

FY 2026 NEW YORK STATE EXECUTIVE BUDGET

**REVENUE
ARTICLE VII LEGISLATION**

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REVENUE ARTICLE VII LEGISLATION

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Legislative Bill Drafting Commission
12574-01-5

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

BUDGBI

(Enacts into law major components of
legislation which are necessary to
implement the state fiscal plan for
the 2025-2026 state fiscal year)

BUDGBI. REV Governor

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 enhanc-
ing the empire state child credit
for three years (Part C); to amend
the public housing law, in relation
to certain eligibility for the New

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s46 Fahy	s27 Kavanagh	s01 Palumbo	s29 Serrano
s43 Ashby	s22 Felder	s28 Krueger	s21 Parker	s42 Skoufis
s36 Bailey	s34 Fernandez	s24 Lanza	s19 Persaud	s11 Stavisky
s63 Baskin	s60 Gallivan	s16 Liu	s13 Ramos	s45 Stec
s57 Borrello	s12 Gianaris	s04 Martinez	s05 Rhoads	s35 Stewart- Cousins
s25 Brisport	s59 Gonzalez	s07 Martins	s33 Rivera	s44 Tedisco
s55 Brouk	s26 Gounardes	s02 Mattera	s39 Rolison	s49 Walczyk
s06 Bynoe	s53 Griffo	s48 May	s50 Ryan, C.	s52 Webb
s09 Canzoneri- Fitzpatrick	s40 Harckham	s37 Mayer	s61 Ryan, S.	s38 Weber
s17 Chan	s54 Helming	s03 Murray	s18 Salazar	s08 Weik
s41 Hinchey	s41 Hinchey	s20 Myrie	s10 Sanders	
s30 Cleare	s47 Hoylman- Sigal	s51 Oberacker	s23 Scarella- Spanton	
s14 Comrie		s58 O'Mara		
s56 Cooney	s31 Jackson	s62 Ortt	s32 Sepulveda	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a078 Alvarez	a136 Clark	a083 Heastie	a150 Molitor	a052 Simon
a031 Anderson	a047 Colton	a028 Hevesi	a145 Morinello	a075 Simone
a121 Angelino	a140 Conrad	a035 Hooks	a016 Norber	a114 Simpson
a133 Bailey	a032 Cook	a128 Hunter	a045 Novakhov	a094 Slater
a120 Barclay	a039 Cruz	a029 Hyndman	a011 O'Pharrow	a005 Smith
a106 Barrett	a043 Cunningham	a079 Jackson	a091 Otis	a118 Smullen
a105 Beephan	a077 Dais	a104 Jacobson	a132 Palmesano	a022 Solages
a107 Bendett	a053 Davila	a134 Jensen	a088 Paulin	a110 Steck
a082 Benedetto	a072 De Los Santos	a115 Jones	a141 Peoples- Stokes	a010 Stern
a027 Berger	a003 DeStefano	a004 Kassay		a127 Stirpe
a042 Bichotte	a054 Dilan	a100 Kay	a023 Pheffer	a102 Tague
Hermelyn	a081 Dinowitz	a125 Kelles	Amato	a064 Tannousis
a117 Blankenbush	a147 DiPietro	a040 Kim	a063 Pirozolo	a086 Tapia
a015 Blumencranz	a009 Durso	a069 Lasher	a089 Pretlow	a071 Taylor
a144 Bologna	a099 Eachus	a013 Lavine	a019 Ra	a085 Torres
a073 Bores	a048 Eichenstein	a065 Lee	a030 Raga	a037 Valdez
a098 Brabenc	a074 Epstein	a126 Lemondes	a038 Rajkumar	a033 Vanel
a026 Braunstein	a061 Fall	a095 Levenberg	a006 Ramos	a055 Walker
a138 Bronson	a008 Fitzpatrick	a060 Lucas	a062 Reilly	a112 Walsh
a046 Brook-Krasny	a057 Forrest	a135 Lunsford	a087 Reyes	a024 Weprin
a020 Brown, E.	a124 Friend	a123 Lupardo	a149 Rivera	a097 Wieder
a012 Brown, K.	a050 Gallagher	a129 Magnarelli	a109 Romero	a059 Williams
a093 Burdick	a131 Gallahan	a101 Maher	a067 Rosenthal	a113 Woerner
a142 Burke	a007 Gandolfo	a036 Mamdani	a025 Rozic	a070 Wright
a018 Burroughs	a068 Gibbs	a130 Manktelow	a111 Santabarbara	a041 Yeger
a119 Buttenschon	a002 Giglio	a108 McDonald	a090 Sayegh	a080 Zaccaro
a096 Carroll, P.	a066 Glick	a014 McDonough	a001 Schiavoni	a056 Zinerman
a044 Carroll, R.	a034 Gonzalez- Rojas	a146 McMahan	a076 Seawright	
a058 Chandler- Waterman	a116 Gray	a137 Meeks	a148 Sempolinski	
a049 Chang	a021 Griffin	a017 Mikulin	a084 Septimo	
a143 Chludzinski	a139 Hawley	a122 Miller	a092 Shimsky	
		a051 Mitaynes	a103 Shrestha	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill). Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 1
signed copy of bill and 1 copy of memorandum in support (single house);
or 2 signed copies of bill and 2 copies of memorandum in support (uni-bill).

