 extent such costs do not exceed six million dollars.

21 (9) If the total amount of allocated credits applied for in any  
22 particular year is less than the aggregate amount of tax credits allowed  
23 for such year under this section, any unused portion may be carried over  
24 and added to the aggregate amount of credits allowed in the next  
25 succeeding taxable year or years.

26 (c) Cross-references. For application of the credit provided for in  
27 this section, see the following provisions of this chapter:

28 (1) article 9-A: section 210-B: subdivision 20-a.

29 (2) article 22: section 606: subsection (gg-1).

30 (d) Notwithstanding any provision of this chapter, employees and offi-  
31 cers of the governor's office of motion picture and television develop-  
32 ment and the department shall be allowed and are directed to share and  
33 exchange information regarding the credits applied for, allowed, or  
34 claimed pursuant to this section and taxpayers who are applying for  
35 credits or who are claiming credits, including information contained in  
36 or derived from credit claim forms submitted to the department and  
37 applications for credit submitted to the governor's office of motion  
38 picture and television development.

39 (e) Allocation of credit. The aggregate amount of tax credits allowed  
40 under this section, subdivision twenty-a of section two hundred ten and  
41 subsection (gg-1) of section six hundred six of this chapter in any  
42 calendar year shall be (1) twenty million dollars for qualified films  
43 with a budget of less than ten million dollars of qualified production;  
44 and (2) eighty million dollars for qualified films with a budget of ten  
45 million dollars or more of qualified production costs. There shall be at  
46 least two application periods each year; such aggregate amount of cred-  
47 its shall be allocated by the governor's office for motion picture and  
48 television development among taxpayers in order of priority based upon  
49 the date of filing of an application for allocation of the independent  
50 film production credit with such office within each application period.  
51 If the commissioner of economic development determines that the aggre-  
52 gate amount of tax credits available for an application period under  
53 paragraph one of this subdivision have been previously allocated, and  
54 determines that the pending applications from eligible applicants for  
55 the other application period in such calendar year is insufficient to  
56 utilize the balance of unallocated tax credits for such period, then



1 such commissioner may allocate to productions eligible under such para-  
2 graph any credits that remain unallocated for such period pursuant to  
3 paragraph two of this subdivision. Provided, however, the total amount  
4 of allocated credits applied in any calendar year shall not exceed the  
5 aggregate amount of tax credits allowed for such year under this  
6 section.

7 (f) (1) The commissioner of economic development shall reduce by one-  
8 half of one percent the amount of credit allowed to a taxpayer and this  
9 reduced amount shall be reported on a certificate of tax credit issued  
10 pursuant to this section and the regulations promulgated by the commis-  
11 sioner of economic development to implement this credit program.

12 (2) By January thirty-first of each year, the commissioner of economic  
13 development shall report to the comptroller the total amount of such  
14 reductions of tax credit during the immediately preceding calendar year.  
15 On or before March thirty-first of each year, the comptroller shall  
16 transfer without appropriations from the general fund to the empire  
17 state entertainment diversity job training development fund established  
18 under section ninety-seven-ff of the state finance law an amount equal  
19 to the total amount of such reductions reported by the commissioner of  
20 economic development for the immediately preceding calendar year.

21 (g) Credit recapture. If a certificate of tax credit issued by the  
22 department of economic development pursuant to this section is revoked  
23 by such department because the taxpayer does not meet the eligibility  
24 requirements of this section, the amount of credit described in this  
25 section and claimed by the taxpayer prior to that revocation shall be  
26 added back to tax in the taxable year in which any such revocation  
27 becomes final.

28 § 10. Section 210-B of the tax law is amended by adding a new subdivi-  
29 sion 20-a to read as follows:

30 20-a. Empire state independent film production credit. (a) Allowance  
31 of credit. A taxpayer who is eligible pursuant to section twenty-four-d  
32 of this chapter shall be allowed a credit to be computed as provided in  
33 such section twenty-four-d against the tax imposed by this article.

34 (b) Application of credit. The credit allowed under this subdivision  
35 for any taxable year shall not reduce the tax due for such year to less  
36 than the fixed dollar minimum amount prescribed in paragraph (d) of  
37 subdivision one of section two hundred ten of this article. Provided,  
38 however, that if the amount of the credit allowable under this subdivi-  
39 sion for any taxable year reduces the tax to such amount or if the  
40 taxpayer otherwise pays tax based on the fixed dollar minimum amount,  
41 the excess shall be treated as an overpayment of tax to be credited or  
42 refunded in accordance with the provisions of section one thousand  
43 eighty-six of this chapter. Provided, however, the provisions of  
44 subsection (c) of section one thousand eighty-eight of this chapter  
45 notwithstanding, no interest shall be paid thereon.

46 § 11. Section 606 of the tax law is amended by adding a new subsection  
47 (gg-1) to read as follows:

48 (gg-1) Empire state independent film production credit. (1) Allowance  
49 of credit. A taxpayer who is eligible pursuant to section twenty-four-d  
50 of this chapter shall be allowed a credit to be computed as provided in  
51 such section twenty-four-d against the tax imposed by this article.

52 (2) Application of credit. If the amount of the credit allowable under  
53 this subsection for any taxable year exceeds the taxpayer's tax for such  
54 year, the excess shall be treated as an overpayment of tax to be credit-  
55 ed or refunded as provided in section six hundred eighty-six of this  
56 article, provided, however, that no interest shall be paid thereon.

1 § 12. Subparagraph (B) of paragraph 1 of subsection (i) of section 606  
 2 of the tax law is amended by adding a new clause (lii) to read as  
 3 follows:

|                                  |  |
|----------------------------------|--|
| 4 <u>(lii) Empire state film</u> | <u>Amount of credit for qualified</u>    |
| 5 <u>production credit under</u> | <u>production costs in production of</u> |
| 6 <u>subsection (gg-1)</u>       | <u>a qualified film under</u>            |
| 7                                | <u>subdivision twenty-a of</u>           |
| 8                                | <u>section two hundred ten-B</u>         |

9 § 13. This act shall take effect immediately and shall apply to  
 10 initial applications received on or after January 1, 2025, provided,  
 11 however, that the amendments to paragraph 4 of subdivision (e) of  
 12 section 24 of the tax law made by section three of this act shall take  
 13 effect on the same date and in the same manner as section 6 of chapter  
 14 683 of the laws of 2019, takes effect.

15 PART J

16 Section 1. Subdivision 13 of section 492 of the economic development  
 17 law, as added by section 2 of part AAA of chapter 56 of the laws of  
 18 2024, is amended to read as follows:

19 13. "Independently owned" shall mean a business entity that is not[:  
 20 (a)] a publicly traded entity or no more than five percent of the bene-  
 21 ficial ownership of which is owned, directly or indirectly by a publicly  
 22 traded entity[; (b) a subsidiary; and (c) any other criteria that the  
 23 department shall determine via regulations to ensure the business is not  
 24 controlled by another business entity].

25 § 2. This act shall take effect immediately and apply to taxable years  
 26 beginning on or after January 1, 2025.

27 PART K

28 Section 1. Subdivision (b) of section 45 of the tax law, as added by  
 29 section 1 of part 00 of chapter 59 of the laws of 2022, is amended to  
 30 read as follows:

31 (b) Allocation of credit. The aggregate amount of tax credits allowed  
 32 under this section, subdivision fifty-five of section two hundred ten-B  
 33 and subsection (nnn) of section six hundred six of this chapter in any  
 34 taxable year shall be five million dollars. Such credit shall be allo-  
 35 cated by the department of economic development in order of priority  
 36 based upon the date of filing an application for allocation of digital  
 37 gaming media production credit with such office. If the total amount of  
 38 allocated credits applied for in any particular year exceeds the aggre-  
 39 gate amount of tax credits allowed for such year under this section,  
 40 such excess shall be treated as having been applied for on the first day  
 41 of the subsequent taxable year. Provided, however, that for taxable  
 42 years beginning on or after January first, two thousand twenty-three, if  
 43 the total amount of allocated credits applied for in any particular year  
 44 is less than the aggregate amount of tax credits allowed for such year  
 45 under this section, any unused portion may be carried over and added to  
 46 the aggregate amount of credits allowed in the next succeeding taxable  
 47 year or years.

48 § 2. This act shall take effect immediately.

49 PART L

1 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws  
2 of 2021 amending the tax law and the state finance law relating to  
3 establishing the New York city musical and theatrical production tax  
4 credit and establishing the New York state council on the arts cultural  
5 program fund, as amended by section 1 of subpart E of part I of chapter  
6 59 of the laws of 2023, is amended to read as follows:

7 § 6. This act shall take effect immediately; provided however, that  
8 sections one, two, three and four of this act shall apply to taxable  
9 years beginning on or after January 1, 2021, and before January 1,  
10 [2026] 2028 and shall expire and be deemed repealed January 1, [2026]  
11 2028; provided further, however that the obligations under paragraph 3  
12 of subdivision (g) of section 24-c of the tax law, as added by section  
13 one of this act, shall remain in effect until December 31, [2027] 2029.

14 § 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section  
15 24-c of the tax law, as amended by section 3 of subpart E of part I of  
16 chapter 59 of the laws of 2023, is amended to read as follows:

17 (i) "The credit period of a qualified New York city musical and theat-  
18 rical production company" is the period starting on the production start  
19 date and ending on the earlier of the date the qualified musical and  
20 theatrical production has expended sufficient qualified production  
21 expenditures to reach its credit cap, September thirtieth, two thousand  
22 [twenty-five] twenty-seven or the date the qualified musical and theat-  
23 rical production closes.

24 § 3. Subdivision (c) of section 24-c of the tax law, as amended by  
25 section 4 of subpart E of part I of chapter 59 of the laws of 2023, is  
26 amended to read as follows:

27 (c) The credit shall be allowed for the taxable year beginning on or  
28 after January first, two thousand twenty-one but before January first,  
29 two thousand [twenty-six] twenty-eight. A qualified New York city  
30 musical and theatrical production company shall claim the credit in the  
31 year in which its credit period ends.

32 § 4. Subdivision (f) of section 24-c of the tax law, as added by  
33 section 1 of subpart B of part PP of chapter 59 of the laws of 2021,  
34 paragraphs 1 and 2 as amended by section 5 of subpart E of part I of  
35 chapter 59 of the laws of 2023, is amended to read as follows:

36 (f) Maximum amount of credits. (1) The aggregate amount of tax cred-  
37 its allowed under this section, subdivision fifty-seven of section two  
38 hundred ten-B and subsection (mmm) of section six hundred six of this  
39 chapter shall be [three] four hundred million dollars. Such aggregate  
40 amount of credits shall be allocated by the department of economic  
41 development among taxpayers based on the date of first performance of  
42 the qualified musical and theatrical production.

43 (2) The commissioner of economic development, after consulting with  
44 the commissioner, shall promulgate regulations to establish procedures  
45 for the allocation of tax credits as required by this section. Such  
46 rules and regulations shall include provisions describing the applica-  
47 tion process, the due dates for such applications, the standards that  
48 will be used to evaluate the applications, the documentation that will  
49 be provided by applicants to substantiate to the department the amount  
50 of qualified production expenditures of such applicants, and such other  
51 provisions as deemed necessary and appropriate. Notwithstanding any  
52 other provisions to the contrary in the state administrative procedure  
53 act, such rules and regulations may be adopted on an emergency basis. In  
54 no event shall a qualified New York city musical and theatrical  
55 production submit an application for this program after June thirtieth,  
56 two thousand [twenty-five] twenty-seven.

1 § 5. This act shall take effect immediately; provided, however, that  
2 the amendments to section 24-c of the tax law, made by sections two,  
3 three and four of this act, shall not affect the repeal of such section  
4 and shall be deemed to be repealed therewith.

5

## PART M

6 Section 1. Section 35 of the tax law, as added by section 12 of part U  
7 of chapter 61 of the laws of 2011, is amended to read as follows:

8 § 35. Use of electronic means of communication. Notwithstanding any  
9 other provision of New York state law, where the department has obtained  
10 authorization of an online services account holder, in such form as may  
11 be prescribed by the commissioner, the department may use electronic  
12 means of communication to furnish any document it is required to mail  
13 per law or regulation. If the department furnishes such document in  
14 accordance with this section, department records of such transaction  
15 shall constitute appropriate and sufficient proof of delivery thereof  
16 and be admissible in any action or proceeding. Provided, however, that  
17 if a taxpayer uses a department system to access taxpayer information,  
18 including, but not limited to, notices, documents and account balance  
19 information, that is not an electronic communication furnished in lieu  
20 of mailing in accordance with this section, such accessed information  
21 shall not give the taxpayer the right to a hearing in the division of  
22 tax appeals, unless the right to protest such information is expressly  
23 authorized by this chapter or another provision of law.

24 § 2. Subdivision 1 of section 2008 of the tax law, as amended by  
25 section 3 of subpart C of part V-1 of chapter 57 of the laws of 2009, is  
26 amended to read as follows:

27 1. All proceedings in the division of tax appeals shall be commenced  
28 by the filing of a petition with the division of tax appeals protesting  
29 any written notice of the division of taxation, including any electronic  
30 notice provided in accordance with section thirty-five of this chapter,  
31 which has advised the petitioner of a tax deficiency, a determination of  
32 tax due, a denial of a refund or credit application, a cancellation,  
33 revocation or suspension of a license, permit or registration, a denial  
34 of an application for a license, permit or registration or any other  
35 notice which expressly gives a person the right to a hearing in the  
36 division of tax appeals under this chapter or other law. Provided,  
37 however, that any written communications of the division of taxation  
38 that advise a taxpayer of a past-due tax liability, as defined in  
39 section one hundred seventy-one-v of this chapter, shall not give a  
40 person the right to a hearing in the division of tax appeals.

41 § 3. This act shall take effect immediately.

42

## PART N

43 Section 1. Section 6 of the tax law, as added by chapter 765 of the  
44 laws of 1985, is amended to read as follows:

45 § 6. Filing of electronic warrants and warrant-related records in the  
46 department of state. [Wherever under the provisions] 1. Notwithstanding  
47 any provision of this chapter or a [warrant is required to] related  
48 statute to the contrary, all warrants and warrant-related records issued  
49 by the department shall be filed electronically by the department in the  
50 department of state [in order to create a lien on personal property such  
51 requirement shall be satisfied if there is filed a record of the fact of  
52 the issuance of such warrant, including the name of the person on the



1 basis of whose tax liability the warrant is issued, the last known  
2 address of such person, and the amount of such tax liability, including  
3 penalties and interest]. No fee shall be required to be paid for such  
4 [filing of such warrant or such record] filings. [The term "filed" in  
5 such provisions shall mean presentation to the department of state, for  
6 filing, of such warrant or such record.] On the date of the electronic  
7 filing of a warrant, as confirmed by the department of state pursuant to  
8 subdivision five of this section:

9 (a) the amount of the tax stated in the warrant shall become a lien  
10 upon the title to and interest in all real, personal or other property  
11 located in New York state, owned by the person or persons named in the  
12 warrant. The lien so created shall:

13 (i) attach to all real property and rights to real property located in  
14 New York state that is owned by the person or persons named in the  
15 warrant at any time during the period of the lien, including any real  
16 property or rights to real property located in New York state that is  
17 acquired by such person or persons after the lien arises; and

18 (ii) apply to all personal or other property and rights to personal or  
19 other property located in New York state that is owned by the person or  
20 persons named in the warrant at any time during the period of the lien,  
21 including any personal or other property or rights to personal or other  
22 property located in New York state that is acquired by such person or  
23 persons after the lien arises; and

24 (b) the commissioner shall, in the right of the people of the state of  
25 New York, be deemed to have obtained a judgment against the person or  
26 persons named in the warrant for the amount of the tax stated in the  
27 warrant.

28 2. Enforcement of a judgment obtained pursuant to subdivision one of  
29 this section shall be as prescribed in article fifty-two of the civil  
30 practice law and rules.

31 3. A written or electronic copy of any electronic warrant or warrant-  
32 related record filed in the department of state shall be filed by the  
33 department in the office of the clerk of the county named in the warrant  
34 or warrant-related record.

35 4. Notwithstanding any provision of this chapter or a related statute  
36 to the contrary, all warrant-related records issued by the department  
37 that are authorized by applicable laws, including, but not limited to,  
38 warrant satisfactions, vacatures, amendments and expirations, and any  
39 warrant-related record issued by the department on or after July first,  
40 two thousand twenty-five that pertains to a warrant filed prior to July  
41 first, two thousand twenty-five, shall be filed electronically by the  
42 department in the department of state. No fee shall be required to be  
43 paid for such filings. A written or electronic copy of the electronic  
44 warrant-related record filed in the department of state shall be filed  
45 by the department in the office of the clerk of the county named in the  
46 warrant-related record.

47 5. The department shall file warrants and warrant-related records  
48 electronically with the department of state. The department of state  
49 shall provide electronic notice to the department confirming the date of  
50 filing of the warrants and warrant-related records. The department of  
51 state shall also make information regarding the warrants and warrant-re-  
52 lated records, including the date of filing, available to the public and  
53 searchable by the name of the person or persons listed in the tax  
54 warrant. Upon request of the commissioner, the department of state shall  
55 certify that a warrant or warrant-related record has been filed and the  
56 date of such filing.

1 6. Notwithstanding any other provision of this chapter concerning the  
2 place of filing of a tax warrant and the creation thereby of a tax lien  
3 and judgment, the provisions of this section shall govern such matters  
4 for purposes of any taxes imposed by or pursuant to this chapter.

5 § 2. Subdivision 1 of section 174-a of the tax law, as added by chap-  
6 ter 176 of the laws of 1997, is amended to read as follows:

7 1. General rule. Notwithstanding any provision of law to the contrary,  
8 the provisions of the civil practice law and rules relating to the dura-  
9 tion of a lien of a docketed judgment in and upon real property of a  
10 judgment debtor, and the extension of any such lien, shall apply to any  
11 warrant or other warrant-related document electronically filed on behalf  
12 of the commissioner against a taxpayer with the [clerk of a county wher-  
13 ein such taxpayer owns or has an interest in real property] department  
14 of state, whether such warrant is being enforced by a sheriff or an  
15 officer or employee of the department.

16 § 3. Section 175 of the tax law, as amended by chapter 170 of the laws  
17 of 1994, is amended to read as follows:

18 § 175. Manner of execution of instruments by the commissioner.  
19 Notwithstanding any other provision of law, whenever a statute author-  
20 izes or requires the commissioner to execute an instrument, such instru-  
21 ment shall be executed by having the name or title of the commissioner  
22 appear on such instrument and, underneath such name or title, such  
23 instrument shall be signed by the commissioner or by a deputy tax  
24 commissioner or by the secretary to such commissioner[, and the]. An  
25 electronic signature may be used in lieu of a signature affixed by hand  
26 pursuant to article three of the state technology law. The seal of such  
27 commissioner [shall] may be affixed or [shall] appear on such instrument  
28 as a facsimile which is engraved, printed or reproduced in any other  
29 manner. No acknowledgment of the execution of any such instrument shall  
30 be necessary for the purpose of the recordation thereof or for any other  
31 purpose.

32 § 4. This act shall take effect July 1, 2025 and shall apply to  
33 warrants and warrant-related records pertaining to such warrants filed,  
34 or deemed to have been filed, on or after such date; provided, however,  
35 that the department of taxation and finance and the department of state  
36 are authorized to take any steps necessary to implement this act on or  
37 before such effective date.

38 PART O

39 Section 1. Paragraph (b-1) of subdivision 3 of section 425 of the real  
40 property tax law, as amended by section 1 of part RR of chapter 59 of  
41 the laws of 2019, is amended to read as follows:

42 (b-1) Income. For final assessment rolls to be used for the levy of  
43 taxes for the two thousand eleven-two thousand twelve through two thou-  
44 sand eighteen-two thousand nineteen school years, the parcel's affil-  
45 iated income may be no greater than five hundred thousand dollars, as  
46 determined by the commissioner pursuant to subdivision fourteen of this  
47 section or section one hundred seventy-one-u of the tax law, in order to  
48 be eligible for the basic exemption authorized by this section. Begin-  
49 ning with the two thousand nineteen-two thousand twenty school year, for  
50 purposes of the exemption authorized by this section, the parcel's  
51 affiliated income may be no greater than two hundred fifty thousand  
52 dollars, as so determined. As used herein, the term "affiliated income"  
53 shall mean the combined income of all of the owners of the parcel who  
54 resided primarily thereon on the applicable taxable status date, and of  
55 any owners' spouses residing primarily thereon. For exemptions on final

1 assessment rolls to be used for the levy of taxes for the two thousand  
2 eleven-two thousand twelve school year, affiliated income shall be  
3 determined based upon the parties' incomes for the income tax year  
4 ending in two thousand nine. In each subsequent school year, the appli-  
5 cable income tax year shall be advanced by one year. The term "income"  
6 as used herein shall have the same meaning as in subdivision four of  
7 this section, and the provisions of clause (B) of subparagraph (ii) of  
8 paragraph (b) of subdivision four of this section shall be equally  
9 applicable to the basic exemption.

10 § 2. Paragraph (a) of subdivision 4 of section 425 of the real proper-  
11 ty tax law, as amended by section 4 of part A of chapter 405 of the laws  
12 of 1999 and subparagraph (i) as amended by section 2 of part E of chap-  
13 ter 83 of the laws of 2002, is amended to read as follows:

14 (a) Age. (i) [All] At least one of the owners who resides primarily on  
15 the property must be [at least] sixty-five years of age or older as of  
16 the date specified herein[, or in the case of property owned by husband  
17 and wife or by siblings, one of the owners must be at least sixty-five  
18 years of age as of that date and the property must serve as the primary  
19 residence of that owner]. For the two thousand--two thousand one school  
20 year, eligibility for the exemption shall be based upon age as of Decem-  
21 ber thirty-first, two thousand. For each subsequent school year, the  
22 applicable date shall be advanced by one year.

23 (ii) [The term "siblings" as used herein shall have the same meaning  
24 as set forth in section four hundred sixty-seven of this article.

25 (iii)] In the case of property owned by [husband and wife, one of  
26 whom] a married couple, if only one of the spouses is sixty-five years  
27 of age or over, the exemption, once granted, shall not be rescinded  
28 solely because of the death of the older spouse so long as the surviving  
29 spouse is at least sixty-two years of age as of the date specified in  
30 this paragraph.

31 § 3. The opening paragraph of subparagraph (i) of paragraph (b) of  
32 subdivision 4 of section 425 of the real property tax law, as amended by  
33 section 3 of part E of chapter 83 of the laws of 2002, is amended to  
34 read as follows:

35 The combined income of all of the owners who primarily reside on the  
36 property, and of any owners' spouses primarily residing on the [prem-  
37 ises] property, may not exceed the applicable income standard specified  
38 herein.

39 § 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section  
40 425 of the real property tax law, as amended by section 1 of part B of  
41 chapter 59 of the laws of 2018, is amended to read as follows:

42 (ii) The term "income" as used herein shall mean the "adjusted gross  
43 income" for federal income tax purposes as reported on the applicant's  
44 federal or state income tax return for the applicable income tax year,  
45 subject to any subsequent amendments or revisions, reduced by distrib-  
46 utions, to the extent included in federal adjusted gross income,  
47 received from an individual retirement account and an individual retire-  
48 ment annuity; provided that if no such return was filed for the applica-  
49 ble income tax year, "income" shall mean the [adjusted gross income]  
50 amount that would have been so reported if such a return had been filed.  
51 Provided further, that [effective]:

52 (A) Effective with exemption applications for final assessment rolls  
53 to be completed in two thousand nineteen, where an income-eligibility  
54 determination is wholly or partly based upon the income of one or more  
55 individuals who did not file a return for the applicable income tax  
56 year, then in order for the application to be considered complete, each

1 such individual must file a statement with the department showing the  
2 source or sources of [his or her] such individual's income for that  
3 income tax year, and the amount or amounts thereof, that would have been  
4 reported on such a return if one had been filed. Such statement shall be  
5 filed at such time, and in such form and manner, as may be prescribed by  
6 the department, and shall be subject to the secrecy provisions of the  
7 tax law to the same extent that a personal income tax return would be.  
8 The department shall make such forms and instructions available for the  
9 filing of such statements. The local assessor shall upon the request of  
10 a taxpayer assist such taxpayer in the filing of the statement with the  
11 department.

12 (B) Notwithstanding the foregoing provisions of this subparagraph,  
13 where property is owned solely by a person or persons who received the  
14 exemption for three consecutive years without having filed returns for  
15 the applicable income tax years, but who demonstrated their eligibility  
16 for the exemption to the commissioner's satisfaction by filing state-  
17 ments pursuant to clause (A) of this subparagraph, such person or  
18 persons shall be presumed to satisfy the applicable income-eligibility  
19 requirements each year thereafter and shall not be required to continue  
20 to file such statements in the absence of a specific request therefor  
21 from the commissioner. Nothing contained herein shall be construed to  
22 prevent the commissioner from denying an exemption pursuant to this  
23 section when the commissioner determines that a property owner has a  
24 source of income that renders that owner ineligible for that exemption.

25 § 5. Clauses (C) and (D) of subparagraph (iv) of paragraph (b) of  
26 subdivision 4 of section 425 of the real property tax law are REPEALED  
27 and a new clause (C) is added to read as follows:

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

32 § 6. Section 425 of the real property tax law is amended by adding a  
33 new subdivision 4-b to read as follows:

34 4-b. Authority of the commissioner in relation to eligibility determi-  
35 nations. (a) (i) Notwithstanding any provision of this section to the  
36 contrary, it shall be the responsibility of the commissioner to deter-  
37 mine eligibility for the basic and enhanced STAR exemptions authorized  
38 by this section, in consultation with local assessors as necessary.

39 (ii) The commissioner's eligibility determinations shall be based upon  
40 data the commissioner has obtained from local assessment rolls, personal  
41 income tax returns, the STAR registration program, the STAR income  
42 verification program and such other data sources as may be available to  
43 the commissioner.

44 (iii) The process followed by the commissioner to verify eligibility  
45 for the basic and enhanced STAR exemptions shall be the same, except to  
46 the extent that differences are required by law.

47 (b) If the commissioner should determine that a parcel that has a  
48 basic STAR exemption is eligible for an enhanced STAR exemption, the  
49 commissioner shall so notify the assessor. The assessor shall thereupon  
50 grant the parcel an enhanced STAR exemption without requesting a new  
51 application from the owner.

52 (c) If the commissioner determines that property is not eligible for a  
53 STAR exemption it has been receiving, the provisions of this subdivision  
54 shall be applicable.

55 (i) The commissioner shall provide the property owners with notice and  
56 an opportunity to show the commissioner that the property is eligible to



1 receive the exemption. If the owners fail to respond to such notice  
2 within forty-five days from the mailing thereof, or if their response  
3 does not show to the commissioner's satisfaction that the property is  
4 eligible for the exemption, the commissioner shall direct the assessor  
5 or other person having custody or control of the assessment roll or tax  
6 roll to remove or deny the exemption, and to correct the roll according-  
7 ly. Such a directive shall be binding upon the assessor or other person  
8 having custody or control of the assessment roll or tax roll, and shall  
9 be implemented by such person without the need for further documentation  
10 or approval.

11 (ii) Neither an assessor nor a board of assessment review has the  
12 authority to consider an objection to the removal or denial of an  
13 exemption pursuant to this subdivision, nor may such an action be  
14 reviewed in a proceeding to review an assessment pursuant to title one  
15 or one-A of article seven of this chapter. Such an action may only be  
16 challenged before the department of taxation and finance. If a taxpayer  
17 is dissatisfied with the department's final determination, the taxpayer  
18 may appeal that determination to the state board of real property tax  
19 services in a form and manner to be prescribed by the commissioner. Such  
20 appeal shall be filed within forty-five days from the issuance of the  
21 department's final determination. If dissatisfied with the state board  
22 of real property tax services' determination, the taxpayer may seek  
23 judicial review thereof pursuant to article seventy-eight of the civil  
24 practice law and rules. The taxpayer shall otherwise have no right to  
25 challenge such final determination in a court action, administrative  
26 proceeding or any other form of legal recourse against the commissioner,  
27 the department of taxation and finance, the state board of real property  
28 tax services, the assessor or other person having custody or control of  
29 the assessment roll or tax roll regarding such action.

30 § 7. The section heading of section 171-u of the tax law, as added by  
31 section 2 of part FF of chapter 57 of the laws of 2010, is amended to  
32 read as follows:

33 Verification of [income] eligibility for [basic] STAR exemption.

34 § 8. Subdivisions 1, 2, 3 and 4 of section 171-u of the tax law are  
35 REPEALED, subdivision 5 is renumbered to be subdivision 2, and a new  
36 subdivision 1 is added to read as follows:

37 (1) The commissioner shall verify the eligibility of properties for  
38 STAR exemptions in the manner provided by section four hundred twenty-  
39 five of the real property tax law.

40 § 9. Subparagraphs (B) and (E) of paragraph 1 of subsection (eee) of  
41 section 606 of the tax law, subparagraph (B) as amended by section 10 of  
42 part B of chapter 59 of the laws of 2018 and subparagraph (E) as amended  
43 by section 2 of part H of chapter 59 of the laws of 2017, are amended to  
44 read as follows:

45 (B) (i) "Affiliated income" shall mean [for purposes of the basic STAR  
46 credit,] the combined income of all of the owners of the parcel who  
47 resided primarily thereon as of [December thirty-first] July first of  
48 the taxable year, and of any owners' spouses residing primarily thereon  
49 as of such date[, and for purposes of the enhanced STAR credit, the  
50 combined income of all of the owners of the parcel as of December thir-  
51 ty-first of the taxable year, and of any owners' spouses residing prima-  
52 rially thereon as of such date; provided that for both purposes]; provided  
53 that the income to be so combined shall be the "adjusted gross income"  
54 for the taxable year as reported for federal income tax purposes, or  
55 that would be reported as adjusted gross income if a federal income tax  
56 return were required to be filed, reduced by distributions, to the

1 extent included in federal adjusted gross income, received from an indi-  
2 vidual retirement account and an individual retirement annuity.

3 (ii) For taxable years beginning on and after January first, two thou-  
4 sand nineteen, where an income-eligibility determination is wholly or  
5 partly based upon the income of one or more individuals who did not file  
6 a return pursuant to section six hundred fifty-one of this article for  
7 the applicable income tax year, then in order to be eligible for the  
8 credit authorized by this subsection, each such individual must file a  
9 statement with the department showing the source or sources of [his or  
10 her] such individual's income for that income tax year, and the amount  
11 or amounts thereof, that would have been reported on such a return if  
12 one had been filed. Such statement shall be filed at such time, and in  
13 such form and manner, as may be prescribed by the department, and shall  
14 be subject to the provisions of section six hundred ninety-seven of this  
15 article to the same extent that a return would be. The department shall  
16 make such forms and instructions available for the filing of such state-  
17 ments. The local assessor shall upon the request of a taxpayer assist  
18 such taxpayer in the filing of the statement with the department.  
19 [Provided further, that if the qualified taxpayer was an owner of the  
20 property during the taxable year but did not own it on December thirty-  
21 first of the taxable year, then the determination as to whether the  
22 income of an individual should be included in "affiliated income" shall  
23 be based upon the ownership and/or residency status of that individual  
24 as of the first day of the month during which the qualified taxpayer  
25 ceased to be an owner of the property, rather than as of December thir-  
26 ty-first of the taxable year.]

27 (iii) Notwithstanding the foregoing provisions of this subparagraph,  
28 where property is owned solely by a person or persons who received the  
29 credit for three consecutive years without having filed returns for the  
30 applicable income tax years, but who demonstrated their eligibility for  
31 the credit to the commissioner's satisfaction by filing statements  
32 pursuant to clause (ii) of this subparagraph, such person or persons  
33 shall be presumed to satisfy the applicable income-eligibility require-  
34 ments each year thereafter and shall not be required to continue to file  
35 such statements in the absence of a specific request therefor from the  
36 commissioner. Nothing contained herein shall be construed to prevent the  
37 commissioner from denying a credit pursuant to this subsection when the  
38 commissioner determines that a property owner has a source of income  
39 that renders that owner temporarily or permanently ineligible for that  
40 credit.

41 (E) "Qualifying taxes" means the school district taxes that were or  
42 are to be levied upon the taxpayer's primary residence for the associ-  
43 ated fiscal year [that were actually paid by the taxpayer during the  
44 taxable year]; or, in the case of a city school district that is subject  
45 to article fifty-two of the education law, the combined city and school  
46 district taxes that were or are to be levied upon the taxpayer's primary  
47 residence for the associated fiscal year [that were actually paid by the  
48 taxpayer during the taxable year]. Provided, however, that in the case  
49 of a cooperative apartment, "qualifying taxes" means the school district  
50 taxes that would have been levied upon the tenant-stockholder's primary  
51 residence if it were separately assessed, as determined by the commis-  
52 sioner based on the statement provided by the assessor pursuant to  
53 subparagraph (ii) of paragraph (k) of subdivision two of section four  
54 hundred twenty-five of the real property tax law, or in the case of a  
55 cooperative apartment corporation that is described in subparagraph (iv)  
56 of paragraph (k) of subdivision two of section four hundred twenty-five



1 of the real property tax law, one third of such amount. In no case shall  
 2 the term "qualifying taxes" be construed to include penalties or inter-  
 3 est.

4 § 10. Paragraph 2 of subsection (eee) of section 606 of the tax law is  
 5 REPEALED.

6 § 11. The opening paragraph of subparagraph (A) of paragraph 4 and  
 7 clause (i) of subparagraph (A) of paragraph 4 of subsection (eee) of  
 8 section 606 of the tax law, as amended by section 8 of part A of chapter  
 9 73 of the laws of 2016, are amended to read as follows:

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

13 (i) [All] At least one of the owners of the parcel that serves as the  
 14 taxpayer's primary residence [are] is at least sixty-five years of age  
 15 as of December thirty-first of the taxable year [or, in the case of  
 16 property owned by a married couple or by siblings, at least one of the  
 17 owners is at least sixty-five years of age as of that date. The terms  
 18 "siblings" as used herein shall have the same meaning as set forth in  
 19 section four hundred sixty-seven of the real property tax law]. In the  
 20 case of property owned by a married couple, [one of whom] if only one of  
 21 the spouses is sixty-five years of age or over, the credit, once  
 22 allowed, shall not be disallowed because of the death of the older  
 23 spouse so long as the surviving spouse is at least sixty-two years of  
 24 age as of December thirty-first of the taxable year.

25 § 12. Subsection (eee) of section 606 of the tax law is amended by  
 26 adding a new paragraph 14 to read as follows:

27 (14) The process employed by the commissioner in verifying eligibility  
 28 for the basic STAR credit shall be the same as for the enhanced STAR  
 29 credit, except to the extent that differences are required by law.

30 § 13. This act shall take effect immediately; provided, however, that  
 31 sections 2, 3, 5, 6, 7, 8, 11 and 12 of this act shall take effect Janu-  
 32 ary 1, 2026; and the amendments to clause (i) of subparagraph (B) of  
 33 paragraph 1 of subsection (eee) of section 606 of the tax law, as added  
 34 by section nine of this act, shall take effect on January 1, 2026.

35 PART P

36 Intentionally Omitted

37 PART Q

38 Intentionally Omitted

39 PART R

40 Section 1. Subdivision (a) of section 213-a of the tax law, as amended  
 41 by chapter 166 of the laws of 1991, is amended to read as follows:

42 (a) Requirement of declaration.--Every taxpayer subject to the tax  
 43 imposed by section two hundred nine of this [chapter] article shall make  
 44 a declaration of its estimated tax for the current privilege period,  
 45 containing such information as the commissioner of taxation and finance  
 46 may prescribe by regulations or instructions, if such estimated tax can  
 47 reasonably be expected to exceed one thousand dollars for taxable years  
 48 beginning before January first, two thousand twenty-six, or five thou-

1 sand dollars for taxable years beginning on or after January first, two  
2 thousand twenty-six. If a taxpayer is subject to the tax surcharge  
3 imposed under section two hundred nine-B of this article and such  
4 taxpayer's estimated tax under section two hundred nine of this article  
5 can reasonably be expected to exceed one thousand dollars for taxable  
6 years beginning before January first, two thousand twenty-six, or five  
7 thousand dollars for taxable years beginning on or after January first,  
8 two thousand twenty-six, such taxpayer shall also make a declaration of  
9 its estimated tax surcharge for the current privilege period.

10 § 2. Subdivision (a) of section 213-b of the tax law, as amended by  
11 section 4 of part Z of chapter 59 of the laws of 2019, is amended to  
12 read as follows:

13 (a) First installments for certain taxpayers.--In privilege periods of  
14 twelve months ending at any time during the calendar year nineteen  
15 hundred seventy and thereafter, every taxpayer subject to the tax  
16 imposed by section two hundred nine of this [chapter] article must pay  
17 with the report required to be filed for the preceding privilege period,  
18 or with an application for extension of the time for filing the report,  
19 for taxable years beginning before January first, two thousand sixteen,  
20 and must pay on or before the fifteenth day of the third month of such  
21 privilege periods, for taxable years beginning on or after January  
22 first, two thousand sixteen, an amount equal to (i) twenty-five percent  
23 of the second preceding year's tax if the second preceding year's tax  
24 exceeded one thousand dollars for taxable years beginning before January  
25 first, two thousand twenty-six, or five thousand dollars for taxable  
26 years beginning on or after January first, two thousand twenty-six, but  
27 was equal to or less than one hundred thousand dollars, or (ii) forty  
28 percent of the second preceding year's tax if the second preceding  
29 year's tax exceeded one hundred thousand dollars. If the second preced-  
30 ing year's tax under section two hundred nine of this [chapter] article  
31 exceeded one thousand dollars for taxable years beginning before January  
32 first, two thousand twenty-six, or five thousand dollars for taxable  
33 years beginning on or after January first, two thousand twenty-six, and  
34 the taxpayer is subject to the tax surcharge imposed by section two  
35 hundred nine-B of this [chapter] article, the taxpayer must also pay  
36 with the tax surcharge report required to be filed for the second  
37 preceding privilege period, or with an application for extension of the  
38 time for filing the report, for taxable years beginning before January  
39 first, two thousand sixteen, and must pay on or before the fifteenth day  
40 of the third month of such privilege periods, for taxable years begin-  
41 ning on or after January first, two thousand sixteen, an amount equal to  
42 (i) twenty-five percent of the tax surcharge imposed for the second  
43 preceding year if the second preceding year's tax was equal to or less  
44 than one hundred thousand dollars, or (ii) forty percent of the tax  
45 surcharge imposed for the second preceding year if the second preceding  
46 year's tax exceeded one hundred thousand dollars. Provided, however,  
47 that every taxpayer that is a New York S corporation must pay with the  
48 report required to be filed for the preceding privilege period, or with  
49 an application for extension of the time for filing the report, an  
50 amount equal to (i) twenty-five percent of the preceding year's tax if  
51 the preceding year's tax exceeded one thousand dollars for taxable years  
52 beginning before January first, two thousand twenty-six, or five thou-  
53 sand dollars for taxable years beginning on or after January first, two  
54 thousand twenty-six, but was equal to or less than one hundred thousand  
55 dollars, or (ii) forty percent of the preceding year's tax if the  
56 preceding year's tax exceeded one hundred thousand dollars.



1 § 3. This act shall take effect immediately.

2

PART S

3 Section 1. Section 606 of the tax law is amended by adding a new  
4 subsection (qqq) to read as follows:

5 (qqq) Organ donation credit. (1) For taxable years beginning on or  
6 after January first, two thousand twenty-five, a full-year resident  
7 taxpayer who, while living, donates one or more of their human organs to  
8 another human being for human organ transplantation will be allowed a  
9 credit against the taxes imposed by this article in the amount specified  
10 in paragraph two of this subsection. For purposes of this paragraph,  
11 "human organ" means all or part of a liver, pancreas, kidney, intestine,  
12 lung, or bone marrow.

13 (2) A taxpayer may claim the credit allowed under this subsection only  
14 once and in the taxable year in which the human organ transplantation  
15 occurs. Such credit may be claimed, in an amount not to exceed ten thou-  
16 sand dollars, for only the following unreimbursed expenses that are  
17 incurred by the taxpayer and related to the taxpayer's organ donation:

- 18 (A) travel expenses;  
19 (B) lodging expenses; and  
20 (C) lost wages.

21 Provided, however, that this credit shall not apply to any organ  
22 donation for which the taxpayer has received benefits under section  
23 forty-three hundred seventy-one of the public health law.

24 (3) If the amount of the credit allowed under this subsection for any  
25 taxable year shall exceed the taxpayer's tax for such year, the excess  
26 shall be treated as an overpayment of tax to be credited or refunded in  
27 accordance with the provisions of section six hundred eighty-six of this  
28 article, provided, however, that no interest shall be paid thereon.

29 § 2. Paragraph 38 of subsection (c) of section 612 of the tax law, as  
30 added by chapter 565 of the laws of 2006, the opening paragraph as  
31 amended by chapter 814 of the laws of 2022, is amended to read as  
32 follows:

33 (38) [An] For taxable years beginning before January first, two thou-  
34 sand twenty-five, an amount of up to ten thousand dollars if a taxpayer,  
35 while living, donates one or more of [his or her] the taxpayer's human  
36 organs to another human being for human organ transplantation. For  
37 purposes of this paragraph, "human organ" means all or part of a liver,  
38 pancreas, kidney, intestine, lung, or bone marrow. A subtract modifica-  
39 tion allowed under this paragraph shall be claimed in the taxable year  
40 in which the human organ transplantation occurs. Provided, however, that  
41 this deduction shall not apply to any donation for which the taxpayer  
42 has received benefits under section forty-three hundred seventy-one of  
43 the public health law.

44 (A) A taxpayer shall claim the subtract modification allowed under  
45 this paragraph only once and such subtract modification shall be claimed  
46 for only the following unreimbursed expenses which are incurred by the  
47 taxpayer and related to the taxpayer's organ donation:

- 48 (i) travel expenses;  
49 (ii) lodging expenses; and  
50 (iii) lost wages.

51 (B) The subtract modification allowed under this paragraph shall not  
52 be claimed by a part-year resident or a non-resident of this state.

53 § 3. This act shall take effect immediately.

1

## PART T

2 Section 1. Paragraph 3 of subsection (a) of section 954 of the tax  
3 law, as amended by section 1 of part F of chapter 59 of the laws of  
4 2019, is amended to read as follows:

5 (3) Increased by the amount of any taxable gift under section 2503 of  
6 the internal revenue code not otherwise included in the decedent's  
7 federal gross estate, made during the three year period ending on the  
8 decedent's date of death, but not including any gift made: (A) when the  
9 decedent was not a resident of New York state; or (B) before April  
10 first, two thousand fourteen; or (C) between January first, two thousand  
11 nineteen and January fifteenth, two thousand nineteen; or (D) that is  
12 real or tangible personal property having an actual situs outside New  
13 York state at the time the gift was made. Provided, however that this  
14 paragraph shall not apply to the estate of a decedent dying on or after  
15 January first, two thousand [twenty-six] thirty-two.

16 § 2. This act shall take effect immediately.

17

## PART U

18 Section 1. Paragraphs (c) and (d) of subdivision 12 of section 210-B  
19 of the tax law, as added by section 17 of part A of chapter 59 of the  
20 laws of 2014, are amended to read as follows:

21 (c) Amount of credit. Except as provided in paragraph (d) of this  
22 subdivision, the amount of credit for taxable years beginning before  
23 January first, two thousand twenty-five shall be thirty-five percent of  
24 the first six thousand dollars in qualified first-year wages earned by  
25 each qualified employee and for taxable years beginning on or after  
26 January first, two thousand twenty-five shall be the first five thousand  
27 dollars in qualified first-year wages earned by each qualified employee.  
28 "Qualified first-year wages" means wages paid or incurred by the taxpay-  
29 er during the taxable year to qualified employees which are attribut-  
30 able, with respect to any such employee, to services rendered during the  
31 one-year period beginning with the day the employee begins work for the  
32 taxpayer.

33 (d) Credit where federal work opportunity tax credit applies. With  
34 respect to any qualified employee whose qualified first-year wages under  
35 paragraph (c) of this subdivision also constitute qualified first-year  
36 wages for purposes of the work opportunity tax credit for vocational  
37 rehabilitation referrals under section fifty-one of the internal revenue  
38 code, the amount of credit under this subdivision for taxable years  
39 beginning before January first, two thousand twenty-five shall be thir-  
40 ty-five percent of the first six thousand dollars in qualified second-  
41 year wages earned by each such employee and for taxable years beginning  
42 on or after January first, two thousand twenty-five shall be the first  
43 five thousand dollars in qualified second-year wages earned by each  
44 qualified employee. "Qualified second-year wages" means wages paid or  
45 incurred by the taxpayer during the taxable year to qualified employees  
46 which are attributable, with respect to any such employee, to services  
47 rendered during the one-year period beginning one year after the employ-  
48 ee begins work for the taxpayer.

49 § 2. Paragraphs 3 and 4 of subsection (o) of section 606 of the tax  
50 law, as added by chapter 142 of the laws of 1997, are amended to read as  
51 follows:

52 (3) Amount of credit. Except as provided in paragraph four of this  
53 subsection, the amount of credit for taxable years beginning before

1 January first, two thousand twenty-five shall be thirty-five percent of  
2 the first six thousand dollars in qualified first-year wages earned by  
3 each qualified employee and for taxable years beginning on or after  
4 January first, two thousand twenty-five shall be the first five thousand  
5 dollars in qualified first-year wages earned by each qualified employee.  
6 "Qualified first-year wages" means wages paid or incurred by the taxpay-  
7 er during the taxable year to qualified employees which are attribut-  
8 able, with respect to any such employee, to services rendered during the  
9 one-year period beginning with the day the employee begins work for the  
10 taxpayer.

11 (4) Credit where federal work opportunity tax credit applies. With  
12 respect to any qualified employee whose qualified first-year wages under  
13 paragraph three of this subsection also constitute qualified first-year  
14 wages for purposes of the work opportunity tax credit for vocational  
15 rehabilitation referrals under section fifty-one of the internal revenue  
16 code, the amount of credit under this subsection shall be for taxable  
17 years beginning before January first, two thousand twenty-five thirty-  
18 five percent of the first six thousand dollars in qualified second-year  
19 wages earned by each such employee and for taxable years beginning on or  
20 after January first, two thousand twenty-five shall be the first five  
21 thousand dollars in qualified second-year wages earned by each qualified  
22 employee. "Qualified second-year wages" means wages paid or incurred by  
23 the taxpayer during the taxable year to qualified employees which are  
24 attributable, with respect to any such employee, to services rendered  
25 during the one-year period beginning one year after the employee begins  
26 work for the taxpayer.

27 § 3. This act shall take effect immediately.

28

#### PART V

29 Section 1. Subdivision 3 of section 211 of the tax law, as amended by  
30 section 19 of part A of chapter 59 of the laws of 2014, is amended to  
31 read as follows:

32 3. If the amount of taxable income for any year of any taxpayer  
33 (including any taxpayer which has elected to be taxed under subchapter s  
34 of chapter one of the internal revenue code), as returned to the United  
35 States treasury department is changed or corrected by the commissioner  
36 of internal revenue or other officer of the United States or other  
37 competent authority, or where a renegotiation of a contract or subcon-  
38 tract with the United States results in a change in taxable income, such  
39 taxpayer shall report such changed or corrected taxable income, or the  
40 results of such renegotiation, within ninety days (or one hundred twenty  
41 days, in the case of a taxpayer making a combined report under this  
42 article for such year) after the final determination of such change or  
43 correction or renegotiation, or as required by the commissioner, and  
44 shall concede the accuracy of such determination or state wherein it is  
45 erroneous. Provided however, if the taxpayer is a direct or indirect  
46 partner of a partnership required to report adjustments in accordance  
47 with section six hundred fifty-nine-a of this chapter, such taxpayer  
48 shall also report such adjustments in accordance with section six  
49 hundred fifty-nine-a of this chapter when such adjustments result in an  
50 overpayment. The allowance of a tentative carryback adjustment based  
51 upon a net operating loss carryback or net capital loss carryback pursu-  
52 ant to section sixty-four hundred eleven of the internal revenue code,  
53 as amended, shall be treated as a final determination for purposes of  
54 this subdivision. Any taxpayer filing an amended return with such

1 department shall also file within ninety days (or one hundred twenty  
2 days, in the case of a taxpayer making a combined report under this  
3 article for such year) thereafter an amended report with the commission-  
4 er.

5 § 2. Subsection (b) of section 653 of the tax law, as added by chapter  
6 563 of the laws of 1960, is amended to read as follows:

7 (b) Partnerships. Any return, statement or other document required of  
8 a partnership shall be signed by one or more partners. The fact that a  
9 partner's name is signed to a return, statement, or other document,  
10 shall be prima facie evidence for all purposes that such partner is  
11 authorized to sign on behalf of the partnership.

12 (1) If a partnership is required to report federal adjustments arising  
13 from a partnership level audit or an administrative adjustment request  
14 pursuant to section six hundred fifty-nine-a of this part, the partner-  
15 ship's federal partnership representative is the New York partnership  
16 representative unless the partnership designates, in a manner determined  
17 by the commissioner, that another person shall act on behalf of the  
18 partnership.

19 (2) The New York partnership representative shall have the sole  
20 authority to act on behalf of the partnership and its direct and indi-  
21 rect partners shall be bound by these actions.

22 § 3. Section 659 of the tax law, as amended by section 8 of part J of  
23 chapter 59 of the laws of 2014, is amended to read as follows:

24 § 659. Report of federal changes, corrections or disallowances. If the  
25 amount of a taxpayer's federal taxable income, total taxable amount or  
26 ordinary income portion of a lump sum distribution or includible gain of  
27 a trust reported on [his] their federal income tax return for any taxa-  
28 ble year, or the amount of a taxpayer's earned income credit or credit  
29 for employment-related expenses set forth on such return, or the amount  
30 of any federal foreign tax credit affecting the calculation of the cred-  
31 it for Canadian provincial taxes under section six hundred twenty or six  
32 hundred twenty-A of this article, or the amount of any claim of right  
33 adjustment, is changed or corrected by the United States internal reven-  
34 ue service or other competent authority or as the result of a renegoti-  
35 ation of a contract or subcontract with the United States, or the amount  
36 an employer is required to deduct and withhold from wages for federal  
37 income tax withholding purposes is changed or corrected by such service  
38 or authority or if a taxpayer's claim for credit or refund of federal  
39 income tax is disallowed in whole or in part, the taxpayer or employer  
40 shall report such change or correction or disallowance within ninety  
41 days after the final determination of such change, correction, renegoti-  
42 ation or disallowance, or as otherwise required by the commissioner, and  
43 shall concede the accuracy of such determination or state wherein it is  
44 erroneous. Provided, however, if the taxpayer is a direct or indirect  
45 partner of a partnership required to report adjustments in accordance  
46 with section six hundred fifty-nine-a of this part, such taxpayer shall  
47 also report such adjustments in accordance with section six hundred  
48 fifty-nine-a of this part when such adjustments result in an overpay-  
49 ment. The allowance of a tentative carryback adjustment based upon a net  
50 operating loss carryback pursuant to section sixty-four hundred eleven  
51 of the internal revenue code shall be treated as a final determination  
52 for purposes of this section. Any taxpayer filing an amended federal  
53 income tax return and any employer filing an amended federal return of  
54 income tax withheld shall also file within ninety days thereafter an  
55 amended return under this article, and shall give such information as  
56 the commissioner may require. The commissioner may by regulation



1 prescribe such exceptions to the requirements of this section as [he or  
2 she deems] they deem appropriate. For purposes of this section, (i) the  
3 term "taxpayer" shall include a partnership having a resident partner or  
4 having any income derived from New York sources, and a corporation with  
5 respect to which the taxable year of such change, correction, disallow-  
6 ance or amendment is a year with respect to which the election provided  
7 for in subsection (a) of section six hundred sixty of this article is in  
8 effect, and (ii) the term "federal income tax return" shall include the  
9 returns of income required under sections six thousand thirty-one and  
10 six thousand thirty-seven of the internal revenue code. In the case of  
11 such a corporation, such report shall also include any change or  
12 correction of the taxes described in paragraphs two and three of  
13 subsection (f) of section thirteen hundred sixty-six of the internal  
14 revenue code. Reports made under this section by a partnership or corpo-  
15 ration shall indicate the portion of the change in each item of income,  
16 gain, loss or deduction (and, in the case of a corporation, of each  
17 change in, or disallowance of a claim for credit or refund of, a tax  
18 referred to in the preceding sentence) allocable to each partner or  
19 shareholder and shall set forth such identifying information with  
20 respect to such partner or shareholder as may be prescribed by the  
21 commissioner.

22 § 4. The tax law is amended by adding a new section 659-a to read as  
23 follows:

24 § 659-a. Reporting of federal partnership adjustments. (a) If any  
25 item required to be shown on a federal partnership return, for any part-  
26 nership that has a resident partner or any income derived from New York  
27 sources, including any gross income, gain, loss, deduction, penalty,  
28 credit, or tax for any year of such partnership, including any amount of  
29 any partner's distributive share, is changed or corrected by the commis-  
30 sioner of internal revenue or other officer of the United States or  
31 other competent authority, and the partnership is issued an adjustment  
32 under section sixty-two hundred twenty-five of the internal revenue code  
33 or makes a federal election for alternative payment with the United  
34 States internal revenue service as part of a partnership level audit, or  
35 files an administrative adjustment request, the partnership shall  
36 report, in the manner prescribed by the commissioner, each change or  
37 correction in sufficient detail to allow for the computation of the New  
38 York tax change or correction for the reviewed year within ninety days  
39 after the date of each final federal determination, or ninety days after  
40 the filing of an administrative adjustment request.

41 (b) Definitions. As used in this section, the following terms shall  
42 have the following meanings:

43 (1) "Administrative adjustment request" means an administrative  
44 adjustment request filed by a partnership under section sixty-two  
45 hundred twenty-seven of the internal revenue code.

46 (2) "Direct partner" means a partner that holds an interest directly  
47 in an impacted partnership during the reviewed year.

48 (3) "Federal election for alternative payment" means the election  
49 described in section sixty-two hundred twenty-six of the internal reven-  
50 ue code, relating to alternative payment of imputed underpayment by  
51 partnership.

52 (4) "Final federal adjustment" means a change to an item of gross  
53 income, gain, loss, deduction, penalty, credit, or a partner's distribu-  
54 tive share, of an impacted partnership determined under section sixty-  
55 two hundred twenty-five of the internal revenue code that is considered  
56 fixed and final under the internal revenue code.



1 (5) "Final federal determination date" means the date on which each  
2 adjustment or resolution resulting from a United States internal revenue  
3 service examination is assessed pursuant to section sixty-two hundred  
4 three of the internal revenue code.

5 (6) "Impacted partnership" means a partnership that (i) was issued a  
6 final federal adjustment; or (ii) made a federal election for alterna-  
7 tive payment with the United States internal revenue service as part of  
8 a federal partnership level audit; or (iii) filed an administrative  
9 adjustment request with the internal revenue service.

10 (7) "Indirect partner" means a partner, member, or shareholder in a  
11 partnership or other pass-through entity that itself held an interest  
12 indirectly, or through another indirect partner, in an impacted partner-  
13 ship during the reviewed year.

14 (8) "Reviewed year" has the meaning provided in paragraph one of  
15 subsection (d) of section sixty-two hundred twenty-five of the internal  
16 revenue code.

17 (9) "Tiered partner" means any partner in an impacted partnership that  
18 is a partnership, S corporation, or other pass-through entity for New  
19 York tax purposes.

20 (c) (1) Impacted partnerships must file any required reports and pay  
21 any New York tax due, if applicable, with respect to a final federal  
22 adjustment or an administrative adjustment request no later than ninety  
23 days after the final federal determination date, or the date an adminis-  
24 trative adjustment request was filed, in accordance with subsection (d)  
25 of this section.

26 (2) Notwithstanding any election made for federal purposes under the  
27 provisions of subchapter C of chapter sixty-three of the internal reven-  
28 ue code, any changes or corrections made by the United States internal  
29 revenue service pursuant to such a final federal adjustment or as a  
30 result of an administrative adjustment request that increases New York  
31 taxable income must be calculated with respect to the impacted partner-  
32 ship in the reviewed year, and any additional New York tax owed as a  
33 result of such a final federal adjustment or administrative adjustment  
34 request must be paid by the impacted partnership as computed in accord-  
35 ance with subsection (d) of this section.

36 (3) Notwithstanding any election made for federal purposes under the  
37 provisions of subchapter C of chapter sixty-three of the internal reven-  
38 ue code, where changes or corrections made by the United States internal  
39 revenue service pursuant to such a final federal adjustment or as a  
40 result of an administrative adjustment request decrease New York taxable  
41 income, the partners may request any resulting overpayment as permitted  
42 under this article and articles nine-A and thirty-three of this chapter.

43 (d) Reporting and payment requirements for impacted partnerships and  
44 partners subject to a final federal adjustment or administrative adjust-  
45 ment request.

46 (1) Impacted partnerships must report any final federal adjustments  
47 and administrative adjustment requests regardless of tax impact. Such  
48 report must include the impacted partnership's direct and indirect part-  
49 ner identifying information and any other information the commissioner  
50 may require.

51 (2) For the partnership adjustments described in paragraph two of  
52 subsection (c) of this section, the impacted partnership must:

53 (A) report the sum of the following amounts attributable to each of  
54 its direct partners and indirect partners as follows:

55 (i) for partners subject to tax pursuant to articles nine-a or thir-  
56 ty-three of this chapter in the reviewed year, other than tiered part-

1 ners, the partner's distributive share of gross income or gain, appor-  
2 tioned to New York using a percentage using the apportionment rules  
3 described in article nine-A of this chapter;

4 (ii) for a partner subject to tax pursuant to this article that is  
5 treated as a nonresident pursuant to paragraph two of subsection (b) of  
6 section six hundred five of this article in the reviewed year, other  
7 than a tiered partner, the partner's distributive share of gross income  
8 or gain allocated to New York using the allocation rules described in  
9 this article;

10 (iii) for a partner subject to tax pursuant to this article that is  
11 treated as a resident pursuant to paragraph one of subsection (b) of  
12 section six hundred five of this article in the reviewed year, other  
13 than a tiered partner, the partner's federal distributive share of gross  
14 income or gain; and

15 (iv) for a partner subject to tax pursuant to article thirty of this  
16 chapter that is treated as a resident pursuant to subsection (a) of  
17 section thirteen hundred five of this chapter in the reviewed year,  
18 other than tiered partners, the partner's federal distributive share of  
19 gross income or gain.

20 (B) For purposes of computing the distributive share of gross income  
21 or gain attributable to tiered partners, the partnership shall compute  
22 the distributive share of each indirect partner that itself is not a  
23 tiered partner, based on the rules in subparagraph (A) of paragraph two  
24 of this subsection. Provided, however, if the impacted partnership lacks  
25 the necessary information to compute the distributive share of:

26 (i) one or more indirect partners taxable under articles nine-A and  
27 thirty-three of this chapter, such indirect partner or partners must  
28 allocate one hundred percent of such taxpayer's distributive share of  
29 the adjustment to the state.

30 (ii) one or more indirect partners taxable under this article, such  
31 indirect partner or partners must be treated as a resident pursuant to  
32 subsection (a) of section thirteen hundred five of this chapter.

33 (C) The impacted partnership shall compute tax due by computing the  
34 sum of:

35 (i) the cumulative distributive share of all direct and indirect part-  
36 ners as computed under clauses (i), (ii), (iii), and (iv) of subpara-  
37 graph (A) of paragraph (2) of subsection (d) of this section, multiplied  
38 by the highest tax rate imposed under section six hundred one of this  
39 article for the reviewed year, and

40 (ii) the cumulative distributive share of all direct and indirect  
41 partners as computed under clause (iv) of subparagraph (A) of paragraph  
42 two of this subsection, multiplied by the highest rate imposed under  
43 section thirteen hundred four of this chapter for the reviewed year.

44 (D) The partnership shall be required to remit any additional amount  
45 of tax due, plus any penalty and interest computed under this article  
46 based on the due date of the originally filed return of the reviewed  
47 year.

48 (3) The impacted partnership must inform each direct and indirect  
49 partner of partnership adjustments described in paragraph three of  
50 subsection (c) of this section in the manner required by the commission-  
51 er.

52 (e) Statute of limitations for assessments of additional New York  
53 state tax, interest, and penalties arising from adjustments to federal  
54 taxable income.

55 (1) If the impacted partnership files a report within the period spec-  
56 ified in subsection (c) of this section, the commissioner may assess an

1 impacted partnership additional tax, interest, and penalties arising  
2 from final federal adjustments or administrative adjustment requests  
3 pursuant to the provisions of section six hundred eighty-three of this  
4 article.

5 (2) If an impacted partnership fails to file a report as required in  
6 subsection (c) of this section, the commissioner may assess the impacted  
7 partnership additional tax, interest, and penalties arising from final  
8 federal adjustments or administrative adjustment requests pursuant to  
9 the provisions of section six hundred eighty-one of this article.

10 (f) Nothing in this section shall prevent the commissioner from  
11 assessing direct or indirect partners for any taxes due, using the best  
12 information available, in the event that an impacted partnership fails  
13 to timely report or remit any report or additional taxes due required by  
14 this section for any reason.

15 § 5. Subsection (e) of section 681 of the tax law, as amended by chap-  
16 ter 381 of the laws of 1975, paragraph 1 as amended by chapter 28 of the  
17 laws of 1987, is amended to read as follows:

18 (e) Exceptions where federal changes, corrections or disallowances are  
19 not reported.---

20 (1) If the taxpayer or employer fails to comply with section six  
21 hundred fifty-nine or section six hundred fifty-nine-a, instead of the  
22 mode and time of assessment provided for in subsection (b) of this  
23 section, the [tax commission] commissioner may assess a deficiency based  
24 upon such federal change, correction or disallowance by mailing to the  
25 taxpayer a notice of additional tax due specifying the amount of the  
26 deficiency, and such deficiency, together with the interest, additions  
27 to tax and penalties stated in such notice, shall be deemed assessed on  
28 the date such notice is mailed unless within thirty days after the mail-  
29 ing of such notice a report of the federal change, correction or disal-  
30 lowance or an amended return, where such return was required by section  
31 six hundred fifty-nine or section six hundred fifty-nine-a, is filed  
32 accompanied by a statement showing wherein such federal determination  
33 and such notice of additional tax due are erroneous.

34 (2) Such notice shall not be considered as a notice of deficiency for  
35 the purposes of this section, subsection (f) of section six hundred  
36 eighty-seven (limiting credits or refunds after petition to the [tax  
37 commission] division of tax appeals), or subsection (b) of section six  
38 hundred eighty-nine (authorizing the filing of a petition with the [tax  
39 commission] division of tax appeals based on a notice of deficiency),  
40 nor shall such assessment or the collection thereof be prohibited by the  
41 provisions of subsection (c).

42 (3) If [a husband and wife] spouses are jointly liable for tax, a  
43 notice of additional tax due may be a single joint notice, except that  
44 if the [tax commission] commissioner has been notified by either spouse  
45 that separate residences have been established, then, in lieu of the  
46 joint notice, a duplicate original of the joint notice shall be mailed  
47 to each spouse at [his or her] their last known address in or out of  
48 this state. If the taxpayer is deceased or under a legal disability, a  
49 notice of additional tax due may be mailed to [his] their last known  
50 address in or out of this state, unless the [tax commission] commission-  
51 er has received notice of the existence of a fiduciary relationship with  
52 respect to the taxpayer.

53 § 6. Subsection (a) of section 682 of the tax law, as amended by  
54 section 3 of part F of chapter 60 of the laws of 2004, is amended to  
55 read as follows:

1 (a) Assessment date.--The amount of tax which a return shows to be  
2 due, or the amount of tax which a return would have shown to be due but  
3 for a mathematical or clerical error, shall be deemed to be assessed on  
4 the date of filing of the return (including any amended return showing  
5 an increase of tax). In the case of a return properly filed without  
6 computation of tax, the tax computed by the commissioner shall be deemed  
7 to be assessed on the date on which payment is due. If a notice of defi-  
8 ciency has been mailed, the amount of the deficiency shall be deemed to  
9 be assessed on the date specified in subsection (b) of section six  
10 hundred eighty-one if no petition to the division of tax appeals is  
11 filed, or if a petition is filed, then upon the date when a determi-  
12 nation or decision rendered in the division of tax appeals establishing  
13 the amount of the deficiency becomes final. If an amended return or  
14 report filed pursuant to section six hundred fifty-nine or six hundred  
15 fifty-nine-a concedes the accuracy of a federal change or correction,  
16 any deficiency in tax under this article resulting therefrom shall be  
17 deemed to be assessed on the date of filing such report or amended  
18 return, and such assessment shall be timely notwithstanding section six  
19 hundred eighty-three. If a notice of additional tax due, as prescribed  
20 in subsection (e) of section six hundred eighty-one, has been mailed,  
21 the amount of the deficiency shall be deemed to be assessed on the date  
22 specified in such subsection unless within thirty days after the mailing  
23 of such notice a report of the federal change or correction or an  
24 amended return, where such return was required by section six hundred  
25 fifty-nine or six hundred fifty-nine-a, is filed accompanied by a state-  
26 ment showing wherein such federal determination and such notice of addi-  
27 tional tax due are erroneous. Any amount paid as a tax or in respect of  
28 a tax, other than amounts withheld at the source or paid as estimated  
29 income tax, shall be deemed to be assessed upon the date of receipt of  
30 payment, notwithstanding any other provisions.

31 § 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax  
32 law, paragraph 1 as amended by chapter 526 of the laws of 1973, subpara-  
33 graph (C) of paragraph 1 and paragraph 3 as amended by chapter 28 of  
34 the laws of 1987, and paragraph 2 as added by chapter 1011 of 1962, are  
35 amended to read as follows:

36 (1) Assessment at any time.--The tax may be assessed at any time if--

37 (A) no return is filed,

38 (B) a false or fraudulent return is filed with intent to evade tax, or

39 (C) the taxpayer or employer fails to comply with section six hundred  
40 fifty-nine or six hundred fifty-nine-a.

41 (2) Extension by agreement.--Where, before the expiration of the time  
42 prescribed in this section for the assessment of tax, both the [tax  
43 commission] commissioner and the taxpayer have consented in writing to  
44 its assessment after such time, the tax may be assessed at any time  
45 prior to the expiration of the period agreed upon. The period so agreed  
46 upon may be extended by subsequent agreements in writing made before the  
47 expiration of the period previously agreed upon.

48 (3) Report of federal changes, corrections or disallowances.--If the  
49 taxpayer or employer complies with section six hundred fifty-nine or six  
50 hundred fifty-nine-a, the assessment (if not deemed to have been made  
51 upon the filing of the report or amended return) may be made at any time  
52 within two years after such report or amended return was filed. The  
53 amount of such assessment of tax shall not exceed the amount of the  
54 increase in New York tax attributable to such federal change or  
55 correction. The provisions of this paragraph shall not affect the time

1 within which or the amount for which an assessment may otherwise be  
2 made.

3 § 8. Paragraph 2 of subsection (h) of section 685 of the tax law, as  
4 amended by section 5 of part I of chapter 59 of the laws of 2014, is  
5 amended to read as follows:

6 (2) If any partnership, S corporation, or trust required to file a  
7 return or report under subsection (c) or subsection (f) of section six  
8 hundred fifty-eight or under section six hundred fifty-nine or six  
9 hundred fifty-nine-a of this article for any taxable year fails to file  
10 such return or report at the time prescribed therefor (determined with  
11 regard to any extension of time for filing), or files a return or report  
12 which fails to show the information required under such subsection (c)  
13 [or] of section six hundred fifty-nine of this article, or files a  
14 return or report which fails to show the information required under  
15 subsection (d) of section six hundred fifty-nine-a of this article,  
16 unless it is shown that such failure is due to reasonable cause and not  
17 due to willful neglect, there shall, upon notice and demand by the  
18 commissioner and in the same manner as tax, be paid by the partnership  
19 or S corporation a penalty for each month (or fraction thereof) during  
20 which such failure continues (but not to exceed five months). The amount  
21 of such penalty for any month is the product of fifty dollars, multi-  
22 plied by the number of partners in the partnership or shareholders in  
23 the S corporation during any part of the taxable year who were subject  
24 to tax under this article during any part of such taxable year, except  
25 that, in the case of a trust, the penalty shall be equal to one hundred  
26 fifty dollars a month up to a maximum of fifteen hundred dollars per  
27 taxable year.

28 § 9. Subsection (c) of section 687 of the tax law, as amended by chap-  
29 ter 61 of the laws of 1989, is amended to read as follows:

30 (c) Notice of federal change or correction.--A claim for credit or  
31 refund of any overpayment of tax attributable to a federal change or  
32 correction required to be reported pursuant to section six hundred  
33 fifty-nine or by a partner of a partnership required to report a federal  
34 change or correction pursuant to section six hundred fifty-nine-a shall  
35 be filed by the taxpayer within two years from the time the notice of  
36 such change or correction or such amended return was required to be  
37 filed with the commissioner of taxation and finance. If the report or  
38 amended return required by section six hundred fifty-nine or six hundred  
39 fifty-nine-a is not filed within the ninety day period therein speci-  
40 fied, no interest shall be payable on any claim for credit or refund of  
41 the overpayment attributable to the federal change or correction. The  
42 amount of such credit or refund shall not exceed the amount of the  
43 reduction in tax attributable to such federal change, correction or  
44 items amended on the taxpayer's amended federal income tax return. This  
45 subsection shall not affect the time within which or the amount for  
46 which a claim for credit or refund may be filed apart from this  
47 subsection.

48 § 10. Subsection (g) of section 688 of the tax law, as amended by  
49 chapter 61 of the laws of 1989, is amended to read as follows:

50 (g) Cross-reference.--For provision with respect to interest after  
51 failure to file notice of federal change under section six hundred  
52 fifty-nine or six hundred fifty-nine-a, see subsection (c) of section  
53 six hundred eighty-seven.

54 § 11. Subsection (a) of section 1312 of the tax law, as amended by  
55 section 9 of part Q of chapter 407 of the laws of 1999, is amended to  
56 read as follows:

1 (a) Except as otherwise provided in this article, any tax imposed  
2 pursuant to the authority of this article shall be administered and  
3 collected by the commissioner in the same manner as the tax imposed by  
4 article twenty-two of this chapter is administered and collected by the  
5 commissioner. All of the provisions of article twenty-two of this chap-  
6 ter relating to or applicable to payment of estimated tax, returns,  
7 payment of tax, claim of right adjustment, withholding of tax from  
8 wages, employer's statements and returns, employer's liability for taxes  
9 required to be withheld and all other provisions of article twenty-two  
10 of this chapter relating to or applicable to the administration,  
11 collection, liability for and review of the tax imposed by article twen-  
12 ty-two of this chapter, including sections six hundred fifty-two through  
13 six hundred fifty-four, sections six hundred fifty-seven through [six  
14 hundred fifty-nine] six hundred fifty-nine-a, sections six hundred  
15 sixty-one and six hundred sixty-two, sections six hundred seventy-one  
16 and six hundred seventy-two, sections six hundred seventy-four through  
17 six hundred seventy-eight and sections six hundred eighty-one through  
18 six hundred ninety-seven of this chapter, inclusive, shall apply to a  
19 tax imposed pursuant to the authority of this article with the same  
20 force and effect as if those provisions had been incorporated in full  
21 into this article, and had expressly referred to the tax imposed pursu-  
22 ant to the authority of this article, except where inconsistent with a  
23 provision of this article. Whenever there is joint collection of state  
24 and city personal income taxes, it shall be deemed that such collections  
25 shall represent proportionately the applicable state and city personal  
26 income taxes in determining the amount to be remitted to the city.

27 § 12. Paragraph 1 of subdivision (e) of section 1515 of the tax law,  
28 as amended by chapter 770 of the laws of 1992, is amended to read as  
29 follows:

30 (1) If the amount of the life insurance company taxable income (which  
31 shall include, in the case of a stock life insurance company which has  
32 an existing policyholders surplus account, the amount of direct and  
33 indirect distributions during the taxable year to shareholders from such  
34 account), taxable income of a partnership or taxable income, as the case  
35 may be, or alternative minimum taxable income for any year of any  
36 taxpayer as returned to the United States treasury department is changed  
37 or corrected by the commissioner of internal revenue or other officer of  
38 the United States or other competent authority, such taxpayer shall  
39 report such change or corrected taxable income or alternative minimum  
40 taxable income within ninety days (or one hundred twenty days, in the  
41 case of a taxpayer making a combined return under this article for such  
42 year) after the final determination of such change or correction or as  
43 required by the commissioner, and shall concede the accuracy of such  
44 determination or state wherein it is erroneous. Provided, however, if  
45 the taxpayer is a direct or indirect partner of a partnership required  
46 to report adjustments in accordance with section six hundred  
47 fifty-nine-a of this chapter, such taxpayer shall also report such  
48 adjustments in accordance with section six hundred fifty-nine-a of this  
49 chapter when such adjustments result in an overpayment. Any taxpayer  
50 filing an amended return with such department shall also file within  
51 ninety days (or one hundred twenty days, in the case of a taxpayer  
52 making a combined return under this article for such year) thereafter an  
53 amended return with the commissioner which shall contain such informa-  
54 tion as the commissioner shall require. The allowance of a tentative  
55 carryback adjustment based upon a net operating loss carryback or net  
56 capital loss carryback pursuant to section sixty-four hundred eleven of



1 the internal revenue code or upon an operations loss carryback pursuant  
 2 to section eight hundred ten of the internal revenue code, shall be  
 3 treated as a final determination for purposes of this subdivision.

4 § 13. This act shall take effect immediately; provided, however, that  
 5 adjustments to a taxpayer's federal taxable income or tax liability with  
 6 a final determination date or administrative adjustment request occur-  
 7 ring prior to the effective date of this act must be reported within one  
 8 year of such effective date; provided further that no interest shall  
 9 accrue on adjustments occurring prior to the effective date of this act.

10

## PART W

11 Section 1. Section 1310 of the tax law is amended by adding a new  
 12 subsection (h) to read as follows:

13 (h) Credit for certain taxpayers with incomes below certain thresh-  
 14 olds. (1) Notwithstanding any other provision of law to the contrary,  
 15 for taxable years beginning on or after January first, two thousand  
 16 twenty-five, a credit shall be allowed to a taxpayer against the tax  
 17 imposed pursuant to the authority of this article in an amount equal to  
 18 the tax otherwise due under this article for such taxable year, reduced  
 19 by all the credits permitted by this article for such taxable year, if:

20 (A) such taxpayer is entitled to a deduction for such taxable year  
 21 under subsection (c) of section one hundred fifty-one of the internal  
 22 revenue code;

23 (B) such taxpayer meets the following income thresholds for such taxa-  
 24 ble year:

25 (i) for city taxpayers who filed a resident income tax return as  
 26 married taxpayers filing jointly or a qualified surviving spouse:

| 27 | <u>If the number of</u> | <u>Income no greater than:</u> |
|----|-------------------------|--------------------------------|
| 28 | <u>dependents is:</u>   |                                |
| 29 | <u>1</u>                | <u>\$36,789</u>                |
| 30 | <u>2</u>                | <u>\$46,350</u>                |
| 31 | <u>3</u>                | <u>\$54,545</u>                |
| 32 | <u>4</u>                | <u>\$61,071</u>                |
| 33 | <u>5</u>                | <u>\$68,403</u>                |
| 34 | <u>6</u>                | <u>\$75,204</u>                |
| 35 | <u>7 or more</u>        | <u>\$91,902</u>                |

36 (ii) for city taxpayers who filed a resident income tax return as a  
 37 single taxpayer, married taxpayer filing a separate return, or head of  
 38 household:

| 39 | <u>If the number of</u> | <u>Income no greater than:</u> |
|----|-------------------------|--------------------------------|
| 40 | <u>dependents is:</u>   |                                |
| 41 | <u>1</u>                | <u>\$31,503</u>                |
| 42 | <u>2</u>                | <u>\$36,824</u>                |
| 43 | <u>3</u>                | <u>\$46,512</u>                |
| 44 | <u>4</u>                | <u>\$53,711</u>                |
| 45 | <u>5</u>                | <u>\$59,928</u>                |
| 46 | <u>6</u>                | <u>\$65,712</u>                |
| 47 | <u>7</u>                | <u>\$74,565</u>                |
| 48 | <u>8 or more</u>        | <u>\$88,361</u>                |



1 (iii) for any taxable year beginning on or after January first, two  
 2 thousand twenty-six, the commissioner shall multiply the amounts in this  
 3 subparagraph by one plus the cost-of-living adjustment, which shall be  
 4 the percentage by which the consumer price index for the preceding  
 5 calendar year exceeds the consumer price index for calendar year two  
 6 thousand twenty-four;

7 (C) such taxpayer is not allowed a credit pursuant to:

8 (i) subsection (a) of section eight hundred sixty-three of this chap-  
 9 ter against the tax imposed pursuant to article twenty-two of this chap-  
 10 ter; or

11 (ii) subsection (a) of section eight hundred seventy of this chapter  
 12 against the tax imposed pursuant to the authority of article thirty of  
 13 this chapter; and

14 (D) such taxpayer does not report disqualified income in excess of ten  
 15 thousand dollars in the taxable year, as defined in subsection (i) of  
 16 section thirty-two of the internal revenue code.

17 (2) Where the income of a taxpayer exceeds the amount indicated in  
 18 subparagraph (B) of paragraph one of this subsection for such taxpayer  
 19 by five thousand dollars or less, and such taxpayer satisfies subpara-  
 20 graph (A) and subparagraphs (C) and (D) of paragraph one of this  
 21 subsection, a credit shall be allowed in the amount determined by multi-  
 22 plying: (A) the tax otherwise due under this article for such taxable  
 23 year reduced by all the credits permitted by this article for such taxa-  
 24 ble year by (B) a fraction the numerator of which is five thousand  
 25 dollars minus the amount by which such income exceeds the amount indi-  
 26 cated in subparagraph (B) of paragraph one of this subsection and the  
 27 denominator of which is five thousand dollars.

28 (3) For purposes of this subsection:

29 (A) "Consumer price index" means the most recent consumer price index  
 30 for all-urban consumers published by the United States department of  
 31 labor. The consumer price index for any calendar year shall be the  
 32 average of the consumer price index as of the close of the twelve-month  
 33 period ending on August thirty-first of such calendar year.

34 (B) "Income" means federal adjusted gross income for the taxable year.

35 § 2. Section 11-1706 of the administrative code of the city of New  
 36 York is amended by adding a new subdivision (h) to read as follows:

37 (h) Credit for certain taxpayers with incomes below certain thresh-  
 38 olds. (1) Notwithstanding any other provision of law to the contrary,  
 39 for any taxable year beginning on or after January first, two thousand  
 40 twenty-five, a credit shall be allowed to a taxpayer against the taxes  
 41 imposed pursuant to the authority of this chapter in an amount equal to  
 42 the tax otherwise due under this chapter for such taxable year reduced  
 43 by all the credits permitted by this chapter for such taxable year if:

44 (A) such taxpayer is entitled to a deduction for such taxable year  
 45 under subsection (c) of section one hundred fifty-one of the internal  
 46 revenue code;

47 (B) such taxpayer meets the following income thresholds for such taxa-  
 48 ble year:

49 (i) for city taxpayers who filed a resident income tax return as  
 50 married taxpayers filing jointly or a qualified surviving spouse:

|    | <u>If the number of dependents is:</u> | <u>Income no greater than:</u> |
|----|--|--------------------------------|
| 51 | <u>1</u>                               | <u>\$36,789</u>                |
| 52 | <u>2</u>                               | <u>\$46,350</u>                |
| 53 | <u>3</u>                               | <u>\$54,545</u>                |
| 54 | <u>4</u>                               | <u>\$61,071</u>                |
| 55 |  |                                |

|   |                  |                 |
|---|------------------|-----------------|
| 1 | <u>5</u>         | <u>\$68,403</u> |
| 2 | <u>6</u>         | <u>\$75,204</u> |
| 3 | <u>7 or more</u> | <u>\$91,902</u> |

4 (ii) for city taxpayers who filed a resident income tax return as a  
 5 single taxpayer, married taxpayer filing a separate return, or head of  
 6 household:

| 7  | <u>If the number of dependents is:</u> | <u>Income no greater than:</u> |
|----|--|--------------------------------|
| 8  | <u>1</u>                               | <u>\$31,503</u>                |
| 9  | <u>2</u>                               | <u>\$36,824</u>                |
| 10 | <u>3</u>                               | <u>\$46,512</u>                |
| 11 | <u>4</u>                               | <u>\$53,711</u>                |
| 12 | <u>5</u>                               | <u>\$59,928</u>                |
| 13 | <u>6</u>                               | <u>\$65,712</u>                |
| 14 | <u>7</u>                               | <u>\$74,565</u>                |
| 15 | <u>8 or more</u>                       | <u>\$88,361</u>                |

16 (iii) for any taxable year beginning on or after January first, two  
 17 thousand twenty-six, the commissioner of the state department of taxa-  
 18 tion and finance shall multiply the amounts in this subparagraph by one  
 19 plus the cost-of-living adjustment, which shall be the percentage by  
 20 which the consumer price index for the preceding calendar year exceeds  
 21 the consumer price index for calendar year two thousand twenty-four;

22 (C) such taxpayer is not allowed a credit pursuant to: (i) subsection  
 23 (a) of section eight hundred sixty-three of the tax law against the  
 24 tax imposed pursuant to article twenty-two of such law; or (ii) subdivi-  
 25 sion (g) of this section against the tax imposed pursuant to this chap-  
 26 ter;

27 (D) such taxpayer does not report disqualified income in excess of ten  
 28 thousand dollars in the taxable year, as such term is defined in  
 29 subsection (i) of section thirty-two of the internal revenue code.

30 (2) Where the income of a taxpayer exceeds the amount indicated in  
 31 subparagraph (B) of paragraph one of this subdivision for such taxpayer  
 32 by five thousand dollars or less, and such taxpayer satisfies subpara-  
 33 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-  
 34 vision, a credit shall be allowed in the amount determined by multiply-  
 35 ing: (A) the tax otherwise due under this article for such taxable year  
 36 reduced by all the credits permitted by this article for such taxable  
 37 year by (B) a fraction the numerator of which is five thousand dollars  
 38 minus the amount by which such income exceeds the amount indicated in  
 39 subparagraph (B) of paragraph one of this subdivision and the denomina-  
 40 tor of which is five thousand dollars.

41 (3) For purposes of this subdivision:

42 (A) "Consumer price index" means the most recent consumer price index  
 43 for all-urban consumers published by the United States department of  
 44 labor. The consumer price index for any calendar year shall be the  
 45 average of the consumer price index as of the close of the twelve-month  
 46 period ending on August thirty-first of such calendar year.

47 (B) "Income" means federal adjusted gross income for a taxable year.

48 § 3. This act shall take effect immediately and shall apply to taxable  
 49 years beginning on or after January 1, 2025.

50 PART X

51 Intentionally Omitted

1

## PART Y

2 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax  
3 law, as amended by section 1 of part K of chapter 59 of the laws of  
4 2022, is amended to read as follows:

5 (a) General. A taxpayer shall be allowed a credit against the tax  
6 imposed by this article. Such credit, to be computed as hereinafter  
7 provided, shall be allowed for bioheating fuel, used for space heating  
8 or hot water production for residential purposes within this state  
9 purchased before January first, two thousand [twenty-six] twenty-nine.  
10 Such credit shall be \$0.01 per percent of biodiesel per gallon of  
11 bioheating fuel, not to exceed twenty cents per gallon, purchased by  
12 such taxpayer. Provided, however, that on or after January first, two  
13 thousand seventeen, this credit shall not apply to bioheating fuel that  
14 is less than six percent biodiesel per gallon of bioheating fuel.

15 § 2. Paragraph 1 of subdivision (mm) of section 606 of the tax law, as  
16 amended by section 2 of part K of chapter 59 of the laws of 2022, is  
17 amended to read as follows:

18 (1) A taxpayer shall be allowed a credit against the tax imposed by  
19 this article. Such credit, to be computed as hereinafter provided, shall  
20 be allowed for bioheating fuel, used for space heating or hot water  
21 production for residential purposes within this state and purchased on  
22 or after July first, two thousand six and before July first, two thou-  
23 sand seven and on or after January first, two thousand eight and before  
24 January first, two thousand [twenty-six] twenty-nine. Such credit shall  
25 be \$0.01 per percent of biodiesel per gallon of bioheating fuel, not to  
26 exceed twenty cents per gallon, purchased by such taxpayer. Provided,  
27 however, that on or after January first, two thousand seventeen, this  
28 credit shall not apply to bioheating fuel that is less than six percent  
29 biodiesel per gallon of bioheating fuel.

30 § 3. This act shall take effect immediately.

31

## PART Z

32 Section 1. Subdivision 6 of section 187-b of the tax law, as amended  
33 by section 1 of part P of chapter 59 of the laws of 2022, is amended to  
34 read as follows:

35 6. Termination. The credit allowed by subdivision two of this section  
36 shall not apply in taxable years beginning after December thirty-first,  
37 two thousand [twenty-five] twenty-eight.

38 § 2. Paragraph (f) of subdivision 30 of section 210-B of the tax law,  
39 as amended by section 2 of part P of chapter 59 of the laws of 2022, is  
40 amended to read as follows:

41 (f) Termination. The credit allowed by paragraph (b) of this subdivi-  
42 sion shall not apply in taxable years beginning after December thirty-  
43 first, two thousand [twenty-five] twenty-eight.

44 § 3. Paragraph 6 of subsection (p) of section 606 of the tax law, as  
45 amended by section 3 of part P of chapter 59 of the laws of 2022, is  
46 amended to read as follows:

47 (6) Termination. The credit allowed by this subsection shall not apply  
48 in taxable years beginning after December thirty-first, two thousand  
49 [twenty-five] twenty-eight.

50 § 4. This act shall take effect immediately.

51

## PART AA

1 Section 1. Subparagraph (B) of paragraph 1 of subdivision (a) of  
2 section 1115 of the tax law, as amended by section 1 of part J of chap-  
3 ter 59 of the laws of 2024, is amended to read as follows:

4 (B) Until May thirty-first, two thousand [twenty-five] twenty-six, the  
5 food and drink excluded from the exemption provided by clauses (i), (ii)  
6 and (iii) of subparagraph (A) of this paragraph, and bottled water,  
7 shall be exempt under this subparagraph: (i) when sold for one dollar  
8 and fifty cents or less through any vending machine that accepts coin or  
9 currency only; or (ii) when sold for two dollars or less through any  
10 vending machine that accepts any form of payment other than coin or  
11 currency, whether or not it also accepts coin or currency.

12 § 2. This act shall take effect immediately.

13

## PART BB

14 Section 1. Subdivision (f) of section 25-b of the labor law, as added  
15 by section 2 of part Q of chapter 59 of the laws of 2022, is amended to  
16 read as follows:

17 (f) The tax credits provided under this program shall be applicable to  
18 taxable periods beginning before January first, two thousand [twenty-  
19 six] twenty-nine.

20 § 2. This act shall take effect immediately.

21

## PART CC

22 Section 1. Paragraph (a) of subdivision 29 of section 210-B of the  
23 tax law, as amended by section 1 of part H of chapter 59 of the laws of  
24 2022, is amended to read as follows:

25 (a) Allowance of credit. For taxable years beginning on or after Janu-  
26 ary first, two thousand fifteen and before January first, two thousand  
27 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
28 computed as provided in this subdivision, against the tax imposed by  
29 this article, for hiring and employing, for not less than twelve contin-  
30 uous and uninterrupted months (hereinafter referred to as the twelve-  
31 month period) in a full-time or part-time position, a qualified veteran  
32 within the state. The taxpayer may claim the credit in the year in which  
33 the qualified veteran completes the twelve-month period of employment by  
34 the taxpayer. If the taxpayer claims the credit allowed under this  
35 subdivision, the taxpayer may not use the hiring of a qualified veteran  
36 that is the basis for this credit in the basis of any other credit  
37 allowed under this article.

38 § 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section  
39 210-B of the tax law, as amended by section 1 of part H of chapter 59 of  
40 the laws of 2022, is amended to read as follows:

41 (2) who commences employment by the qualified taxpayer on or after  
42 January first, two thousand fourteen, and before January first, two  
43 thousand [twenty-five] twenty-eight; and

44 § 3. Paragraph 1 of subsection (a-2) of section 606 of the tax law, as  
45 amended by section 2 of part H of chapter 59 of the laws of 2022, is  
46 amended to read as follows:

47 (1) Allowance of credit. For taxable years beginning on or after Janu-  
48 ary first, two thousand fifteen and before January first, two thousand  
49 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
50 computed as provided in this subsection, against the tax imposed by this  
51 article, for hiring and employing, for not less than twelve continuous  
52 and uninterrupted months (hereinafter referred to as the twelve-month

1 period) in a full-time or part-time position, a qualified veteran within  
2 the state. The taxpayer may claim the credit in the year in which the  
3 qualified veteran completes the twelve-month period of employment by the  
4 taxpayer. If the taxpayer claims the credit allowed under this  
5 subsection, the taxpayer may not use the hiring of a qualified veteran  
6 that is the basis for this credit in the basis of any other credit  
7 allowed under this article.

8 § 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section  
9 606 of the tax law, as amended by section 2 of part H of chapter 59 of  
10 the laws of 2022, is amended to read as follows:

11 (B) who commences employment by the qualified taxpayer on or after  
12 January first, two thousand fourteen, and before January first, two  
13 thousand [twenty-five] twenty-eight; and

14 § 5. Paragraph 1 of subdivision (g-1) of section 1511 of the tax law,  
15 as amended by section 3 of part H of chapter 59 of the laws of 2022, is  
16 amended to read as follows:

17 (1) Allowance of credit. For taxable years beginning on or after Janu-  
18 ary first, two thousand fifteen and before January first, two thousand  
19 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be  
20 computed as provided in this subdivision, against the tax imposed by  
21 this article, for hiring and employing, for not less than twelve contin-  
22 uous and uninterrupted months (hereinafter referred to as the twelve-  
23 month period) in a full-time or part-time position, a qualified veteran  
24 within the state. The taxpayer may claim the credit in the year in which  
25 the qualified veteran completes the twelve-month period of employment by  
26 the taxpayer. If the taxpayer claims the credit allowed under this  
27 subdivision, the taxpayer may not use the hiring of a qualified veteran  
28 that is the basis for this credit in the basis of any other credit  
29 allowed under this article.

30 § 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section  
31 1511 of the tax law, as amended by section 3 of part H of chapter 59 of  
32 the laws of 2022, is amended to read as follows:

33 (B) who commences employment by the qualified taxpayer on or after  
34 January first, two thousand fourteen, and before January first, two  
35 thousand [twenty-five] twenty-eight; and

36 § 7. This act shall take effect immediately.

37 PART DD

38 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,  
39 amending the tax law relating to a musical and theatrical production  
40 credit, as amended by section 1 of part HH of chapter 59 of the laws of  
41 2021, is amended to read as follows:

42 § 5. This act shall take effect immediately, provided that section two  
43 of this act shall take effect on January 1, 2015, and shall apply to  
44 taxable years beginning on or after January 1, 2015, with respect to  
45 "qualified production expenditures" and "transportation expenditures"  
46 paid or incurred on or after such effective date, regardless of whether  
47 the production of the qualified musical or theatrical production  
48 commenced before such date, provided further that this act shall expire  
49 and be deemed repealed January 1, [2026] 2030.

50 § 2. This act shall take effect immediately.

51 PART EE

1 Section 1. Section 2 of part U of chapter 59 of the laws of 2017, amend-  
2 ing the tax law, relating to the financial institution data match system  
3 for state tax collection purposes, as amended by section 1 of part A of  
4 chapter 59 of the laws of 2020, is amended to read as follows:

5 § 2. This act shall take effect immediately and shall expire April 1,  
6 [2025] 2030 when upon such date the provisions of this act shall be  
7 deemed repealed.

8 § 2. This act shall take effect immediately.

9

#### PART FF

10 Section 1. This act enacts into law major components of legislation  
11 necessary to implement certain provisions regarding simplifying the  
12 pari-mutuel tax rate system. Each component is wholly contained within a  
13 Subpart identified as Subparts A through B. The effective date for each  
14 particular provision contained within such Subpart is set forth in the  
15 last section of such Subpart. Any provision in any section contained  
16 within a Subpart, including the effective date of the Subpart, which  
17 makes a reference to a section "of this act", when used in connection  
18 with that particular component, shall be deemed to mean and refer to the  
19 corresponding section of the Subpart in which it is found. Section three  
20 of this act sets forth the general effective date of this act.

21

#### SUBPART A

22 Section 1. Subdivision 1 of section 236 of the racing, pari-mutuel  
23 wagering and breeding law, as amended by chapter 243 of the laws of  
24 2020, is amended to read as follows:

25 1. Every corporation authorized under this chapter to conduct pari-mu-  
26 tuel betting at a race meeting on races run thereat, except as provided  
27 in section two hundred thirty-eight of this article with respect to the  
28 franchised corporation, shall distribute all sums deposited in any pari-  
29 mutuel pool to the holders of winning tickets therein, providing such  
30 tickets be presented for payment before April first of the year follow-  
31 ing the year of their purchase, less an amount that shall be established  
32 and retained by such racing corporation of between fourteen to twenty  
33 percent of the total deposits in pools resulting from regular on-track  
34 bets and less sixteen to twenty-two percent of the total deposits in  
35 pools resulting from multiple on-track bets and less twenty to thirty  
36 percent of the total deposits in pools resulting from exotic on-track  
37 bets and less twenty to thirty-six percent of the total pools resulting  
38 from super exotic on-track bets, plus the breaks. The retention rate to  
39 be established is subject to the prior approval of the commission. Such  
40 rate may not be changed more than once per calendar quarter to be effec-  
41 tive on the first day of the calendar quarter. "Exotic bets" and "multi-  
42 ple bets" shall have the meanings set forth in section five hundred  
43 nineteen of this chapter and [breaks] "breaks" are hereby defined as the  
44 odd cents over any multiple of five for all payoffs [greater than one  
45 dollar five cents but less than five dollars, over any multiple of ten  
46 for payoffs greater than five dollars but less than twenty-five dollars,  
47 over any multiple of twenty-five for payoffs greater than twenty-five  
48 dollars but less than two hundred fifty dollars, or over any multiple of  
49 fifty for payoffs over two hundred fifty dollars], regardless of payoff  
50 amount. "Super exotic bets" shall have the meaning set forth in section  
51 three hundred one of this chapter. Of the amount so retained there shall  
52 be paid by such corporation to the department of taxation and finance as

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

48 Such corporation shall pay to the New York state thoroughbred breeding  
49 and development fund one-half of one percent of the total daily on-track  
50 pari-mutuel pools from regular, multiple and exotic bets, and three  
51 percent of super exotic bets. The corporation shall receive credit as a  
52 reduction of the tax by the state for the privilege of conducting pari-  
53 mutuel betting for the amounts, except amounts paid from super exotic  
54 betting pools, paid to the New York state thoroughbred breeding and  
55 development fund after January first, nineteen hundred seventy-eight.

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

7 § 2. Paragraph (a) of subdivision 1 of section 238 of the racing,  
8 pari-mutuel wagering and breeding law, as amended by section 9 of part P  
9 of chapter 59 of the laws of 2024, is amended to read as follows:

10 (a) The franchised corporation authorized under this chapter to  
11 conduct pari-mutuel betting at a race meeting or races run thereat shall  
12 distribute all sums deposited in any pari-mutuel pool to the holders of  
13 winning tickets therein, provided such tickets are presented for payment  
14 before April first of the year following the year of their purchase,  
15 less an amount that shall be established and retained by such franchised  
16 corporation of between twelve to seventeen percent of the total deposits  
17 in pools resulting from on-track regular bets, and fourteen to twenty-  
18 one percent of the total deposits in pools resulting from on-track  
19 multiple bets and fifteen to twenty-five percent of the total deposits  
20 in pools resulting from on-track exotic bets and fifteen to thirty-six  
21 percent of the total deposits in pools resulting from on-track super  
22 exotic bets, plus the breaks. The retention rate to be established is  
23 subject to the prior approval of the commission.

24 Such rate may not be changed more than once per calendar quarter to be  
25 effective on the first day of the calendar quarter. "Exotic bets" and  
26 "multiple bets" shall have the meanings set forth in section five  
27 hundred nineteen of this chapter. "Super exotic bets" shall have the  
28 meaning set forth in section three hundred one of this chapter. For  
29 purposes of this section, a "pick six bet" shall mean a single bet or  
30 wager on the outcomes of six races. The [breaks] "breaks" are hereby  
31 defined as the odd cents over any multiple of five for all payoffs  
32 [greater than one dollar five cents but less than five dollars, over any  
33 multiple of ten for payoffs greater than five dollars but less than  
34 twenty-five dollars, over any multiple of twenty-five for payoffs great-  
35 er than twenty-five dollars but less than two hundred fifty dollars, or  
36 over any multiple of fifty for payoffs over two hundred fifty dollars],  
37 regardless of payoff amount. Out of the amount so retained there shall  
38 be paid by such franchised corporation to the commissioner of taxation  
39 and finance, as a reasonable tax by the state for the privilege of  
40 conducting pari-mutuel betting on the races run at the race meetings  
41 held by such franchised corporation, the following percentages of the  
42 total pool for regular and multiple bets five percent of regular bets  
43 and four percent of multiple bets plus twenty percent of the breaks; for  
44 exotic wagers seven and one-half percent plus twenty percent of the  
45 breaks, and for super exotic bets seven and one-half percent plus fifty  
46 percent of the breaks.

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



1 § 3. The second undesignated paragraph of subdivision 1 of section 318  
2 of the racing, pari-mutuel wagering and breeding law, as amended by  
3 chapter 243 of the laws of 2020, is amended to read as follows:

4 "Exotic bets" and "multiple bets" shall have the meanings set forth in  
5 section five hundred nineteen of this chapter, "super exotic bets" shall  
6 have the meaning set forth in subdivision four of section three hundred  
7 one of this article and "the breaks" are hereby defined as the odd cents  
8 over any multiple of [ten for regular and multiple bets, or for exotic  
9 bets, over any multiple of fifty, or for super exotic bets, over any  
10 multiple of one hundred calculated on the basis of one dollar and other-  
11 wise payable to a patron, provided however, that effective after October  
12 fifteenth, nineteen hundred ninety-four breaks are hereby defined as the  
13 odd cents over any multiple of five for payoffs greater than one dollar  
14 five cents but less than five dollars, over any multiple of ten for  
15 payoffs greater than five dollars but less than twenty-five dollars,  
16 over any multiple of twenty-five for payoffs greater than twenty-five  
17 dollars but less than two hundred fifty dollars, or over any multiple of  
18 fifty for payoffs over two hundred fifty dollars] five for all payoffs,  
19 regardless of bet type and payoff amount.

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

23 1. Every association or corporation authorized under sections two  
24 hundred twenty-two through seven hundred five of this chapter to conduct  
25 pari-mutuel betting at a quarter horse race meeting on races run thereat  
26 shall distribute all sums deposited in any pari-mutuel pool to the hold-  
27 ers of winning tickets therein provided such tickets be presented for  
28 payment before April first of the year following the year of their  
29 purchase, less seventeen percent of the total deposits in pools result-  
30 ing from regular on-track bets and less nineteen percent of the total  
31 deposits in pools resulting from multiple bets and less twenty-five  
32 percent of the total deposits in pools resulting from exotic on-track  
33 bets, plus the breaks. "Multiple bet" or "multiple wager" shall mean a  
34 single bet or wager on two horses, evidenced by a single ticket and  
35 representing an interest in a single betting pool. "Exotic bet" or  
36 "exotic wager" shall mean a single bet or wager on three or more horses,  
37 evidenced by a single ticket and representing an interest in a single  
38 betting pool. The [breaks] "breaks" for [regular bets and multiple] all  
39 bets are hereby defined as the odd cents over any multiple of [ten or  
40 for exotic bets, over any multiple of fifty] five calculated on the  
41 basis of one dollar and otherwise payable to a patron. Of the sum so  
42 retained the applicable tax rates for regular bets shall be three  
43 percent; the applicable tax rates for multiple bets shall be three and  
44 one-half percent; the applicable tax rates for exotic bets shall be  
45 eight percent, plus sixty-five percent of the amount of the breaks from  
46 on-track regular, multiple and exotic bets shall be paid by such corpo-  
47 ration or association to the department of taxation and finance as a  
48 reasonable tax by the state for the privilege of conducting pari-mutuel  
49 betting on the races run at the quarter horse race meetings held by such  
50 corporation or association, which tax is hereby levied, and the balance  
51 of the retained percentage of such pool and of the breaks may be held by  
52 such corporation or association for its own use and purposes. The  
53 payment of such state tax shall be made to the department of taxation  
54 and finance at such regular intervals as the department of taxation and  
55 finance may require, and shall be accompanied by a report under oath  
56 showing the total of all such contributions together with such other

1 information as the department of taxation and finance may require. A  
2 penalty of five percent and interest at the rate of one percent per  
3 month from the date the report is required to be filed to the date of  
4 payment of the tax shall be payable in case any tax imposed by this  
5 section is not paid when due. If the department of taxation and finance  
6 determines that any moneys received under this section were paid in  
7 error, it may cause the same to be refunded without interest out of any  
8 moneys collected thereunder, provided an application therefor is filed  
9 with it within one year from the time the erroneous payment was made.  
10 Such taxes, interest and penalties when collected, after the deduction  
11 of refunds of taxes erroneously paid, shall be paid by the department of  
12 taxation and finance into the general fund of the state treasury. Ten  
13 percent of the breaks shall be paid to the New York state quarter horse  
14 breeding and development fund.

15 § 5. This act shall take effect September 1, 2025.

16

SUBPART B

17 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the  
18 racing, pari-mutuel wagering and breeding law, as amended by section 1  
19 of part P of chapter 59 of the laws of 2024, is amended to read as  
20 follows:

21 (a) Any racing association or corporation or regional off-track  
22 betting corporation, authorized to conduct pari-mutuel wagering under  
23 this chapter, desiring to display the simulcast of horse races on which  
24 pari-mutuel betting shall be permitted in the manner and subject to the  
25 conditions provided for in this article may apply to the commission for  
26 a license so to do. Applications for licenses shall be in such form as  
27 may be prescribed by the commission and shall contain such information  
28 or other material or evidence as the commission may require. No license  
29 shall be issued by the commission authorizing the simulcast transmission  
30 of thoroughbred races from a track located in Suffolk county. The fee  
31 for such licenses shall be five hundred dollars per simulcast facility  
32 and for account wagering licensees that do not operate either a simul-  
33 cast facility that is open to the public within the state of New York or  
34 a licensed racetrack within the state, twenty thousand dollars per year  
35 payable by the licensee to the commission for deposit into the general  
36 fund. Except as provided in this section, the commission shall not  
37 approve any application to conduct simulcasting into individual or group  
38 residences, homes or other areas for the purposes of or in connection  
39 with pari-mutuel wagering. The commission may approve simulcasting into  
40 residences, homes or other areas to be conducted jointly by one or more  
41 regional off-track betting corporations and one or more of the follow-  
42 ing: a franchised corporation, thoroughbred racing corporation or a  
43 harness racing corporation or association; provided (i) the simulcasting  
44 consists only of those races on which pari-mutuel betting is authorized  
45 by this chapter at one or more simulcast facilities for each of the  
46 contracting off-track betting corporations which shall include wagers  
47 made in accordance with section one thousand fifteen, one thousand  
48 sixteen and one thousand seventeen of this article; provided further  
49 that the contract provisions or other simulcast arrangements for such  
50 simulcast facility shall be no less favorable than those in effect on  
51 January first, two thousand five; (ii) that each off-track betting  
52 corporation having within its geographic boundaries such residences,  
53 homes or other areas technically capable of receiving the simulcast  
54 signal shall be a contracting party; (iii) the distribution of revenues

1 shall be subject to contractual agreement of the parties except that  
2 statutory payments to non-contracting parties, if any, may not be  
3 reduced; provided, however, that nothing herein to the contrary shall  
4 prevent a track from televising its races on an irregular basis primari-  
5 ly for promotional or marketing purposes as found by the commission. For  
6 purposes of this paragraph, the provisions of section one thousand thir-  
7 teen of this article shall not apply. Any agreement authorizing an  
8 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
9 teen hundred ninety-five, may, and all its terms, be extended until June  
10 thirtieth, two thousand [twenty-five] ~~twenty-six~~; provided, however,  
11 that any party to such agreement may elect to terminate such agreement  
12 upon conveying written notice to all other parties of such agreement at  
13 least forty-five days prior to the effective date of the termination,  
14 via registered mail. Any party to an agreement receiving such notice of  
15 an intent to terminate, may request the commission to mediate between  
16 the parties new terms and conditions in a replacement agreement between  
17 the parties as will permit continuation of an in-home experiment until  
18 June thirtieth, two thousand [twenty-five] ~~twenty-six~~; and (iv) no  
19 in-home simulcasting in the thoroughbred special betting district shall  
20 occur without the approval of the regional thoroughbred track.

21 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
22 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
23 section 2 of part P of chapter 59 of the laws of 2024, is amended to  
24 read as follows:

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

37 § 3. The opening paragraph of subdivision 1 of section 1014 of the  
38 racing, pari-mutuel wagering and breeding law, as amended by section 3  
39 of part P of chapter 59 of the laws of 2024, is amended to read as  
40 follows:

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

1 tracks located in another state or foreign country subject to the  
2 following provisions:

3 § 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
4 and breeding law, as amended by section 4 of part P of chapter 59 of the  
5 laws of 2024, is amended to read as follows:

6 1. The provisions of this section shall govern the simulcasting of  
7 races conducted at harness tracks located in another state or country  
8 during the period July first, nineteen hundred ninety-four through June  
9 thirtieth, two thousand [twenty-five] twenty-six. This section shall  
10 supersede all inconsistent provisions of this chapter.

11 § 5. The opening paragraph of subdivision 1 of section 1016 of the  
12 racing, pari-mutuel wagering and breeding law, as amended by section 5  
13 of part P of chapter 59 of the laws of 2024, is amended to read as  
14 follows:

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

32 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
33 wagering and breeding law, as amended by section 6 of part P of chapter  
34 59 of the laws of 2024, is amended to read as follows:

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

51 § 7. Section 32 of chapter 281 of the laws of 1994, amending the  
52 racing, pari-mutuel wagering and breeding law and other laws relating to  
53 simulcasting, as amended by section 7 of part P of chapter 59 of the  
54 laws of 2024, is amended to read as follows:

55 § 32. This act shall take effect immediately and the pari-mutuel tax  
56 reductions in section six of this act shall expire and be deemed

1 repealed on July 1, [2025] 2026; provided, however, that nothing  
2 contained herein shall be deemed to affect the application, qualifica-  
3 tion, expiration, or repeal of any provision of law amended by any  
4 section of this act, and such provisions shall be applied or qualified  
5 or shall expire or be deemed repealed in the same manner, to the same  
6 extent and on the same date as the case may be as otherwise provided by  
7 law; provided further, however, that sections twenty-three and twenty-  
8 five of this act shall remain in full force and effect only until May 1,  
9 1997 and at such time shall be deemed to be repealed.

10 § 8. Section 54 of chapter 346 of the laws of 1990, amending the  
11 racing, pari-mutuel wagering and breeding law and other laws relating to  
12 simulcasting and the imposition of certain taxes, as amended by section  
13 8 of part P of chapter 59 of the laws of 2024, is amended to read as  
14 follows:

15 § 54. This act shall take effect immediately; provided, however,  
16 sections three through twelve of this act shall take effect on January  
17 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
18 ing law, as added by section thirty-eight of this act, shall expire and  
19 be deemed repealed on July 1, [2025] 2026; and section eighteen of this  
20 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
21 two of this act shall take effect as of the same date as chapter 772 of  
22 the laws of 1989 took effect.

23 § 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
24 pari-mutuel wagering and breeding law, as amended by section 9 of part P  
25 of chapter 59 of the laws of 2024, is amended to read as follows:

26 (a) The franchised corporation authorized under this chapter to  
27 conduct pari-mutuel betting at a race meeting or races run thereat shall  
28 distribute all sums deposited in any pari-mutuel pool to the holders of  
29 winning tickets therein, provided such tickets are presented for payment  
30 before April first of the year following the year of their purchase,  
31 less an amount that shall be established and retained by such franchised  
32 corporation of between twelve to seventeen percent of the total deposits  
33 in pools resulting from on-track regular bets, and fourteen to twenty-  
34 one percent of the total deposits in pools resulting from on-track  
35 multiple bets and fifteen to twenty-five percent of the total deposits  
36 in pools resulting from on-track exotic bets and fifteen to thirty-six  
37 percent of the total deposits in pools resulting from on-track super  
38 exotic bets, plus the breaks. The retention rate to be established is  
39 subject to the prior approval of the commission.

40 Such rate may not be changed more than once per calendar quarter to be  
41 effective on the first day of the calendar quarter. "Exotic bets" and  
42 "multiple bets" shall have the meanings set forth in section five  
43 hundred nineteen of this chapter. "Super exotic bets" shall have the  
44 meaning set forth in section three hundred one of this chapter. For  
45 purposes of this section, a "pick six bet" shall mean a single bet or  
46 wager on the outcomes of six races. The breaks are hereby defined as the  
47 odd cents over any multiple of five for payoffs greater than one dollar  
48 five cents but less than five dollars, over any multiple of ten for  
49 payoffs greater than five dollars but less than twenty-five dollars,  
50 over any multiple of twenty-five for payoffs greater than twenty-five  
51 dollars but less than two hundred fifty dollars, or over any multiple of  
52 fifty for payoffs over two hundred fifty dollars. Out of the amount so  
53 retained there shall be paid by such franchised corporation to the  
54 commissioner of taxation and finance, as a reasonable tax by the state  
55 for the privilege of conducting pari-mutuel betting on the races run at  
56 the race meetings held by such franchised corporation, the following

1 percentages of the total pool for regular and multiple bets five percent  
2 of regular bets and four percent of multiple bets plus twenty percent of  
3 the breaks; for exotic wagers seven and one-half percent plus twenty  
4 percent of the breaks, and for super exotic bets seven and one-half  
5 percent plus fifty percent of the breaks.

6 For the period April first, two thousand one through December thirty-  
7 first, two thousand [twenty-five] ~~twenty-six~~, such tax on all wagers  
8 shall be one and six-tenths percent, plus, in each such period, twenty  
9 percent of the breaks. Payment to the New York state thoroughbred breed-  
10 ing and development fund by such franchised corporation shall be one-  
11 half of one percent of total daily on-track pari-mutuel pools resulting  
12 from regular, multiple and exotic bets and three percent of super exotic  
13 bets and for the period April first, two thousand one through December  
14 thirty-first, two thousand [twenty-five] ~~twenty-six~~, such payment shall  
15 be seven-tenths of one percent of regular, multiple and exotic pools.

16 § 10. This act shall take effect immediately.

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

26 § 3. This act shall take effect immediately provided, however, that  
27 the applicable effective date of Subparts A through B of this act shall  
28 be as specifically set forth in the last section of such Subparts.

29

## PART GG

30 Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel  
31 wagering and breeding law, as amended by chapter 174 of the laws of  
32 2013, is amended to read as follows:

33 1. (a) For a gaming facility in zone two, there is hereby imposed a  
34 tax on gross gaming revenues. The amount of such tax imposed shall be as  
35 follows; provided, however, should a licensee have agreed within its  
36 application to supplement the tax with a binding supplemental fee  
37 payment exceeding the aforementioned tax rate, such tax and supplemental  
38 fee shall apply for a gaming facility:

39 [(a)] (1) in region two, forty-five percent of gross gaming revenue  
40 from slot machines and ten percent of gross gaming revenue from all  
41 other sources.

42 [(b)] (2) in region one, thirty-nine percent of gross gaming revenue  
43 from slot machines and ten percent of gross gaming revenue from all  
44 other sources.

45 [(c)] (3) in region five, thirty-seven percent of gross gaming revenue  
46 from slot machines and ten percent of gross gaming revenue from all  
47 other sources.

48 (b) (1) Notwithstanding the tax rates on gross gaming revenue from  
49 slot machines provided in paragraph (a) of this subdivision, for the  
50 period of April first, two thousand twenty-six through June thirtieth,  
51 two thousand thirty-one, each gaming facility in zone two shall continue  
52 to be subject to the same tax rate on gross gaming revenue from slot  
53 machines as was imposed in the preceding fiscal year.



1     (2) As a condition of the lower slot machine tax rate, the licensed  
2 gaming facility must be current on all statutory obligations to the  
3 state or have entered into and be in compliance with a repayment agree-  
4 ment with the state. If the commission, in its sole discretion, deter-  
5 mines that a gaming facility has not adhered to this condition for any  
6 such time period, the gaming facility shall forfeit this lower slot  
7 machine tax rate for such time period.

8     (3) (i) All of the following conditions shall be met for a licensed  
9 gaming facility in the Tioga County region of zone five in order to  
10 receive the lower slot machine tax rate established in this paragraph:  
11 (A) any money realized from the decrease in their slot machine tax rate  
12 shall only be used by the facility to offer childcare for employees,  
13 food and beverage conversion, any other project or use that improves the  
14 economic infrastructure of the facility, or for rehiring laid-off work-  
15 ers, hiring new workers or retaining current workers at the facility;  
16 and (B) a vendor track that is located within Oneida county, within  
17 fifteen miles of a Native American class III gaming facility maintains  
18 at least seventy percent of full-time equivalent employees as they  
19 employed in the year two thousand sixteen.

20     (ii) Within ninety days after such reduced slot machine tax rate under  
21 clause (i) of this subparagraph goes into effect, such licensed gaming  
22 facility shall provide an initial report to the governor, the speaker of  
23 the assembly, the temporary president of the senate, and the commission  
24 detailing the projected use of funds resulting from such tax adjustment  
25 and a plan that prescribes the manner in which the licensed gaming  
26 facility receiving the reduction in its slot machine tax rate will  
27 rebuild their economic infrastructure through the offering of childcare  
28 for employees, food and beverage conversion, or any other project or use  
29 that improves the economic infrastructure of the facility, or for rehiring  
30 laid off workers, hiring new workers, or retaining current workers  
31 at the facility or the creation of new jobs. Such plan shall also clear-  
32 ly establish quarterly and annual employment goals of increasing full-  
33 time employees. The provisions of this subparagraph shall only apply to  
34 licensed gaming facilities in the Tioga County region of zone five.

35     (4) Each gaming facility shall provide an annual fiscal report to the  
36 governor, the speaker of the assembly, the temporary president of the  
37 senate, director of the division of budget and the commission detailing  
38 actual use of the funds resulting from the lower slot machine tax rate.  
39 Such report shall include, but not be limited to, any impact on employ-  
40 ment levels since receiving the lower slot machine tax rate, an account-  
41 ing of the use of such funds, any other measures implemented to improve  
42 the financial stability of the gaming facility and any other information  
43 as deemed necessary by the commission. Such report shall be due no later  
44 than April first, two thousand thirty-one and shall be posted on the  
45 commission website.

46     § 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending  
47 the racing, pari-mutuel wagering and breeding law relating to the tax  
48 on gaming revenues, is amended to read as follows:

49     § 2. This act shall take effect immediately and shall expire and be  
50 deemed repealed [five years after such date] April 1, 2026.

51     § 3. This act shall take effect immediately; provided however, that  
52 section one of this act shall take effect on the same date as the rever-  
53 sion of subdivision 1 of section 1351 of the racing, pari-mutuel wager-  
54 ing and breeding law as provided in section 2 of part 000 of chapter 59  
55 of the laws of 2021, as amended; provided further, that section one of  
56 this act shall expire and be deemed repealed July 1, 2031.

1

## PART HH

2 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel  
3 wagering and breeding law, as amended by section 1 of part O of chapter  
4 59 of the laws of 2024, is amended to read as follows:

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

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

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

43 d. Notwithstanding any other provision of law or regulation to the  
44 contrary, from April first, two thousand twenty-four to March thirty-  
45 first, two thousand twenty-five, twenty-three percent of the funds, not  
46 to exceed two and one-half million dollars, in the Catskill off-track  
47 betting corporation's capital acquisition fund established pursuant to  
48 this section, and one million dollars in the Capital off-track betting  
49 corporation's capital acquisition fund established pursuant to this  
50 section, shall be available to such off-track betting corporation for  
51 the purposes of expenditures necessary to accept authorized wagers; past  
52 due statutory obligations to New York licensed or franchised racing  
53 corporations or associations; past due contractual obligations due to  
54 other racing associations or organizations for the costs of acquiring a  
55 simulcast signal; past due statutory payment obligations due to the New



1 York state thoroughbred breeding and development fund corporation, agri-  
2 culture and New York state horse breeding development fund, and the  
3 Harry M. Zweig memorial fund for equine research; and past due obli-  
4 gations due the state.

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

19 f. Prior to a corporation being able to utilize the funds authorized  
20 by paragraph c [or], d or e of this subdivision, the corporation must  
21 attest that the surcharge monies from section five hundred thirty-two of  
22 this chapter are being held separate and apart from any amounts other-  
23 wise authorized to be retained from pari-mutuel pools and all surcharge  
24 monies have been and will continue to be paid to the localities as  
25 prescribed in law. Once this condition is satisfied, the corporation  
26 must submit an expenditure plan to the gaming commission for review.  
27 Such plan shall include the corporation's outstanding liabilities,  
28 projected revenue for the upcoming year, a detailed explanation of how  
29 the funds will be used, and any other information necessary to detail  
30 such plan as determined by the commission. Upon review, the commission  
31 shall make a determination as to whether the requirements of this para-  
32 graph have been satisfied and notify the corporation of expenditure plan  
33 approval. In the event the commission determines the requirements of  
34 this paragraph have not been satisfied, the commission shall notify the  
35 corporation of all deficiencies necessary for approval. As a condition  
36 of such expenditure plan approval, the corporation shall provide a  
37 report to the commission no later than the last day of the calendar year  
38 for which the funds are requested, which shall include an accounting of  
39 the use of such funds. At such time, the commission may cause an inde-  
40 pendent audit to be conducted of the corporation's books to ensure that  
41 all moneys were spent as indicated in such approved plan. The audit  
42 shall be paid for from money in the fund established by this section. If  
43 the audit determines that a corporation used the money authorized under  
44 this section for a purpose other than one listed in their expenditure  
45 plan, then the corporation shall reimburse the capital acquisition fund  
46 for the unauthorized amount.

47 § 2. This act shall take effect immediately.

48 PART II

49 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel  
50 wagering and breeding law, as amended by chapter 243 of the laws of  
51 2020, is amended and a new subdivision 7 is added to read as follows:

52 6. multi-jurisdictional account wagering providers shall pay a market  
53 origin fee equal to five percent on each wager accepted from New York  
54 residents. Multi-jurisdictional account wagering providers shall make

1 the required payments to the market origin account on or before the  
2 fifth business day of each month and such required payments shall cover  
3 payments due for the period of the preceding calendar month; provided,  
4 however, that such payments required to be made on April fifteenth shall  
5 be accompanied by a report under oath, showing the total of all such  
6 payments, together with such other information as the commission may  
7 require. A penalty of five percent and interest at the rate of one  
8 percent per month from the date the report is required to be filed to  
9 the date the payment shall be payable in case any payments required by  
10 this subdivision are not paid when due. If the commission determines  
11 that any moneys received under this subdivision were paid in error, the  
12 commission may cause the same to be refunded without interest out of any  
13 moneys collected thereunder, provided an application therefor is filed  
14 with the commission within one year from the time the erroneous payment  
15 was made. The commission shall pay into the racing regulation account,  
16 under the joint custody of the comptroller and the commission, the total  
17 amount of the fee collected pursuant to this section[.]; and

18 7. the multi-jurisdictional account wagering provider shall, at the  
19 same time and in addition to the fee established in subdivision six of  
20 this section, pay an additional fee equal to one percent on each wager  
21 accepted from New York residents. Such payments shall be subject to the  
22 same penalties and interest payments as the market origin fee. Moneys  
23 collected pursuant to this subdivision shall be paid by the multi-juris-  
24 dictional account wagering provider to the commission for deposit into  
25 the general fund of the state treasury.

26 § 2. Section 703 of the racing, pari-mutuel wagering and breeding law  
27 is amended by adding a new subdivision 1-a to read as follows:

28 1-a. In addition to the moneys specified in subdivision one of this  
29 section, up to an amount equivalent to all moneys collected pursuant to  
30 subdivision seven of section one thousand twelve-a of this chapter shall  
31 be appropriated or transferred to the fund from the general fund of the  
32 state treasury to be used for the purposes contained in the agreement  
33 established pursuant to subdivision seven of section seven hundred four  
34 of this article, provided that such amount shall not exceed what is  
35 necessary to cover all expenses as contained in such agreement.

36 § 3. Section 704 of the racing, pari-mutuel wagering and breeding law  
37 is amended by adding a new subdivision 7 to read as follows:

38 7. a. The moneys appropriated or transferred to the fund from the  
39 general fund of the state treasury pursuant to subdivision one-a of  
40 section seven hundred three of this article shall be expended for a  
41 three-year research proposal conducted pursuant to an agreement between  
42 the dean of the Cornell University College of Veterinary Medicine and  
43 the executive director of the commission. Such agreement shall, at a  
44 minimum, require the following:

45 (i) proposed research to identify the incident of fetlock fractures  
46 and pre-fracture pathology in thoroughbred racehorses, with and without  
47 lameness;

48 (ii) proposed research to determine the sensitivity and specificity of  
49 standing computed tomography, positron emission tomography, and magnetic  
50 resonance imaging of thoroughbred racehorses compared to that of digital  
51 radiographs;

52 (iii) use of photo-counting computed tomography and high field magnet-  
53 ic resonance imaging to further define early bone pathology in thorough-  
54 bred racehorses that suffer fatal fractures of the fetlock joint, to  
55 further characterize blood biomarker findings in healthy and clinically  
56 lame horses in a large population of thoroughbred racehorses; and

1 (iv) attempted refinement of a risk factor index for fatal musculoskeletal injury for thoroughbred racing based on epidemiological findings, preliminary scanning technology, clinical examination, and advance imaging.

2 b. The moneys appropriated or transferred to the fund from the general fund of the state treasury pursuant to subdivision one-a of section seven hundred three of this article may be used to purchase equipment and fund staffing needs necessary to carry out the research tasks specified in paragraph a of this subdivision.

3 c. Any residual unexpended funds collected pursuant to subdivision seven of section one thousand twelve-a of this chapter shall be paid for deposit into the racing regulation account established pursuant to section ninety-nine-i of the state finance law.

4 d. Any data, research findings, or other educational materials generated from the research proposal outlined in this subdivision shall be shared with the commission and any entity licensed or franchised pursuant to article two of this chapter.

5 e. To the extent that the research tasks specified in paragraph a of this subdivision involve preventative screening and advanced imaging services for thoroughbred racehorses, such screening and imaging services shall be conducted: (i) at locations proximate to the Belmont Park and Saratoga racetracks; and (ii) for New York horsemen at or below the actual cost.

6 f. Any screening and imaging capital equipment purchased for the purpose of furthering the research specified in subdivision seven of this section shall be owned by the Cornell University College of Veterinary Medicine.

7 g. For the duration of the research proposal outlined in this subdivision, the Cornell University College of Veterinary Medicine shall publish an annual report on its website and submit said report to the speaker of the assembly, the temporary president of the senate, and the governor on or before April first of every year. The report shall include, but not be limited to, the following:

8 (i) an accounting of all expenditures related to the study outlined in this subdivision, including expenditures for equipment, supplies, personnel, operations, and administration;

9 (ii) recommendations for legislative, statutory, or regulatory changes to improve the overall effectiveness and efficiency of the study outlined in this subdivision;

10 (iii) the total number of horses participating in the study outlined in this subdivision, including relevant demographic information and deidentified ownership information;

11 (iv) a description of the procedures for selecting participants in the study outlined in this subdivision, including criteria for selection and any screening or eligibility requirements;

12 (v) a summary of findings gathered from the study outlined in this subdivision, including an analysis of risk factors contributing to racehorse injuries and conclusions drawn regarding safety protocols;

13 (vi) recommendations for legislative, statutory, or regulatory changes to improve racehorse safety, including measures to mitigate identified risks and improve the welfare of horses during training, while recovering from injury, or participating in race meets; and

14 (vii) any other information as deemed necessary by the commission.

15 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 10 to read as follows:

1 10. It is incumbent upon the franchised corporation to ensure the  
2 health and safety of its equine participants. To accomplish that goal,  
3 the franchised corporation shall, by September first, two thousand twen-  
4 ty-five, make a one-time expenditure of two million dollars for the  
5 exclusive purpose of purchasing the screening and imaging capital equip-  
6 ment to be used in furtherance of the research as specified in subdivi-  
7 sion seven of section seven hundred four of this chapter.

8 § 5. This act shall take effect immediately, and shall apply to wagers  
9 from New York residents accepted on and after September 1, 2025 through  
10 August 31, 2028; provided, however that the provisions of this act shall  
11 expire and be deemed repealed September 1, 2028.

12 PART JJ

13 Section 1. Subsection (d) of section 606 of the tax law is amended by  
14 adding a new paragraph 10 to read as follows:

15 (10) Notwithstanding any other provision of law to the contrary, the  
16 earned income credit for taxpayers with qualifying children through age  
17 seventeen, as defined in paragraph one of subsection (c-2) of this  
18 section, shall be reduced as follows:

19 (A) For taxable years beginning on and after January first, two thou-  
20 sand twenty-six, the applicable percentage of the earned income credit  
21 allowed under section thirty-two of the internal revenue code for the  
22 same taxable year, as described in paragraph one of this subsection,  
23 shall be reduced to twenty-five;

24 (B) For taxable years beginning on and after January first, two thou-  
25 sand twenty-seven, the applicable percentage of the earned income credit  
26 allowed under section thirty-two of the internal revenue code for the  
27 same taxable year, as described in paragraph one of this subsection,  
28 shall be reduced to twenty;

29 (C) For taxable years beginning on and after January first, two thou-  
30 sand twenty-eight, the applicable percentage of the earned income credit  
31 allowed under section thirty-two of the internal revenue code for the  
32 same taxable year, as described in paragraph one of this subsection,  
33 shall be reduced to fifteen;

34 (D) For taxable years beginning on and after January first, two thou-  
35 sand twenty-nine, the applicable percentage of the earned income credit  
36 allowed under section thirty-two of the internal revenue code for the  
37 same taxable year, as described in paragraph one of this subsection,  
38 shall be reduced to ten.

39 (E) For taxable years beginning on and after January first, two thou-  
40 sand thirty and each taxable year thereafter, the applicable percentage  
41 of the earned income tax credit allowed under section thirty-two of the  
42 internal revenue code for the same taxable year, as described in para-  
43 graph one of this subsection, shall be reduced to zero.

44 Taxpayers with both qualifying children through age seventeen as  
45 defined in paragraph one of subsection (c-2) of this section and another  
46 qualifying child, as defined in 26 USC §152(c), and/or a qualifying  
47 relative, as defined in 26 USC §152(d), shall not be subject to the  
48 reduction of the earned income tax credit provided in subparagraphs (A)  
49 through (D) of this paragraph and shall continue to receive the full  
50 applicable percentage of the earned income credit allowed under section  
51 thirty-two of the internal revenue code for the same taxable year, as  
52 described in paragraph one of this subsection, until the taxable year  
53 beginning on and after January first, two thousand thirty and each taxa-  
54 ble year thereafter, at which point such taxpayer shall receive such



1 full applicable percentage only for a qualifying child, as defined in 26  
2 USC §152(c), and/or qualifying relative, as defined in 26 USC §152(d),  
3 who does not meet the definition of qualifying child through age seven-  
4 teen in paragraph one of subsection (c-2) of this section.

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

7 (c-2) New York works tax credit. (1) Definitions. (A) "Qualifying  
8 child" or "qualifying children" shall mean as defined in 26 USC  
9 §24(c)(1).

10 (B) "Qualifying child through age seventeen" or "qualifying children  
11 through age seventeen" shall mean as defined in 26 USC §24(c)(1) except  
12 that such term shall also include qualifying children who have not  
13 attained the age of eighteen.

14 (2) (A) A resident taxpayer shall be allowed a credit amount as  
15 provided herein:

16 (i) For taxable years beginning on and after January first, two thou-  
17 sand twenty-six, and before January first, two thousand twenty-seven, an  
18 amount equal to five hundred and fifty dollars per qualifying child;

19 (ii) For taxable years beginning on and after January first, two thou-  
20 sand twenty-seven, and before January first, two thousand twenty-eight,  
21 an amount equal to eight hundred dollars per qualifying child;

22 (iii) For taxable years beginning on and after January first, two  
23 thousand twenty-eight, and before January first, two thousand twenty-  
24 nine, an amount equal to one thousand dollars per qualifying child;

25 (iv) For taxable years beginning on and after January first, two thou-  
26 sand twenty-nine, and before January first, two thousand thirty, an  
27 amount equal to one thousand two hundred dollars per qualifying child  
28 through age seventeen; and

29 (v) For taxable years beginning on and after January first, two thou-  
30 sand thirty and each taxable year thereafter, an amount equal to one  
31 thousand six hundred dollars per qualifying child through age seventeen.

32 (B) The amount of the credit shall be reduced (but not below zero) by  
33 sixteen dollars and fifty cents for each one thousand dollars by which  
34 the taxpayer's New York state adjusted gross income exceeds:

35 (i) For taxable years beginning on and after January first, two thou-  
36 sand twenty-six, and before January first, two thousand twenty-seven,  
37 seventy-five thousand dollars in the case of an individual who is not  
38 married, one hundred ten thousand dollars in the case of a joint return,  
39 or seventy-five thousand dollars in the case of a married individual  
40 filing a separate return;

41 (ii) For taxable years beginning on and after January first, two thou-  
42 sand twenty-seven, and before January first, two thousand twenty-eight,  
43 sixty-five thousand dollars in the case of an individual who is not  
44 married, one hundred ten thousand dollars in the case of a joint return,  
45 or sixty-five thousand dollars in the case of a married individual  
46 filing a separate return;

47 (iii) For taxable years beginning on and after January first, two  
48 thousand twenty-eight, and before January first, two thousand twenty-  
49 nine, fifty-five thousand dollars in the case of an individual who is  
50 not married, one hundred ten thousand dollars in the case of a joint  
51 return, or fifty-five thousand dollars in the case of a married individ-  
52 ual filing a separate return;

53 (iv) For taxable years beginning on and after January first, two thou-  
54 sand twenty-nine, and before January first, two thousand thirty, forty-  
55 five thousand dollars in the case of an individual who is not married,  
56 ninety thousand dollars in the case of a joint return, or forty-five

1 thousand dollars in the case of a married individual filing a separate  
2 return; and

3 (v) For taxable years beginning on and after January first, two thou-  
4 sand thirty and each taxable year thereafter, twenty-five thousand  
5 dollars in the case of an individual who is not married, fifty thousand  
6 dollars in the case of a joint return, or twenty-five thousand dollars  
7 in the case of a married individual filing a separate return.

8 (C) Such resident taxpayer must provide the social security number or  
9 individual taxpayer identification number for each qualifying child in  
10 order to receive the credit described in this subsection.

11 (3) If the amount of the credit allowed under this subsection for any  
12 taxable year shall exceed the taxpayer's tax for such year, the excess  
13 shall be treated as an overpayment of tax to be credited or refunded in  
14 accordance with the provisions of section six hundred eighty-six of this  
15 article, provided, however, that no interest shall be paid thereon.

16 (4) In the case of spouses who file a joint federal return, but who  
17 are required to determine their New York taxes separately, the credit  
18 allowed pursuant to this subsection may be applied against the tax  
19 imposed on either or divided between them as they may elect.

20 (5) For taxable years beginning on and after January first, two thou-  
21 sand twenty-nine and each taxable year thereafter, the commissioner  
22 shall provide for the prepayment of the New York works credit under this  
23 subsection to qualifying taxpayers. Four advanced payments shall be  
24 made to such qualifying taxpayers. An estimated annual tax credit shall  
25 be determined by the commissioner in advance of the first payment and  
26 shall be subject to adjustment due to changes in employment or family  
27 status over the course of the year. The first three advanced payments  
28 shall be made during the taxable year and shall be twenty percent of the  
29 anticipated credit. The fourth advanced payment shall be made after the  
30 end of the tax year and shall be adjusted to match the actual credit  
31 due. Such payments shall, to the extent practicable, be made available  
32 via direct deposit and via electronic benefit transfer (EBT) card. The  
33 commissioner shall provide information on the availability of advanced  
34 payments of the New York works credit to tax preparers, accountants, and  
35 organizations that assist individuals in tax preparation. Such informa-  
36 tion shall be distributed to qualifying taxpayers. If a taxpayer estab-  
37 lishes that they are requesting and receiving payments under this para-  
38 graph in good faith by establishing that they properly claimed payments  
39 under this subsection in the prior year and that they have not experi-  
40 enced a substantial change in circumstances such that they have a  
41 reasonable expectation of eligibility in the current year, then they  
42 shall not be held responsible for an incorrect prepayment/refund amount.

43 (6) Notwithstanding any provision of law to the contrary, the refunda-  
44 ble credit and its payment authorized under this subsection shall be  
45 treated in the same manner as the federal Earned Income Tax Credit and  
46 shall not be considered as assets, income, or resources to the same  
47 extent the credit and its payment would be disregarded pursuant to 26  
48 U.S.C. § 6409 and the general welfare doctrine for purposes of determin-  
49 ing eligibility for benefits or assistance, or the amount or extent of  
50 those benefits or assistance, under any state or local program, includ-  
51 ing benefits established under section ninety-five of the social  
52 services law.

53 § 3. Section 616 of the tax law, as amended by chapter 28 of the laws  
54 of 1987, subsection (b) as amended by chapter 760 of the laws of 1992,  
55 is amended to read as follows:

1 § 616. New York exemptions of a resident individual. (a) General. For  
2 taxable years beginning after nineteen hundred eighty-seven, a resident  
3 individual shall be allowed a New York exemption of one thousand dollars  
4 for each exemption for which [he is] they are entitled to a deduction  
5 for the taxable year under section one hundred fifty-one(c) of the  
6 Internal Revenue Code; and for taxable years beginning in nineteen  
7 hundred eighty-seven, a resident individual other than a taxpayer whose  
8 federal exemption amount is zero shall be allowed a New York exemption  
9 of nine hundred dollars for each exemption for which [he is] they are  
10 entitled to a deduction for the taxable year for federal income tax  
11 purposes.

12 (b) [Husband and wife] Spouses. If the New York income taxes of [a  
13 husband and wife] spouses are required to be separately determined but  
14 their federal income tax is determined on a joint return, each of them  
15 shall be separately entitled to the New York exemptions under subsection  
16 (a) of this section to which each would be separately entitled for the  
17 taxable year if their federal income taxes had been determined on sepa-  
18 rate returns.

19 (c) Qualifying child and dependents. For taxable years beginning on  
20 and after January first, two thousand twenty-seven, and before January  
21 first, two thousand twenty-nine, a resident individual shall not be  
22 allowed the exemption described in this section for any qualifying child  
23 as defined in subparagraph (B) of paragraph one of subsection (c-2) of  
24 section six hundred six of this article. For taxable years beginning on  
25 and after January first, two thousand twenty-nine and each taxable year  
26 thereafter, a resident individual shall not be allowed the exemption  
27 described in this section for any qualifying child through age seventeen  
28 as defined in subparagraph (C) of paragraph one of subsection (c-2) of  
29 section six hundred six of this article. Provided, however, for taxable  
30 years beginning on and after January first, two thousand twenty-six and  
31 each taxable year thereafter, a resident individual shall continue to be  
32 allowed the exemption described in this section for other qualifying  
33 dependents, as defined in 26 USC § 152(a), who do not meet the defi-  
34 nition of qualifying child in subparagraph (B) of paragraph one of  
35 subsection (c-2) of section six hundred six of this article and qualify-  
36 ing child through age seventeen as defined in subparagraph (C) of para-  
37 graph one of subsection (c-2) of section six hundred six of this arti-  
38 cle.

39 § 4. This act shall take effect immediately.

40

#### PART KK

41 Section 1. Section 606 of the tax law is amended by adding a new  
42 subsection (h-1) to read as follows:

43 (h-1) Credit for certain taxpayers with incomes below certain thresh-  
44 olds. (1) Notwithstanding any other provision of law to the contrary,  
45 for taxable years beginning on or after January first, two thousand  
46 twenty-five, a credit shall be allowed to a taxpayer against the tax  
47 imposed pursuant to the authority of this article in an amount equal to  
48 the tax otherwise due under this article for such taxable year, reduced  
49 by all the credits permitted by this article for such taxable year, if:

50 (A) such taxpayer is entitled to a deduction for such taxable year  
51 under subsection (c) of section one hundred fifty-one of the internal  
52 revenue code;

53 (B) such taxpayer meets the following income thresholds for such taxa-  
54 ble year:

1 (i) for resident taxpayers who filed in income tax return as married  
 2 taxpayers filing jointly or a qualified surviving spouse:

| 3  | <u>If the number of</u> | <u>Income no greater than:</u> |
|----|-------------------------|--------------------------------|
| 4  | <u>dependents is:</u>   |                                |
| 5  | <u>1</u>                | <u>\$36,789</u>                |
| 6  | <u>2</u>                | <u>\$46,350</u>                |
| 7  | <u>3</u>                | <u>\$54,545</u>                |
| 8  | <u>4</u>                | <u>\$61,071</u>                |
| 9  | <u>5</u>                | <u>\$68,403</u>                |
| 10 | <u>6</u>                | <u>\$75,204</u>                |
| 11 | <u>7 or more</u>        | <u>\$91,902</u>                |

12 (ii) for resident taxpayers who filed an income tax return as a single  
 13 taxpayer, married taxpayer filing a separate return, or head of house-  
 14 hold:

| 15 | <u>If the number of</u> | <u>Income no greater than:</u> |
|----|-------------------------|--------------------------------|
| 16 | <u>dependents is:</u>   |                                |
| 17 | <u>1</u>                | <u>\$31,503</u>                |
| 18 | <u>2</u>                | <u>\$36,824</u>                |
| 19 | <u>3</u>                | <u>\$46,512</u>                |
| 20 | <u>4</u>                | <u>\$53,711</u>                |
| 21 | <u>5</u>                | <u>\$59,928</u>                |
| 22 | <u>6</u>                | <u>\$65,712</u>                |
| 23 | <u>7</u>                | <u>\$74,565</u>                |
| 24 | <u>8 or more</u>        | <u>\$88,361</u>                |

25 (iii) for any taxable year beginning on or after January first, two  
 26 thousand twenty-six, the commissioner shall multiply the amounts in this  
 27 subparagraph by one plus the cost-of-living adjustment, which shall be  
 28 the percentage by which the consumer price index for the preceding  
 29 calendar year exceeds the consumer price index for calendar year two  
 30 thousand twenty-four;

31 (C) such taxpayer is not allowed a credit pursuant to:

32 (i) subsection (a) of section eight hundred sixty-three of this chap-  
 33 ter against the tax imposed pursuant to article twenty-two of this chap-  
 34 ter; or

35 (ii) subsection (a) of section eight hundred seventy of this chapter  
 36 against the tax imposed pursuant to the authority of article thirty of  
 37 this chapter; and

38 (D) such taxpayer does not report disqualified income in excess of ten  
 39 thousand dollars in the taxable year, as defined in subsection (i) of  
 40 section thirty-two of the internal revenue code.

41 (2) Where the income of a taxpayer exceeds the amount indicated in  
 42 subparagraph (B) of paragraph one of this subsection for such taxpayer  
 43 by five thousand dollars or less, and such taxpayer satisfies subpara-  
 44 graph (A) and subparagraphs (C) and (D) of paragraph one of this  
 45 subsection, a credit shall be allowed in the amount determined by multi-  
 46 plying: (A) the tax otherwise due under this article for such taxable  
 47 year reduced by all the credits permitted by this article for such taxa-  
 48 ble year by (B) a fraction the numerator of which is five thousand  
 49 dollars minus the amount by which such income exceeds the amount indi-



1 cated in subparagraph (B) of paragraph one of this subsection and the  
2 denominator of which is five thousand dollars.

3 (3) For purposes of this subsection:

4 (A) "Consumer price index" means the most recent consumer price index  
5 for all-urban consumers published by the United States department of  
6 labor. The consumer price index for any calendar year shall be the  
7 average of the consumer price index as of the close of the twelve-month  
8 period ending on August thirty-first of such calendar year.

9 (B) "Income" means federal adjusted gross income for the taxable year.

10 § 2. This act shall take effect immediately and shall apply to taxable  
11 years beginning on or after January 1, 2025.

12 PART LL

13 Section 1. Section 606 of the tax law is amended by adding a new  
14 subsection (e-3) to read as follows:

15 (e-3) New York city renters tax relief credit. (1) Definitions. For  
16 purposes of this subsection:

17 (A) "Qualified taxpayer" means a resident individual of the state who:  
18 (i) is a resident of a city with a population of one million or more;  
19 (ii) has occupied the same residence for six months or more of the  
20 applicable taxable year; and (iii) is required or chooses to file a  
21 return under this article.

22 (B) "Household" or "members of the household" means a qualified  
23 taxpayer and all other persons, not necessarily related, who have the  
24 same residence and share its furnishings, facilities and accommodations.  
25 Such terms shall not include a tenant, subtenant, roomer or boarder who  
26 is not related to the qualified taxpayer in any degree specified in  
27 subparagraphs (A) through (G) of paragraph two of subsection (d) of  
28 section one hundred fifty-two of the internal revenue code. Provided,  
29 however, no person may be a member of more than one household at one  
30 time.

31 (C) "Household gross income" means the aggregate adjusted gross income  
32 of all members of the household for the taxable year as reported for  
33 federal income tax purposes, or which would be reported as adjusted  
34 gross income if a federal income tax return were required to be filed,  
35 with the modifications in subsection (b) of section six hundred twelve  
36 of this article but without the modifications in subsection (c) of such  
37 section, plus any portion of the gain from the sale or exchange of prop-  
38 erty otherwise excluded from such amount; earned income from sources  
39 without the United States excludable from federal gross income by  
40 section nine hundred eleven of the internal revenue code; support money  
41 not included in adjusted gross income; nontaxable strike benefits;  
42 supplemental security income payments; the gross amount of any pension  
43 or annuity benefits to the extent not included in such adjusted gross  
44 income (including, but not limited to, railroad retirement benefits and  
45 all payments received under the federal social security act and veter-  
46 ans' disability pensions); nontaxable interest received from the state  
47 of New York, its agencies, instrumentalities, public corporations, or  
48 political subdivisions (including a public corporation created pursuant  
49 to agreement or compact with another state or Canada); workers' compen-  
50 sation; the gross amount of "loss-of-time" insurance; and the amount of  
51 cash public assistance and relief, other than medical assistance for the  
52 needy, paid to or for the benefit of the qualified taxpayer or members  
53 of their household. Household gross income shall not include surplus  
54 foods or other relief in kind or payments made to individuals because of

1 their status as victims of Nazi persecution as defined in P.L. 103-286.  
2 Provided, further, household gross income shall only include all such  
3 income received by all members of the household while members of such  
4 household. In computing household gross income, the net amount of loss  
5 reported on Federal Schedule C, D, E, or F shall not exceed three thou-  
6 sand dollars per schedule. In addition, the net amount of any other  
7 separate amount of all losses included in computing household income  
8 shall not exceed fifteen thousand dollars.

9 (D) "Residence" means a dwelling in this state rented by the taxpayer  
10 and used by the taxpayer as their primary residence, and so much of the  
11 land abutting it, not exceeding one acre, as is reasonably necessary for  
12 use of the dwelling as a home, and may consist of a part of a multi-  
13 dwelling or multi-purpose building including a cooperative or condomin-  
14 ium, and rental units within a single dwelling. Residence includes a  
15 trailer or mobile home, used exclusively for residential purposes and  
16 defined as real property pursuant to paragraph (g) of subdivision twelve  
17 of section one hundred two of the real property tax law.

18 (E) "Real property tax equivalent" means seventeen and three-quarters  
19 percent of the adjusted rent actually paid in the taxable year by a  
20 household solely for the right of occupancy of its New York residence  
21 for the taxable year. If (i) a residence is rented to two or more indi-  
22 viduals as cotenants, or such individuals share in the payment of a  
23 single rent for the right of occupancy of such residence, and (ii) each  
24 of such individuals is a member of a different household, one or more of  
25 which individuals shares such residence, real property tax equivalent is  
26 that portion of seventeen and three-quarters percent of the adjusted  
27 rent paid in the taxable year which reflects that portion of the rent  
28 attributable to the qualified taxpayer and the members of their house-  
29 hold.

30 (F) "Adjusted rent" means rental paid for the right of occupancy of a  
31 residence, excluding charges for heat, gas, electricity, furnishings and  
32 board. Where charges for heat, gas, electricity, furnishing or board are  
33 included in rental but where such charges and the amount thereof are not  
34 separately set forth in a written rental agreement, for purposes of  
35 determining adjusted rent the qualified taxpayer shall reduce rental  
36 paid as follows:

37 (i) For heat, or heat and gas, deduct fifteen percent of rental paid.

38 (ii) For heat, gas and electricity, deduct twenty percent of rental  
39 paid.

40 (iii) For heat, gas, electricity and furnishings, deduct twenty-five  
41 percent of rental paid.

42 (iv) For heat, gas, electricity, furnishings and board, deduct fifty  
43 percent of rental paid.

44 If the tax commission determines that the adjusted rent shown on the  
45 return is excessive, the tax commission may reduce such rent, for  
46 purposes of the computation of the credit, to an amount substantially  
47 equivalent to rent for a comparable accommodation.

48 (2) Qualifications. A qualified taxpayer shall be allowed a credit as  
49 provided in paragraph three of this subsection against the taxes imposed  
50 by this article reduced by the credits permitted by this article. If the  
51 credit exceeds the tax as so reduced for such year under this article  
52 the qualified taxpayer may receive, and the comptroller, subject to a  
53 certificate of the state tax commission, shall pay as an overpayment,  
54 without interest, any excess between such tax as so reduced and the  
55 amount of the credit. If a qualified taxpayer is not required to file a  
56 return pursuant to section six hundred fifty-one of this article, a

1 qualified taxpayer may nevertheless receive and the comptroller, subject  
 2 to a certificate of the state tax commission, shall pay as an overpay-  
 3 ment the full amount of the credit, without interest.

4 (3) Determination of credit.

5 (A) For taxable years beginning on or after January first, two thou-  
 6 sand twenty-five and before January first, two thousand twenty-eight,  
 7 the amount of the credit allowable under this subsection shall be deter-  
 8 mined as follows:

| 9 <u>If household gross income</u> | 10 <u>Excess real property</u> | 11 <u>The credit amount is</u>     |
|------------------------------------|--------------------------------|------------------------------------|
| 12 <u>for the taxable year is:</u> | 13 <u>taxes are the excess</u> | 14 <u>the following percentage</u> |
|                                    | 15 <u>of real property tax</u> | 16 <u>of excess real property</u>  |
|                                    | 17 <u>equivalent over the</u>  | 18 <u>tax equivalent:</u>          |
|                                    | 19 <u>following percentage</u> |                                    |
|                                    | 20 <u>of household gross</u>   |                                    |
|                                    | 21 <u>income:</u>              |                                    |
| 22 <u>Less than \$100,000</u>      | 23 <u>4.0</u>                  | 24 <u>3.0</u>                      |
| 25 <u>At least</u>                 |                                |                                    |
| 26 <u>\$100,000 and less</u>       | 27 <u>4.0</u>                  | 28 <u>2.5</u>                      |
| 29 <u>than \$150,000</u>           |                                |                                    |
| 30 <u>At least</u>                 |                                |                                    |
| 31 <u>\$150,000 and less than</u>  | 32 <u>4.0</u>                  | 33 <u>2.0</u>                      |
| 34 <u>\$200,000</u>                |                                |                                    |

35 Notwithstanding the provisions of this subparagraph, the maximum cred-  
 36 it allowed under this paragraph shall not exceed seven hundred fifty  
 37 dollars.

38 (B) If a qualified taxpayer occupies a residence for a period of less  
 39 than twelve months during the taxable year or occupies two or more resi-  
 40 dences during different periods in such taxable year, the credit allowed  
 41 pursuant to this subsection shall be computed in such manner as the tax  
 42 commission may, by regulation, prescribe in order to properly reflect  
 43 the credit or portion thereof attributable to such residence or resi-  
 44 dences and such period or periods.

45 (C) The commissioner may prescribe that the credit under this  
 46 subsection shall be determined in whole or in part by the use of tables  
 47 prescribed by such commissioner. Such tables shall set forth the credit  
 48 to the nearest dollar.

49 (D) (i) Only one credit per household and per qualified taxpayer shall  
 50 be allowed per taxable year under this subsection. When two or more  
 51 members of a household are able to meet the qualifications for a quali-  
 52 fied taxpayer, the credit shall be equally divided between or among such  
 53 individuals unless such individuals file with the commissioner a written  
 54 agreement among such individuals setting forth a different division.

55 (ii) Provided, however, where a joint income tax return has been filed  
 56 pursuant to the provisions of section six hundred fifty-one of this  
 57 article by a qualified taxpayer and their spouse (or where both spouses  
 58 are qualified taxpayers and have filed such joint return), the credit,  
 59 or the portion of the credit if divided, to which the spouses are enti-  
 60 tled shall be applied against the tax of both spouses and any overpay-  
 61 ment shall be made to both spouses.

62 (iii) Where any return required to be filed pursuant to the provisions  
 63 of section six hundred fifty-one of this article is combined with any

1 return of tax imposed pursuant to the authority of this chapter or any  
2 other law if such tax is administered by the commissioner, the credit or  
3 the portion of the credit if divided, allowed to the qualified taxpayer  
4 may be applied by the commissioner toward any liability for the afore-  
5 mentioned taxes.

6 (4) Exceptions. No credit shall be granted under this subsection:

7 (A) If household gross income for the taxable year exceeds two hundred  
8 thousand dollars.

9 (B) To an individual with respect to whom a deduction under subsection  
10 (c) of section one hundred fifty-one of the internal revenue code is  
11 allowable to another taxpayer for the taxable year.

12 (C) To an individual who is not a resident individual of a city within  
13 the state with a population over one million, for the entire taxable  
14 year.

15 (5) Right to claim credit. The right to claim a credit or the portion  
16 of a credit, where such credit has been divided under this subsection,  
17 shall be personal to the qualified taxpayer and shall not survive their  
18 death, but such right may be exercised on behalf of a claimant by their  
19 legal guardian or attorney in fact during their lifetime.

20 (6) Returns. If a qualified taxpayer is not required to file a return  
21 pursuant to section six hundred fifty-one of this article, a claim for a  
22 credit may be taken on a return filed with the commissioner within three  
23 years from the time it would have been required that a return be filed  
24 pursuant to such section had the qualified taxpayer had a taxable year  
25 ending on December thirty-first. Returns under this paragraph shall be  
26 in such form as shall be prescribed by the commissioner, which shall  
27 make available such forms and instructions for filing such returns.

28 (7) Proof of claim. The commissioner may require a qualified taxpayer  
29 to furnish the following information in support of their claim for cred-  
30 it under this subsection: household gross income, rent paid, name and  
31 address of owner or managing agent of the property rented, real property  
32 taxes levied or that would have been levied in the absence of an  
33 exemption from real property tax pursuant to section four hundred  
34 sixty-seven of the real property tax law, the names of members of the  
35 household and other qualifying taxpayers occupying the same residence  
36 and their identifying numbers including social security numbers, house-  
37 hold gross income, size and nature of property claimed as residence and  
38 all other information which may be required by the commissioner to  
39 determine the credit.

40 (8) Administration. (A) The provisions of this article, including the  
41 provisions of section six hundred fifty-three, six hundred fifty-eight,  
42 and six hundred fifty-nine and the provisions of part six relating to  
43 procedure and administration, including the judicial review of the deci-  
44 sions of the tax commission, except so much of section six hundred  
45 eighty-seven which permits a claim for credit or refund to be filed  
46 after the period provided for in this subsection and except sections six  
47 hundred fifty-seven, six hundred eighty-eight and six hundred ninety-  
48 six, shall apply to the provisions of this subsection in the same manner  
49 and with the same force and effect as if the language of those  
50 provisions had been incorporated in full into this subsection and had  
51 expressly referred to the credit allowed or returns filed under this  
52 subsection, except to the extent that any such provision is either  
53 inconsistent with a provision of this subsection or is not relevant to  
54 this subsection. As used in such sections and such part, the term  
55 "taxpayer" shall include a qualified taxpayer under this subsection and,  
56 notwithstanding the provisions of subsection (e) of section six hundred



1 ninety-seven of this article, where a qualified taxpayer has protested  
2 the denial of a claim for credit under this subsection and the time to  
3 file a petition for redetermination of a deficiency or for refund has  
4 not expired, such taxpayer shall, subject to such conditions as may be  
5 set by the tax commission, receive such information (i) which is  
6 contained in any return filed under this article by a member of such  
7 taxpayer's household for the taxable year for which the credit is  
8 claimed, and (ii) which the tax commission finds is relevant and materi-  
9 al to the issue of whether such claim was properly denied. The tax  
10 commission shall have the authority to promulgate such rules and regu-  
11 lations as may be necessary for the processing, determination and grant-  
12 ing of credits and refunds under this subsection.

13 (B) Notwithstanding any other provision of this article, the credit  
14 allowed under this subsection shall be determined after the determi-  
15 nation and application of any other credits permitted under the  
16 provisions of this article.

17 § 2. This act shall take effect immediately and shall apply to taxable  
18 years beginning on or after January 1, 2025.

19

## PART MM

20 Section 1. Subdivision (a) of section 42-a of the tax law, as added by  
21 section 2 of subpart C of part B of chapter 59 of the laws of 2022, is  
22 amended to read as follows:

23 (a) Notwithstanding subdivision (f) of section forty-two of this arti-  
24 cle, a taxpayer that is a farm employer [or], an owner of a farm employ-  
25 er, or a professional employer organization as defined in section nine  
26 hundred sixteen of the labor law that is in a contractual relationship  
27 with an eligible farm employer shall be eligible for a credit against  
28 the tax imposed under article nine-A or twenty-two of this chapter,  
29 pursuant to the provisions referenced in subdivision (i) of this  
30 section.

31 § 2. Subdivision (d) of section 42-a of the tax law, as added by  
32 section 2 of subpart C of part B of chapter 59 of the laws of 2022, is  
33 amended to read as follows:

34 (d) An eligible farm employee is an individual who meets the defi-  
35 nition of a "farm laborer" under section two of the labor law who is  
36 employed by a farm employer or a professional employer organization as  
37 defined in section nine hundred sixteen of the labor law that is in a  
38 contractual relationship with an eligible farm employer in New York  
39 state, but excluding general executive officers of the farm employer.

40 § 3. This act shall take effect immediately.

41

## PART NN

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

45 For taxable years beginning before January first, two thousand  
46 sixteen, the amount prescribed by this paragraph shall be computed at  
47 the rate of seven and one-tenth percent of the taxpayer's business  
48 income base. For taxable years beginning on or after January first, two  
49 thousand sixteen, the amount prescribed by this paragraph shall be six  
50 and one-half percent of the taxpayer's business income base. For taxable  
51 years beginning on or after January first, two thousand twenty-one and  
52 before January first, two thousand [twenty-seven] twenty-five for any

1 taxpayer with a business income base for the taxable year of more than  
2 five million dollars, the amount prescribed by this paragraph shall be  
3 seven and one-quarter percent of the taxpayer's business income base.  
4 For taxable years beginning on or after January first, two thousand  
5 twenty-five and before January first, two thousand thirty for any  
6 taxpayer with a business income base for the taxable year of more than  
7 five million dollars but not over ten million dollars, the amount  
8 prescribed by this paragraph shall be seven and one-quarter percent of  
9 the taxpayer's income base. Provided, further, for taxable years begin-  
10 ning on or after January first, two thousand twenty-five and before  
11 January first, two thousand thirty for any taxpayer with a business  
12 income base for the taxable year of more than ten million dollars, the  
13 amount prescribed by this paragraph shall be nine and one-quarter  
14 percent of the taxpayer's business income base. The taxpayer's business  
15 income base shall mean the portion of the taxpayer's business income  
16 apportioned within the state as hereinafter provided. However, in the  
17 case of a small business taxpayer, as defined in paragraph (f) of this  
18 subdivision, the amount prescribed by this paragraph shall be computed  
19 pursuant to subparagraph (iv) of this paragraph and in the case of a  
20 manufacturer, as defined in subparagraph (vi) of this paragraph, the  
21 amount prescribed by this paragraph shall be computed pursuant to  
22 subparagraph (vi) of this paragraph, and, in the case of a qualified  
23 emerging technology company, as defined in subparagraph (vii) of this  
24 paragraph, the amount prescribed by this paragraph shall be computed  
25 pursuant to subparagraph (vii) of this paragraph.

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

29 (1) (i) The amount prescribed by this paragraph shall be computed  
30 at .15 percent for each dollar of the taxpayer's total business capital,  
31 or the portion thereof apportioned within the state as hereinafter  
32 provided for taxable years beginning before January first, two thousand  
33 sixteen. However, in the case of a cooperative housing corporation as  
34 defined in the internal revenue code, the applicable rate shall be .04  
35 percent until taxable years beginning on or after January first, two  
36 thousand twenty and zero percent for taxable years beginning on or after  
37 January first, two thousand twenty-one. The rate of tax for subsequent  
38 tax years shall be as follows: .125 percent for taxable years beginning  
39 on or after January first, two thousand sixteen and before January  
40 first, two thousand seventeen; .100 percent for taxable years beginning  
41 on or after January first, two thousand seventeen and before January  
42 first, two thousand eighteen; .075 percent for taxable years beginning  
43 on or after January first, two thousand eighteen and before January  
44 first, two thousand nineteen; .050 percent for taxable years beginning  
45 on or after January first, two thousand nineteen and before January  
46 first, two thousand twenty; .025 percent for taxable years beginning on  
47 or after January first, two thousand twenty and before January first,  
48 two thousand twenty-one; and .1875 percent for years beginning on or  
49 after January first, two thousand twenty-one and before January first,  
50 two thousand [twenty-seven] thirty, and zero percent for taxable years  
51 beginning on or after January first, two thousand [twenty-seven] thirty.  
52 Provided however, for taxable years beginning on or after January first,  
53 two thousand twenty-one, the rate of tax for a small business as defined  
54 in paragraph (f) of this subdivision shall be zero percent. The rate of  
55 tax for a qualified New York manufacturer shall be .132 percent for  
56 taxable years beginning on or after January first, two thousand fifteen

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

17

## PART OO

18 Section 1. Subparagraph (A) of paragraph 39 of subsection (c) of  
19 section 612 of the tax law, as amended by section 1 of part C of chapter  
20 59 of the laws of 2022, is amended to read as follows:

21 (A) In the case of a taxpayer who is a small business or a taxpayer  
22 who is a member, partner, or shareholder of a limited liability company,  
23 partnership, or New York S corporation, respectively, that is a small  
24 business, who or which has business income and/or farm income as defined  
25 in the laws of the United States, an amount equal to [fifteen] twenty-  
26 five percent of the net items of income, gain, loss and deduction  
27 attributable to such business or farm entering into federal adjusted  
28 gross income, but not less than zero.

29 § 2. This act shall take effect immediately and shall apply to taxable  
30 years beginning on or after January 1, 2025.

31

## PART PP

32 Section 1. Short title. This act shall be known and may be cited as  
33 the "savings accounts for a variable economy (SAVE) for small businesses  
34 act".

35 § 2. The tax law is amended by adding a new section 50 to read as  
36 follows:

37 § 50. Small business savings accounts. (a) General. (1) The commis-  
38 sioner shall establish a program to administer small business savings  
39 accounts under this section.

40 (2) The commissioner shall establish minimum standards for small busi-  
41 ness savings accounts and shall establish accounts, or enter into agree-  
42 ments that meet these standards to administer such accounts. In estab-  
43 lishing such standards and making such agreements the commissioner  
44 shall, to the extent practicable, seek to minimize fees, minimize risk  
45 of loss of principal, and ensure a range of investment risk options  
46 available to account beneficiaries. Any eligible small business may  
47 establish a small business savings account with respect to such business  
48 under terms which meet the requirements of this section.

49 (b) Definition. For the purposes of this section, the term "small  
50 business savings account" means a tax preferred savings account which is  
51 designated at the time of establishment of the plan as a small business

1 savings account. Such designation shall be made in such manner as the  
2 commissioner may by regulation prescribe.

3 (c) Contributions. (1) There shall be allowed as a deduction an amount  
4 equal to the contributions to a small business savings account for the  
5 taxable year.

6 (2) The aggregate amount of contributions for any taxable year to all  
7 small business savings accounts maintained for the benefit of an eligi-  
8 ble small business shall not exceed an amount equal to ten percent of  
9 the entire net income of greater than zero but less than two hundred  
10 fifty thousand dollars for article nine-A taxpayers and ten percent of  
11 the New York source gross income of greater than zero but less than two  
12 hundred fifty thousand dollars for a limited liability company, partner-  
13 ship, or New York S corporation.

14 (d) Distributions. (1) Any qualified distribution from a small busi-  
15 ness savings account shall not be includible in gross income.

16 (2) Any amounts distributed out of a small business savings account  
17 that are not qualified distributions shall be included in gross income  
18 for the taxable year of the distribution.

19 (3) For purposes of this section:

20 (A) The term "qualified distribution" means any amount:

21 (i) distributed from a small business savings account during a speci-  
22 fied period of economic hardship; and

23 (ii) the distribution of which is certified by the taxpayer as part of  
24 a plan which provides for the reinvestment of such distribution for the  
25 funding of worker hiring or financial stabilization for the purposes of  
26 job retention or creation.

27 (B) The term "specified period of economic hardship" means:

28 (i) any one-year period beginning immediately after the end of any two  
29 consecutive quarters during which the annual rate of real gross domestic  
30 product (as determined by the Bureau of Economic Analysis of the Depart-  
31 ment of Commerce) decreases, or

32 (ii) any period, in no event shorter than one year, specified by the  
33 commissioner for purposes of this section.

34 (C) The commissioner may specify a period under clause (ii) of subpara-  
35 graph (B) of this paragraph with respect to a specified area in the  
36 case of an area determined by the governor to warrant assistance from  
37 the Federal Government under the Robert T. Stafford Disaster Relief and  
38 Emergency Assistance Act.

39 (D) The commissioner shall, for each specified period of economic  
40 hardship establish a distribution limitation for qualified distributions  
41 from eligible small business accounts with respect to such period. The  
42 aggregate qualified distributions for any such period from all accounts  
43 with respect to an eligible small business shall not exceed such limita-  
44 tion.

45 (E) Any distribution not used in the manner certified under subpara-  
46 graph (A) of this paragraph shall be treated as a distribution other  
47 than a qualified distribution in the taxable year of such distribution.

48 (F) Any amount contributed to a small business savings account (and  
49 any earnings attributable thereto), once distributed, shall not be  
50 treated as a qualified distribution unless such distribution is made not  
51 later than eight years after the date of such contribution. For purposes  
52 of this subparagraph, amounts (and the earnings attributable thereto)  
53 shall be treated as distributed on a first-in first-out basis.

54 (e) Eligible small business. For purposes of this section:

55 (1) The term "eligible small business" means, with respect to any  
56 calendar year, any person if the annual average number of full-time



1 employees employed by such person during the preceding calendar year was  
2 twenty-five or fewer and such person has an annual net income of less  
3 than two hundred fifty thousand dollars. For purposes of this paragraph,  
4 a preceding calendar year may be taken into account only if the person  
5 was in existence throughout the year.

6 (2) (A) The term "full-time employee" means, with respect to any year,  
7 an employee who is employed on average at least forty hours of service  
8 per week.

9 (B) The commissioner shall prescribe such regulations, rules, and  
10 guidance as may be necessary to determine the hours of service of an  
11 employee, including rules for the application of this subdivision to  
12 employees who are not compensated on an hourly basis.

13 (f) Effect of pledging account as security. If, during any taxable  
14 year of the eligible small business for whose benefit an account is  
15 established, the account or any portion thereof is pledged as security  
16 for a loan, the portion so pledged shall be treated as distributed in a  
17 distribution other than a qualified distribution.

18 (g) Annual report. The commissioner shall prepare and deliver an annu-  
19 al report on the efficacy of small business savings accounts to the  
20 temporary president of the senate and the speaker of the assembly. Such  
21 report shall include, but not be limited to, an evaluation as to whether  
22 small business savings accounts contribute to financial stabilization of  
23 the small business during times of economic hardship, job retention or  
24 creation.

25 § 3. Paragraph (a) of subdivision 9 of section 208 of the tax law is  
26 amended by adding a new subparagraph 24 to read as follows:

27 (24) For taxable years beginning on or after January first, two thou-  
28 sand twenty-five, contributions and qualified distributions by an eligi-  
29 ble small business, as such term is defined pursuant to section fifty of  
30 this chapter.

31 § 4. Paragraph (b) of subdivision 9 of section 208 of the tax law is  
32 amended by adding a new subparagraph 28 to read as follows:

33 (28) For taxable years beginning on or after January first, two thou-  
34 sand twenty-five, any amounts of ineligible contributions and distrib-  
35 utions described in section fifty of this chapter.

36 § 5. Subsection (c) of section 612 of the tax law is amended by adding  
37 a new paragraph 48 to read as follows:

38 (48) For taxable years beginning on or after January first, two thou-  
39 sand twenty-five, contributions and qualified distributions by an eligi-  
40 ble small business, as such term is defined pursuant to section fifty of  
41 this chapter.

42 § 6. Subsection (b) of section 612 of the tax law is amended by adding  
43 a new paragraph 44 to read as follows:

44 (44) For taxable years beginning on or after January first, two thou-  
45 sand twenty-five, any amounts of ineligible contributions and distrib-  
46 utions described in section fifty of this chapter.

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

49 PART QQ

50 Section 1. The tax law is amended by adding a new section 50 to read  
51 as follows:

52 § 50. Work opportunity tax credit. (a) General. A taxpayer subject to  
53 tax under article nine-A, twenty-two, or thirty-three of this chapter  
54 shall be allowed a credit against such tax in an amount equal to one

1 hundred percent of the credit that is allowed to the taxpayer under  
2 section 51 of the internal revenue code that is attributable to quali-  
3 fied wages paid to a New York resident who is a member of a targeted  
4 group and for whom a certificate to that effect has been issued by the  
5 department of labor.

6 (b) Definitions. The terms "qualified wages" and "targeted group"  
7 shall have the same meanings as in section 51 of the internal revenue  
8 code.

9 (c) Effect on other tax credits. Wages which are the basis of the  
10 credit under this section may not be used as the basis for any other  
11 credit allowed under this chapter.

12 (d) Limit on tax credits issued. Over the lifetime of the tax credit,  
13 the total amount of tax credits provided for under this section shall  
14 not exceed thirty million dollars.

15 (e) Cross-references. For application of the credit provided for in  
16 this section, see the following provisions of this chapter:

17 (1) article 9-A: section 210-B, subdivision 61;

18 (2) article 22: section 606, subsection (bbb);

19 (3) article 33: section 1511, subdivision (ff).

20 § 2. Section 210-B of the tax law is amended by adding a new subdivi-  
21 sion 61 to read as follows:

22 61. Work opportunity tax credit. (a) Allowance of credit. A taxpayer  
23 shall be allowed a credit, to be computed as provided in section fifty  
24 of this chapter, against the tax imposed by this article. Such credit  
25 may not exceed five hundred dollars per eligible employee per year in  
26 any given tax year.

27 (b) Application of credit. The credit allowed under this subdivision  
28 for any taxable year may not reduce the tax due for such year to less  
29 than the amount prescribed in paragraph (d) of subdivision one of  
30 section two hundred ten of this article. However, if the amount of the  
31 credit allowed under this subdivision for any taxable year reduces the  
32 tax to such amount or if the taxpayer otherwise pays tax based on the  
33 fixed dollar minimum amount, any amount of credit thus not deductible in  
34 such taxable year will be treated as an overpayment of tax to be credit-  
35 ed in accordance with the provisions of section one thousand eighty-six  
36 of this chapter. Provided, however, the provisions of subsection (c) of  
37 section one thousand eighty-eight of this chapter notwithstanding, no  
38 interest shall be paid thereon.

39 § 3. Section 606 of the tax law is amended by adding a new subsection  
40 (bbb) to read as follows:

41 (bbb) Work opportunity tax credit. (1) Allowance of credit. A taxpayer  
42 shall be allowed a credit, to be computed as provided in section fifty  
43 of this chapter, against the tax imposed by this article. Such credit  
44 may not exceed five hundred dollars per eligible employee per year in  
45 any given tax year.

46 (2) Application of credit. If the amount of the credit allowed under  
47 this subsection for any taxable year shall exceed the taxpayer's tax for  
48 such year, the excess shall be treated as an overpayment of tax to be  
49 credited or refunded in accordance with the provisions of section six  
50 hundred eighty-six of this article, provided, however, that no interest  
51 shall be paid thereon.

52 § 4. Section 1511 of the tax law is amended by adding a new subdivi-  
53 sion (ff) to read as follows:

54 (ff) Work opportunity tax credit. (1) Allowance of credit. A taxpayer  
55 shall be allowed a credit, to be computed as provided in section fifty  
56 of this chapter, against the tax imposed by this article. Such credit

1 may not exceed five hundred dollars per eligible employee per year in  
2 any given tax year.

3 (2) Application of credit. The credit allowed under this subdivision  
4 shall not reduce the tax due for such year to be less than the minimum  
5 fixed by paragraph four of subdivision (a) of section fifteen hundred  
6 two or section fifteen hundred two-a of this article, whichever is  
7 applicable. However, if the amount of the credit allowed under this  
8 subdivision for any taxable year reduces the taxpayer's tax to such  
9 amount, any amount of credit thus not deductible will be treated as an  
10 overpayment of tax to be credited in accordance with the provisions of  
11 section one thousand eighty-six of this chapter. Provided, however, the  
12 provisions of subsection (c) of section one thousand eighty-eight of  
13 this chapter notwithstanding, no interest shall be paid thereon.

14 § 5. This act shall take effect immediately and shall apply to taxable  
15 years beginning on and after January 1, 2025 and shall apply to wages  
16 paid to individuals hired on and after such effective date and shall  
17 expire and be deemed repealed December 31, 2027.

18

## PART RR

19 Section 1. Subdivision (e) of section 42 of the tax law, as amended by  
20 section 1 of subpart B of part B of chapter 59 of the laws of 2022, is  
21 amended to read as follows:

22 (e) For taxable years beginning on or after January first, two thou-  
23 sand seventeen and before January first, two thousand eighteen, the  
24 amount of the credit allowed under this section shall be equal to the  
25 product of the total number of eligible farm employees and two hundred  
26 fifty dollars. For taxable years beginning on or after January first,  
27 two thousand eighteen and before January first, two thousand nineteen,  
28 the amount of the credit allowed under this section shall be equal to  
29 the product of the total number of eligible farm employees and three  
30 hundred dollars. For taxable years beginning on or after January first,  
31 two thousand nineteen and before January first, two thousand twenty,  
32 amount of the credit allowed under this section shall be equal to the  
33 product of the total number of eligible farm employees and five hundred  
34 dollars. For taxable years beginning on or after January first, two  
35 thousand twenty and before January first, two thousand twenty-one, the  
36 amount of the credit allowed under this section shall be equal to the  
37 product of the total number of eligible farm employees and four hundred  
38 dollars. For taxable years beginning on or after January first, two  
39 thousand twenty-one and before January first, two thousand twenty-two,  
40 the amount of the credit allowed under this section shall be equal to  
41 the product of the total number of eligible farm employees and six  
42 hundred dollars. For taxable years beginning on or after January first,  
43 two thousand twenty-two and before January first, two thousand [twenty-  
44 six] twenty-nine, the amount of the credit allowed under this section  
45 shall be equal to the product of the total number of eligible farm  
46 employees and twelve hundred dollars.

47 § 2. Section 5 of part RR of chapter 60 of the laws of 2016 amending  
48 the tax law relating to creating a farm workforce retention credit, as  
49 amended by section 2 of subpart B of part B of chapter 59 of the laws of  
50 2022, is amended to read as follows:

51 § 5. This act shall take effect immediately and shall apply only to  
52 taxable years beginning on or after January 1, 2017 and before January  
53 1, [2026] 2029.

54 § 3. This act shall take effect immediately.



1

## PART SS

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

4 (mm) The following shall be exempt from tax under this article: (1)  
5 Receipts from the retail sale of, and consideration given or contracted  
6 to be given for, or for the use of, commercial energy storage systems  
7 equipment and the costs of installing such systems. For the purposes of  
8 this subdivision, "commercial energy storage systems equipment" shall  
9 mean an arrangement or combination of components installed upon non-re-  
10 sidential premises that stores electricity for use at a later time to  
11 provide heating, cooling, hot water and/or electricity.

12 (2) Receipts from the sale of electricity by a person primarily  
13 engaged in the sale of energy storage system equipment and/or electric-  
14 ity generated by such equipment pursuant to a written agreement under  
15 which the electricity is generated by commercial energy system equipment  
16 that is: (A) owned by a person other than the purchaser of such elec-  
17 tricity; (B) installed on the non-residential premises of the purchaser  
18 of such electricity; and (C) used to provide heating, cooling, hot water  
19 or electricity to such premises.

20 § 2. Paragraph 1 of subdivision (a) of section 1210 of the tax law, as  
21 amended by section 5 of part J of chapter 59 of the laws of 2021, is  
22 amended to read as follows:

23 (1) Either, all of the taxes described in article twenty-eight of this  
24 chapter, at the same uniform rate, as to which taxes all provisions of  
25 the local laws, ordinances or resolutions imposing such taxes shall be  
26 identical, except as to rate and except as otherwise provided, with the  
27 corresponding provisions in such article twenty-eight, including the  
28 definition and exemption provisions of such article, so far as the  
29 provisions of such article twenty-eight can be made applicable to the  
30 taxes imposed by such city or county and with such limitations and  
31 special provisions as are set forth in this article. The taxes author-  
32 ized under this subdivision may not be imposed by a city or county  
33 unless the local law, ordinance or resolution imposes such taxes so as  
34 to include all portions and all types of receipts, charges or rents,  
35 subject to state tax under sections eleven hundred five and eleven  
36 hundred ten of this chapter, except as otherwise provided. Notwith-  
37 standing the foregoing, a tax imposed by a city or county authorized  
38 under this subdivision shall not include the tax imposed on charges for  
39 admission to race tracks and simulcast facilities under subdivision (f)  
40 of section eleven hundred five of this chapter. (i) Any local law, ordi-  
41 nance or resolution enacted by any city of less than one million or by  
42 any county or school district, imposing the taxes authorized by this  
43 subdivision, shall, notwithstanding any provision of law to the contra-  
44 ry, exclude from the operation of such local taxes all sales of tangible  
45 personal property for use or consumption directly and predominantly in  
46 the production of tangible personal property, gas, electricity, refrig-  
47 eration or steam, for sale, by manufacturing, processing, generating,  
48 assembly, refining, mining or extracting; and all sales of tangible  
49 personal property for use or consumption predominantly either in the  
50 production of tangible personal property, for sale, by farming or in a  
51 commercial horse boarding operation, or in both; and all sales of fuel  
52 sold for use in commercial aircraft and general aviation aircraft; and,  
53 unless such city, county or school district elects otherwise, shall omit  
54 the provision for credit or refund contained in clause six of subdivi-  
55 sion (a) or subdivision (d) of section eleven hundred nineteen of this

1 chapter. (ii) Any local law, ordinance or resolution enacted by any  
2 city, county or school district, imposing the taxes authorized by this  
3 subdivision, shall omit the residential solar energy systems equipment  
4 and electricity exemption provided for in subdivision (ee), the commer-  
5 cial solar energy systems equipment and electricity exemption provided  
6 for in subdivision (ii), the commercial fuel cell electricity generating  
7 systems equipment and electricity generated by such equipment exemption  
8 provided for in subdivision (kk), the commercial energy storage systems  
9 equipment and electricity exemption provided for in subdivision (mm) and  
10 the clothing and footwear exemption provided for in paragraph thirty of  
11 subdivision (a) of section eleven hundred fifteen of this chapter,  
12 unless such city, county or school district elects otherwise as to such  
13 residential solar energy systems equipment and electricity exemption,  
14 such commercial solar energy systems equipment and electricity  
15 exemption, commercial fuel cell electricity generating systems equipment  
16 and electricity generated by such equipment exemption, such commercial  
17 energy storage systems equipment and electricity exemption, or such  
18 clothing and footwear exemption.

19 § 3. Subdivision (d) of section 1210 of the tax law, as amended by  
20 section 4 of part WW of chapter 60 of the laws of 2016, is amended to  
21 read as follows:

22 (d) A local law, ordinance or resolution imposing any tax pursuant to  
23 this section, increasing or decreasing the rate of such tax, repealing  
24 or suspending such tax, exempting from such tax the energy sources and  
25 services described in paragraph three of subdivision (a) or of subdivi-  
26 sion (b) of this section or changing the rate of tax imposed on such  
27 energy sources and services or providing for the credit or refund  
28 described in clause six of subdivision (a) of section eleven hundred  
29 nineteen of this chapter, or electing or repealing the exemption for  
30 residential solar equipment and electricity in subdivision (ee) of  
31 section eleven hundred fifteen of this article, or the exemption for  
32 commercial solar equipment and electricity in subdivision (ii) of  
33 section eleven hundred fifteen of this article, or electing or repealing  
34 the exemption for commercial fuel cell electricity generating systems  
35 equipment and electricity generated by such equipment in subdivision  
36 (kk) of section eleven hundred fifteen of this article, or the exemption  
37 for commercial energy storage equipment and electricity in subdivision  
38 (mm) of section eleven hundred fifteen of this article must go into  
39 effect only on one of the following dates: March first, June first,  
40 September first or December first; provided, that a local law, ordinance  
41 or resolution providing for the exemption described in paragraph thirty  
42 of subdivision (a) of section eleven hundred fifteen of this chapter or  
43 repealing any such exemption or a local law, ordinance or resolution  
44 providing for a refund or credit described in subdivision (d) of section  
45 eleven hundred nineteen of this chapter or repealing such provision so  
46 provided must go into effect only on March first. No such local law,  
47 ordinance or resolution shall be effective unless a certified copy of  
48 such law, ordinance or resolution is mailed by registered or certified  
49 mail to the commissioner at the commissioner's office in Albany at least  
50 ninety days prior to the date it is to become effective. However, the  
51 commissioner may waive and reduce such ninety-day minimum notice  
52 requirement to a mailing of such certified copy by registered or certi-  
53 fied mail within a period of not less than thirty days prior to such  
54 effective date if the commissioner deems such action to be consistent  
55 with the commissioner's duties under section twelve hundred fifty of  
56 this article and the commissioner acts by resolution. Where the



1 restriction provided for in section twelve hundred twenty-three of this  
2 article as to the effective date of a tax and the notice requirement  
3 provided for therein are applicable and have not been waived, the  
4 restriction and notice requirement in section twelve hundred twenty-  
5 three of this article shall also apply.

6 § 4. Section 2 of part PP of chapter 58 of the laws of 2024 amending  
7 the tax law relating to establishing a sales tax exemption for residen-  
8 tial energy storage, is amended to read as follows:

9 § 2. This act shall take effect June 1, 2024 and shall expire and be  
10 deemed repealed June 1, [2026] 2027.

11 § 5. This act shall take effect immediately; provided, however, that  
12 sections one, two and three of this act shall take effect June 1, 2025;  
13 and provided, further sections one, two and three of this act shall  
14 expire June 1, 2027 when upon such date the provisions of such sections  
15 shall be deemed repealed.

16

## PART TT

17 Section 1. Subdivision (a) of section 495 of the tax law, as added by  
18 chapter 92 of the laws of 2021, is amended to read as follows:

19 (a) Every person on whom tax is imposed under this article shall, on  
20 or before the twentieth day of the month following each quarterly period  
21 ending on the last day of February, May, August, and November, respec-  
22 tively, file electronically with the commissioner a return on forms to  
23 be prescribed by the commissioner, showing the total amount of tax due  
24 in such quarterly period, and including such other information as the  
25 commissioner may require; provided, however, that a distributor on whom  
26 tax is imposed pursuant to this article may elect to file electronically  
27 with the commissioner for an annual period instead of a quarterly peri-  
28 od, in a manner prescribed by the commissioner. If a distributor elects  
29 to file electronically for an annual period, the distributor shall file  
30 electronically with the commissioner, on or before March twentieth of  
31 each year, a return on forms to be prescribed by the commissioner, show-  
32 ing the total amount of tax due in such annual period, and including any  
33 such other information as the commissioner may require.

34 § 2. This act shall take effect immediately and shall apply to taxa-  
35 ble years beginning on and after January 1, 2026.

36

## PART UU

37 Section 1. Section 1180 of the tax law is amended by adding five new  
38 subdivisions (c), (d), (e), (f), and (g) to read as follows:

39 (c) "Flavored nicotine analogue product" means a flavored vapor prod-  
40 uct that contains a nicotine analogue.

41 (d) "Flavored vapor product" shall have the same meaning as described  
42 in section thirteen hundred ninety-nine-mm-1 of the public health law.

43 (e) "Nicotine analogue" means a substance:

44 (1) (A) The chemical structure of which is substantially similar to  
45 the chemical structure of nicotine; or

46 (B) Which has, purports to have, or is represented to have, an effect  
47 on the central nervous system that is similar to or greater than effect  
48 on the central nervous system of nicotine.

49 (2) Factors relevant to determining whether a substance is a nicotine  
50 analogue include, but are not limited to, the marketing, advertising and  
51 labeling of the substance, and whether the substance has been manufac-  
52 tured, formulated, sold, distributed, or marketed with the intent to

1 avoid the provisions of this subdivision and other applicable provisions  
2 of law.

3 (f) "Vapor products distributor" means any person who imports or caus-  
4 es to be imported into this state any vapor products for sale, or who  
5 manufactures any vapor product in this state, and any person within or  
6 without the state who is authorized by the commissioner to make returns  
7 and pay the tax on vapor products sold, shipped, or delivered by such  
8 person to any person in the state.

9 (g) "Wholesale price" means the price at which a vapor products dealer  
10 purchases vapor products from a vapor products distributor.

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

13 § 1181. Imposition of tax. (a) In addition to any other tax imposed  
14 by this chapter or other law, there is hereby imposed a tax of twenty  
15 percent on [receipts from the retail sale of vapor products sold] the  
16 wholesale price of vapor products sold by a vapor products distributor  
17 to a vapor products dealer in this state. The tax is imposed on the  
18 [purchaser] vapor products dealer and collected by the vapor products  
19 [dealer as defined in subdivision (b) of section eleven hundred eighty  
20 of this article] distributor, in trust for and on account of the state.  
21 The taxes imposed under this section shall not apply to adult-use canna-  
22 bis products subject to tax under article twenty-C of this chapter.

23 (b) The vapor products distributor shall be liable for the payment of  
24 the tax on vapor products which the vapor products distributor imports  
25 or causes to be imported into the state, or which the vapor products  
26 distributor manufactures in the state, and every vapor products distrib-  
27 utor authorized by the commissioner to make returns and pay the tax on  
28 tobacco products sold, shipped or delivered by the vapor products  
29 distributor to any person in the state shall be liable for the payment  
30 of the tax on all vapor products so sold, shipped or delivered.

31 (c) Every vapor products dealer shall be liable for the tax on all  
32 vapor products in the vapor products distributor's possession at any  
33 time, upon which tax has not been paid or assumed by a vapor products  
34 distributor appointed by the commissioner, and the failure of any vapor  
35 products dealer to produce and exhibit to the commissioner or the  
36 commissioner's authorized representative upon demand, an invoice by a  
37 vapor products distributor for any vapor products in the vapor products  
38 distributor's possession shall be presumptive evidence that the tax  
39 thereon has not been paid, and that such dealer is liable for the tax  
40 thereon unless evidence of such invoice, payment or assumption shall  
41 later be produced.

42 § 3. The tax law is amended by adding two new sections 1183-a and  
43 1183-b to read as follows:

44 § 1183-a. Vapor products distributor license and renewal. (a) Every  
45 person who intends to be a vapor products distributor in this state must  
46 receive from the commissioner a license prior to engaging in business.  
47 In addition to the requirements of section eleven hundred eighty-three  
48 of this article, a vapor products dealer who purchases or receives vapor  
49 products from a manufacturer or out-of-state distributor shall be  
50 required to obtain a vapor products distributor license. The applicant  
51 for a vapor products distributor license must electronically submit a  
52 properly completed application for a license for each location at which  
53 the business shall be conducted in this state, on a form prescribed by  
54 the commissioner, and shall be accompanied by a non-refundable applica-  
55 tion fee of three hundred dollars.



1 (b) A vapor products distributor license shall be valid for the calen-  
2 dar year for which it is issued unless earlier suspended or revoked.  
3 Upon the expiration of the term stated on the license, such license  
4 shall be null and void. A license shall not be assignable or transfera-  
5 ble and shall be destroyed immediately upon the vapor products distribu-  
6 tor ceasing to do business as specified in such license or in the event  
7 that such business never commenced.

8 (c) Every vapor products distributor shall publicly display in the  
9 vapor products distributor's place of business a license from the  
10 department.

11 (d) (1) The commissioner shall refuse to issue a license to any appli-  
12 cant who does not possess a valid certificate of authority under section  
13 eleven hundred thirty-four of this chapter. In addition, the commission-  
14 er may refuse to issue a license, or suspend, cancel or revoke a license  
15 issued to any person who:

16 (A) has a past-due liability as that term is defined in section one  
17 hundred seventy-one-v of this chapter;

18 (B) has had a license under this article or any license or registra-  
19 tion provided for in this chapter revoked within one year from the date  
20 on which such application was filed;

21 (C) has been convicted of a crime provided for in this chapter within  
22 one year from the date on which such application was filed;

23 (D) willfully fails to file a report or return required by this arti-  
24 cle;

25 (E) willfully files, causes to be filed, gives or causes to be given a  
26 report, return, certificate or affidavit required by this article which  
27 is false;

28 (F) willfully fails to collect or truthfully account for or pay over  
29 any tax imposed by this article; or

30 (G) whose place of business is at the same premises as that of a  
31 person whose vapor products distributor license has been revoked and  
32 where such revocation is still in effect, unless the applicant or vapor  
33 products distributor provides the commissioner with adequate documenta-  
34 tion demonstrating that such applicant or vapor products distributor  
35 acquired the premises or business through an arm's length transaction as  
36 defined in paragraph (e) of subdivision one of section four hundred  
37 eighty-a of this chapter.

38 (2) In addition to the grounds provided in paragraph one of this  
39 subdivision, the commissioner shall refuse to issue a license and shall  
40 cancel or suspend a license as directed by an enforcement officer pursu-  
41 ant to article thirteen-F of the public health law. Notwithstanding any  
42 provision of law to the contrary, an applicant whose application for a  
43 license is refused or a vapor products distributor whose license is  
44 cancelled or suspended under this paragraph shall have no right to a  
45 hearing under this chapter and shall have no right to commence a court  
46 action or proceeding or to any other legal recourse against the commis-  
47 sioner with respect to such refusal, suspension or cancellation;  
48 provided, however, that nothing herein shall be construed to deny a  
49 vapor products distributor a hearing under article thirteen-F of the  
50 public health law or to prohibit vapor products distributors from  
51 commencing a court action or proceeding against an enforcement officer  
52 as defined in section thirteen hundred ninety-nine-aa of the public  
53 health law.

54 (e) If a vapor products distributor license is suspended, cancelled or  
55 revoked and such vapor products distributor distributes or sells vapor  
56 products through more than one place of business in this state, the



1 vapor products distributor's license issued to that place of business  
2 where such violation occurred shall be suspended, revoked, or cancelled.  
3 Provided, however, upon a vapor products distributor's third suspension,  
4 cancellation, or revocation within a five-year period for any one or  
5 more businesses owned or operated by the vapor products distributor,  
6 such suspension, cancellation, or revocation of the vapor products  
7 distributor's license shall apply to all places of business where the  
8 vapor products distributor distributes or sells vapor products in this  
9 state.

10 (f) Every holder of a license must notify the commissioner of changes  
11 to any of the information stated on the license or changes to any infor-  
12 mation contained in the application for the license. Such notification  
13 must be made on or before the last day of the month in which a change  
14 occurs and must be made electronically on a form prescribed by the  
15 commissioner.

16 (g) Every vapor products distributor who holds a license under this  
17 article shall be required to reapply for a license for the following  
18 calendar year on or before the twentieth day of September and such reap-  
19 plication shall be subject to the same requirements and conditions,  
20 including grounds for refusal, as an initial license under this article,  
21 including but not limited to the payment of the three hundred dollar  
22 application fee for each business location.

23 (h) In addition to any other penalty imposed by this chapter, any  
24 vapor products distributor who violates the provisions of this section,  
25 (1) for a first violation is liable for a civil fine not less than five  
26 thousand dollars but not to exceed twenty-five thousand dollars and such  
27 license may be suspended for a period of not more than six months; and  
28 (2) for a second or subsequent violation within three years following a  
29 prior violation of this section, is liable for a civil fine not less  
30 than ten thousand dollars but not to exceed thirty-five thousand dollars  
31 and such license may be suspended for a period of up to thirty-six  
32 months; or (3) for a third violation within a period of five years, the  
33 license issued to each place of business owned or operated by the vapor  
34 products distributor in this state shall be revoked for a period of up  
35 to five years.

36 § 1183-b. Restrictions on sale. No person, including a vapor products  
37 dealer or any agent or employee of a vapor products dealer, shall sell  
38 or offer for sale at retail in the state or to any person in the state  
39 any flavored nicotine analogue product.

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

42 § 1184. Administrative provisions. (a) [Except as otherwise provided  
43 for in this article, the taxes imposed by this article shall be adminis-  
44 tered and collected in a like manner as and jointly with the taxes  
45 imposed by sections eleven hundred five and eleven hundred ten of this  
46 chapter. In addition, except as otherwise provided in this article, all  
47 of the provisions of article twenty-eight of this chapter (except  
48 sections eleven hundred seven, eleven hundred eight, eleven hundred  
49 nine, and eleven hundred forty-eight) relating to or applicable to the  
50 administration, collection and review of the taxes imposed by such  
51 sections eleven hundred five and eleven hundred ten, including, but not  
52 limited to, the provisions relating to definitions, returns, exemptions,  
53 penalties, tax secrecy, personal liability for the tax, and collection  
54 of tax from the customer, shall apply to the taxes imposed by this arti-  
55 cle so far as such provisions can be made applicable to the taxes  
56 imposed by this article with such limitations as set forth in this arti-

1 cle and such modifications as may be necessary in order to adapt such  
2 language to the taxes so imposed. Such provisions shall apply with the  
3 same force and effect as if the language of those provisions had been  
4 set forth in full in this article except to the extent that any  
5 provision is either inconsistent with a provision of this article or is  
6 not relevant to the taxes imposed by this article.

7 (b) Notwithstanding the provisions of subdivision (a) of this section,  
8 the exemptions provided in paragraph ten of subdivision (a) of section  
9 eleven hundred fifteen of this chapter, and the provisions of section  
10 eleven hundred sixteen, except those provided in paragraphs one, two,  
11 three and six of subdivision (a) of such section, shall not apply to the  
12 taxes imposed by this article.] Every vapor products distributor author-  
13 ized by the commissioner to make returns and pay the tax on vapor  
14 products sold, shipped, or delivered by the vapor products distributor  
15 to a person in the state shall file a return showing the quantity and  
16 wholesale price of all vapor products so sold, shipped, or delivered  
17 during the preceding calendar month. Provided, however, the commissioner  
18 may, if the commissioner deems it necessary in order to ensure the  
19 payment of the taxes imposed by this article, require returns to be made  
20 at such times and covering such periods as the commissioner may deem  
21 necessary, and, by regulation, may permit the filing of returns on a  
22 quarterly, semi-annual or annual basis, or may waive the filing of  
23 returns by a vapor products distributor for such time and upon such  
24 terms as the commissioner may deem proper if satisfied that no tax  
25 imposed by this article is or will be payable during the time for which  
26 returns are waived. Such returns shall contain such further information  
27 as the commissioner may require.

28 (b) Every vapor product distributor shall pay to the commissioner with  
29 the filing of such return the tax on vapor products for such month  
30 imposed under this article, less two percent, to cover the distributor's  
31 expense in the collection and remittance of the said tax.

32 (c) Notwithstanding the provisions of this section or section eleven  
33 hundred forty-six of this chapter, the commissioner may, in [his or her]  
34 the commissioner's discretion, permit the commissioner of health or [his  
35 or her] such commissioner's authorized representative to inspect any  
36 return related to the tax imposed by this article and may furnish to the  
37 commissioner of health any such return or supply [him or her] such  
38 commissioner with information concerning an item contained in any such  
39 return, or disclosed by any investigation of a liability under this  
40 article.

41 § 5. The tax law is amended by adding two new sections 1184-a and  
42 1184-b to read as follows:

43 § 1184-a. Enforcement. (a) The commissioner or the commissioner's duly  
44 authorized representatives are hereby authorized:

45 (1) To enforce the provisions in this article and the provisions in  
46 section thirteen hundred ninety-nine-mm-1 of the public health law  
47 concerning flavored vapor products.

48 (2) To conduct regulatory inspections during normal business hours of  
49 any place of business, including a vehicle used for such business, where  
50 vapor products are distributed, stored, or sold. For the purposes of  
51 this section, "place of business" shall not include a residence or other  
52 real property, or any personal vehicle, not held out as open to the  
53 public or otherwise being utilized in a business or commercial manner,  
54 unless probable cause exists to believe that such residence, real prop-  
55 erty or vehicle is being used in such a business or commercial manner  
56 for the buying or selling of vapor products.

1 (b) If any person registered or who has obtained a license under this  
2 article, or their agents, refuses to give the commissioner, or the  
3 commissioner's duly authorized representatives, the means, facilities  
4 and opportunity for the inspections and examinations required by this  
5 section, the commissioner, after notice and an opportunity for a hear-  
6 ing, may revoke their license to distribute vapor products or to sell  
7 vapor products at retail:

8 (1) for a period of one year for the first such failure;

9 (2) for a period of up to three years for a second such failure within  
10 a period of three years; and

11 (3) for a period of up to seven years for a third such failure within  
12 five years.

13 (c) The commissioner or the commissioner's duly authorized represen-  
14 tatives shall seize any non-tax-paid vapor products, flavored vapor  
15 products, or flavored nicotine analogue products found in any place of  
16 business or vehicle used for such business where vapor products are  
17 distributed, stored, or sold by any person who does not possess a  
18 license as described in section eleven hundred eighty-three-a of this  
19 article.

20 (d) All non-tax-paid vapor products, flavored vapor products, or  
21 flavored nicotine analogue products seized pursuant to the authority of  
22 this chapter or any other law of this state shall be turned over to the  
23 department or its authorized representative. Such seized non-tax-paid  
24 vapor products shall, after notice and an opportunity for a hearing, be  
25 forfeited to the state. If the department determines the non-tax-paid  
26 vapor products cannot be used for law enforcement purposes, it may,  
27 within a reasonable time after the forfeiture of such non-tax-paid vapor  
28 products, upon publication in the state registry, destroy such forfeited  
29 non-tax-paid vapor products.

30 (e) Whenever a police officer designated in section 1.20 of the crimi-  
31 nal procedure law or a peace officer designated in subdivision four of  
32 section 2.10 of such law, acting pursuant to such officer's special  
33 duties, shall discover any flavored vapor products or flavored nicotine  
34 analogue products offered for retail sale in violation of the provisions  
35 in section thirteen hundred ninety-nine-mm-1 of the public health law or  
36 section eleven hundred eighty-three-b of this article, respectively,  
37 such police officer or peace officer shall notify the commissioner or  
38 the commissioner's duly authorized representatives.

39 § 1184-b. General powers of the tax commission. The powers conferred  
40 upon the tax commission by sections one hundred seventy-one and one  
41 hundred seventy-one-b of this chapter shall, so far as applicable, be  
42 exercisable with respect to the provisions of this article. Such commis-  
43 sion may require returns to be filed with it at such times and contain-  
44 ing such information as it may prescribe and in such event the fact that  
45 a person's name is signed to the return shall be prima facie evidence  
46 for all purposes that the return was actually signed by such person.  
47 Notwithstanding any other provision of this article, the tax commission  
48 may enter into an agreement with any city of this state which is author-  
49 ized to impose a tax similar to that imposed by this article to provide  
50 for the joint administration, in whole or in part, of such taxes.

51 § 6. This act shall take effect immediately.

52 PART VV

53 Section 1. Subsection (g-1) of section 606 of the tax law, as amended  
54 by chapter 378 of the laws of 2005, paragraphs 1 and 2 as amended by

1 chapter 375 of the laws of 2012, paragraph 3 as amended, paragraph 5 as  
2 added, and paragraphs 6, 7 and 8 as renumbered by chapter 128 of the  
3 laws of 2007, is amended to read as follows:

4 (g-1) Solar energy system equipment credit. (1) General. An individual  
5 taxpayer shall be allowed a credit against the tax imposed by this arti-  
6 cle equal to twenty-six percent of qualified solar energy system equip-  
7 ment expenditures, except as provided in subparagraph (D) of paragraph  
8 two of this subsection. This credit shall not exceed three thousand  
9 seven hundred fifty dollars for qualified solar energy equipment placed  
10 in service before September first, two thousand six, [and] five thousand  
11 dollars for qualified solar energy equipment placed in service on or  
12 after September first, two thousand six and before January first, two  
13 thousand twenty-six, and ten thousand dollars for qualified solar energy  
14 equipment placed in service on or after January first, two thousand  
15 twenty-six.

16 (2) Qualified solar energy system equipment expenditures. (A) The term  
17 "qualified solar energy system equipment expenditures" means expendi-  
18 tures for:

19 (i) the purchase of solar energy system equipment which is installed  
20 in connection with residential property which is (I) located in this  
21 state and (II) which is used by the taxpayer as [his or her] their prin-  
22 cipal residence at the time the solar energy system equipment is placed  
23 in service;

24 (ii) the lease of solar energy system equipment under a written agree-  
25 ment that spans at least ten years where such equipment owned by a  
26 person other than the taxpayer is installed in connection with residen-  
27 tial property which is (I) located in this state and (II) which is used  
28 by the taxpayer as [his or her] their principal residence at the time  
29 the solar energy system equipment is placed in service; or

30 (iii) the purchase of power under a written agreement that spans at  
31 least ten years whereunder the power purchased is generated by solar  
32 energy system equipment owned by a person other than the taxpayer which  
33 is installed in connection with residential property which is (I)  
34 located in this state and (II) which is used by the taxpayer as [his or  
35 her] their principal residence at the time the solar energy system  
36 equipment is placed in service.

37 (B) Such qualified expenditures shall include expenditures for materi-  
38 als, labor costs properly allocable to on-site preparation, assembly and  
39 original installation, architectural and engineering services, and  
40 designs and plans directly related to the construction or installation  
41 of the solar energy system equipment.

42 (C) Such qualified expenditures for the purchase of solar energy  
43 system equipment shall not include interest or other finance charges.

44 (D) Such qualified expenditures for the lease of solar energy system  
45 equipment or the purchase of power under an agreement described in  
46 clauses (ii) or (iii) of subparagraph (A) of this paragraph shall  
47 include an amount equal to all payments made during the taxable year  
48 under such agreement. Provided, however, such credits shall only be  
49 allowed for fourteen years after the first taxable year in which such  
50 credit is allowed. Provided further, however, the twenty-five percent  
51 limitation in paragraph one of this subsection shall only apply to the  
52 total aggregate amount of all payments to be made pursuant to an agree-  
53 ment referenced in clauses (ii) or (iii) of subparagraph (A) of this  
54 paragraph, and shall not apply to individual payments made during a  
55 taxable year under such agreement except to the extent such limitation  
56 on an aggregate basis has been reached.

1 (3) Solar energy system equipment. The term "solar energy system  
2 equipment" shall mean an arrangement or combination of components  
3 utilizing solar radiation, which, when installed in a residence, produc-  
4 es and may store energy designed to provide heating, cooling, hot water  
5 or electricity for use in such residence. Such arrangement or components  
6 may include electric energy storage equipment but shall not include any  
7 other equipment connected to solar energy system equipment that is a  
8 component of part or parts of a non-solar energy system or which uses  
9 any sort of recreational facility or equipment as a storage medium.  
10 Solar energy system equipment that generates and stores electricity for  
11 use in a residence must conform to applicable requirements set forth in  
12 section sixty-six-j of the public service law. Provided, however, where  
13 solar energy system equipment is purchased and installed by a condomin-  
14 ium management association or a cooperative housing corporation, for  
15 purposes of this subsection only, the term "ten kilowatts" in such  
16 section sixty-six-j shall be read as ["fifty] "ten kilowatts multiplied  
17 by the number of owner-occupied units in the cooperative or condominium  
18 management association."

19 (4) Multiple taxpayers. Where solar energy system equipment is  
20 purchased and installed in a principal residence shared by two or more  
21 taxpayers, the amount of the credit allowable under this subsection for  
22 each such taxpayer shall be prorated according to the percentage of the  
23 total expenditure for such solar energy system equipment contributed by  
24 each taxpayer.

25 (5) Proportionate share. Where solar energy system equipment is  
26 purchased and installed by a condominium management association or a  
27 cooperative housing corporation, a taxpayer who is a member of the  
28 condominium management association or who is a tenant-stockholder in the  
29 cooperative housing corporation may for the purpose of this subsection  
30 claim a proportionate share of the total expense as the expenditure for  
31 the purposes of the credit attributable to [his] their principal resi-  
32 dence.

33 (6) Grants. For purposes of determining the amount of the expenditure  
34 incurred in purchasing and installing solar energy system equipment, the  
35 amount of any federal, state or local grant received by the taxpayer,  
36 which was used for the purchase and/or installation of such equipment  
37 and which was not included in the federal gross income of the taxpayer,  
38 shall not be included in the amount of such expenditures.

39 (7) When credit allowed. The credit provided for herein shall be  
40 allowed with respect to the taxable year, commencing after nineteen  
41 hundred ninety-seven, in which the solar energy system equipment is  
42 placed in service.

43 (8) Carryover of credit and refundability. If the amount of the cred-  
44 it, and carryovers of such credit, allowable under this subsection for  
45 any taxable year shall exceed the taxpayer's tax for such year, such  
46 excess amount may be carried over to the five taxable years next follow-  
47 ing the taxable year with respect to which the credit is allowed and may  
48 be deducted from the taxpayer's tax for such year or years. For taxable  
49 years beginning on or after January first, two thousand twenty-six, if  
50 the amount of the credit allowable under this subsection shall exceed  
51 the taxpayer's tax liability for such year, and the taxpayer meets the  
52 definition of low to moderate income, as defined in subdivision (c) of  
53 section nine hundred seventy-c of the general municipal law, or resides  
54 in a disadvantaged community, as defined in subdivision five of section  
55 75-0101 of the environmental conservation law, the excess shall be  
56 treated as an overpayment of tax to be credited or refunded in accord-

1 ance with the provisions of section six hundred eighty-six of this arti-  
2 cle, provided, however, that no interest shall be paid thereon.

3 § 2. This act shall take effect immediately.

4

PART WW

5 Section 1. Paragraph 22 of subsection (c) of section 612 of the tax  
6 law, as amended by chapter 606 of the laws of 1984, subparagraph (A) as  
7 amended by chapter 28 of the laws of 1987, and subparagraph (B) as  
8 amended by chapter 190 of the laws of 1990, is amended to read as  
9 follows:

10 (22) In the case of a shareholder of an S corporation (A) where the  
11 election provided for in subsection (a) of section six hundred sixty of  
12 this article has not been made with respect to such corporation, any  
13 item of income of the corporation included in federal gross income  
14 pursuant to section thirteen hundred sixty-six of the internal revenue  
15 code, [and]

16 (B) in the case of a New York S termination year, subparagraph (A) of  
17 this paragraph shall apply to the amounts of income determined under  
18 subsection (s) of this section, and

19 (C) in the case of distributions as defined by sections three hundred  
20 one and thirteen hundred sixty-eight of the internal revenue code from  
21 corporations described in subparagraph (A) of this paragraph, and that  
22 are qualified New York manufacturers as defined by subparagraph (vi) of  
23 paragraph (a) of subdivision one of section two hundred ten of this  
24 chapter, received during the tax year of the shareholder, the lesser of:

25 (1) the shareholder's combined separately stated items of income,  
26 loss, or deduction, described in paragraph two of subsection (a) of  
27 section thirteen hundred sixty-six of the internal revenue code and  
28 regulations promulgated thereunder, that are includable in, or deduct-  
29 ible from, a shareholder's federal taxable income, multiplied by the  
30 highest marginal federal tax rate for individuals in section one of the  
31 internal revenue code, in effect for the shareholder's tax year,  
32 provided, however, that if there is more than one such rate in effect  
33 during such year, a blended rate, considering each rate and the number  
34 of months in effect, shall be used, and

35 (2) the amount of actual distributions made to the shareholder during  
36 the shareholder's tax year.

37 § 2. Paragraph 2 of subsection (e) of section 612 of the tax law, as  
38 amended by chapter 166 of the laws of 1991, is amended to read as  
39 follows:

40 (2) Shareholders of S corporations which are New York C corporations.  
41 In the case of a shareholder of an S corporation which is a New York C  
42 corporation, (A) the modifications under this section which relate to  
43 the corporation's items of income, loss and deduction shall not apply,  
44 except for the modifications provided under paragraph nineteen of  
45 subsection (b) and paragraph twenty-two of subsection (c) of this  
46 section, and

47 (B) the modification for corporate distributions described in subpara-  
48 graph (C) of paragraph twenty-two of subsection (c) of this section  
49 shall apply.

50 § 3. Paragraph 2 of subsection (a) of section 631 of the tax law, as  
51 amended by chapter 170 of the laws of 1994, is amended to read as  
52 follows:

53 (2) The portion of the modifications described in subsections (b) and  
54 (c) of section six hundred twelve of this article which relate to income

1 derived from New York sources (including any modifications attributable  
2 to [him] such individual as a partner or shareholder of a New York S  
3 corporation), provided, however, that modifications for corporate  
4 distributions described in subparagraph (C) of paragraph twenty-two of  
5 subsection (c) of section six hundred twelve of this article shall be  
6 limited to the amount of the distributions which relate to income  
7 derived from New York sources and are included in the shareholder's New  
8 York adjusted gross income.

9 § 4. This act shall take effect on the first of January next succeed-  
10 ing the date on which it shall have become a law and shall apply to all  
11 tax years commencing on or after such date.

12

## PART XX

13 Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of  
14 section 1612 of the tax law is amended by adding a new clause (E) to  
15 read as follows:

16 (E) notwithstanding clause (B) of this subparagraph, beginning on  
17 April first, two thousand twenty-five, when the vendor track is located  
18 in the county of Genesee and within forty miles of a Native American  
19 class III gaming facility as defined in 25 U.S.C. §2703(8), at a rate of  
20 forty-four percent of the total revenue wagered at the vendor track  
21 after payout for prizes pursuant to this chapter;

22

§ 2. This act shall take effect immediately.

23

## PART YY

24 Section 1. Subdivision (a) of section 1421 of the tax law, as amended  
25 by section 1 of part PP of chapter 58 of the laws of 2022, is amended  
26 to read as follows:

27 (a) From the taxes, interest and penalties attributable to the tax  
28 imposed pursuant to section fourteen hundred two of this article, the  
29 amount of one hundred ninety-nine million three hundred thousand dollars  
30 shall be deposited by the comptroller in the environmental protection  
31 fund established pursuant to section ninety-two-s of the state finance  
32 law for the fiscal year beginning April first, two thousand nine; the  
33 amount of one hundred nineteen million one hundred thousand dollars  
34 shall be deposited in such fund for the fiscal year beginning April  
35 first, two thousand ten; the amount of two hundred fifty-seven million  
36 three hundred fifty thousand dollars shall be deposited into such fund  
37 for the fiscal year beginning April first, two thousand twenty-two; the  
38 amount of three hundred fifty-seven million three hundred fifty thousand  
39 dollars shall be deposited into such fund for the fiscal year beginning  
40 April first, two thousand twenty-five; and for each fiscal year there-  
41 after. On or before June twelfth, nineteen hundred ninety-five and on or  
42 before the twelfth day of each month thereafter (excepting the first and  
43 second months of each fiscal year), the comptroller shall deposit into  
44 such fund from the taxes, interest and penalties collected pursuant to  
45 such section fourteen hundred two of this article which have been depos-  
46 ited and remain to the comptroller's credit in the banks, banking houses  
47 or trust companies referred to in section one hundred seventy-one-a of  
48 this chapter at the close of business on the last day of the preceding  
49 month, an amount equal to one-tenth of the annual amount required to be  
50 deposited in such fund pursuant to this section for the fiscal year in  
51 which such deposit is required to be made. In the event such amount of  
52 taxes, interest and penalties so remaining to the comptroller's credit



1 is less than the amount required to be deposited in such fund by the  
2 comptroller, an amount equal to the shortfall shall be deposited in such  
3 fund by the comptroller with subsequent deposits, as soon as the revenue  
4 is available. Beginning April first, nineteen hundred ninety-seven, the  
5 comptroller shall transfer monthly to the clean water/clean air fund  
6 established pursuant to section ninety-seven-bbb of the state finance  
7 law, all moneys remaining from such taxes, interest and penalties  
8 collected that are not required for deposit in the environmental  
9 protection fund.

10 § 2. This act shall take effect immediately.

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

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