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 (Part E); to amend the real property law, in relation to the purchase of residential real property by certain purchasers (Subpart A); and to amend the tax law, in relation to depreciation and interest deduction adjustments for properties owned by institutional investors in residential properties (Subpart B) (Part F); to amend the economic development law and the tax law, in relation to establishing the CATALIST NY program (Part G); to amend the economic development law and the tax law, in relation to the excelsior jobs program; and to repeal article 22 of the economic development law relating to 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 establishing 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); to repeal certain provisions of the general municipal law and the public authorities law relating to certain reporting requirements of industrial development agencies (Part P); to amend the tax law, in relation to the pass-through entity tax and the New York city pass-through entity tax election deadline (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 making the estate tax three-year gift addback rule permanent (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); to amend the general city law, chapter 772 of the laws of 1966, relating to enabling any city having a population of one million or more to raise tax revenue, and the administrative code of the city of New York, in relation to authorizing credits for relocation and employment assistance and making available relocation assistance credits per employees (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 simplifying the pari-mutuel tax rate system; and to repeal section 908 of the racing, pari-mutuel wagering and breeding law relating thereto (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 such provisions of the racing, pari-mutuel wagering and breeding law 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); and 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)

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 II. 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
17 credit against the taxes imposed by this article in the amount specified
18 in paragraph three of this subsection for tax year two thousand twenty-
19 five.

20 (2) To be eligible for the credit, the taxpayer (or taxpayers filing
21 joint returns)(a) must have been a full-year resident in the state of
22 New York in tax year two thousand twenty-three, and (b) (i) must have
23 had New York adjusted gross income of three hundred thousand dollars or
24 less in tax year two thousand twenty-three if they filed a New York
25 state resident income tax return as married taxpayers filing jointly or
26 a qualified surviving spouse, or (ii) must have had New York adjusted

1 gross income of one hundred fifty thousand dollars or less in tax year
2 two thousand twenty-three if they filed a New York state resident income
3 tax return as a single taxpayer, married taxpayer filing a separate
4 return, or head of household.

5 (3) Amount of credit. (a) For taxpayers who meet the eligibility stan-
6 dards in paragraph two who filed a New York state resident income tax
7 return as married taxpayers filing jointly or a qualified surviving
8 spouse, the credit amount shall be five hundred dollars, and (b) for
9 taxpayers who meet the eligibility standards in paragraph two who filed
10 a New York state resident income tax return as a single taxpayer,
11 married taxpayer filing a separate return, or head of household, the
12 credit amount shall be three hundred dollars.

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

27 § 2. Notwithstanding any provision of law to the contrary, any credit
28 paid pursuant to this act, to the extent includible in gross income for

1 federal income tax purposes, shall not be subject to state or local
2 income tax.

3 § 3. This act shall take effect immediately.

4 PART B

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

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

12 If the New York taxable income is:	The tax is:
13 Not over \$17,150	4% of the New York taxable income
14 Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
15	\$17,150
16 Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
17	\$23,600
18 Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
19	\$27,900
20 Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
21	\$161,550
22 Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
23 \$2,155,350	\$323,200
24 Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
25 \$5,000,000	\$2,155,350
26 Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over

1	\$25,000,000	\$5,000,000
2	Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
3		\$25,000,000

4 (vii) For taxable years beginning after two thousand [twenty-seven]
 5 twenty-four and before two thousand twenty-six the following rates shall
 6 apply:

7	[If the New York taxable income is:	The tax is:
8	Not over \$17,150	4% of the New York taxable income
9	Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
10		\$17,150
11	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
12		\$23,600
13	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
14		\$27,900
15	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
16		over \$161,550
17	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
18	\$2,155,350	over \$323,200
19	Over \$2,155,350	\$143,754 plus 8.82% of excess
20		over \$2,155,350]
21	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
22	<u>Not over \$17,150</u>	<u>3.90% of the New York taxable</u>
23		<u>income</u>
24	<u>Over \$17,150 but not over \$23,600</u>	<u>\$669 plus 4.40% of excess over</u>
25		<u>\$17,150</u>
26	<u>Over \$23,600 but not over \$27,900</u>	<u>\$953 plus 5.15% of excess over</u>

1		<u>\$23,600</u>
2	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,174 plus 5.40% of excess over</u>
3		<u>\$27,900</u>
4	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,391 plus 5.90% of excess over</u>
5		<u>\$161,550</u>
6	<u>Over \$323,200 but not over</u>	<u>\$17,928 plus 6.85% of excess</u>
7	<u>\$2,155,350</u>	<u>over \$323,200</u>
8	<u>Over \$2,155,350 but not over</u>	<u>\$143,430 plus 9.65% of excess</u>
9	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
10	<u>Over \$5,000,000 but not over</u>	<u>\$417,939 plus 10.30% of excess</u>
11	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
12	<u>Over \$25,000,000</u>	<u>\$2,477,939 plus 10.90% of excess</u>
13		<u>over \$25,000,000</u>

14 § 2. Subparagraph (B) of paragraph 1 of subsection (a) of section 601
 15 of the tax law is amended by adding two new clauses (viii) and (ix) to
 16 read as follows:

17 (viii) For taxable years beginning after two thousand twenty-five and
 18 before two thousand thirty-three the following rates shall apply:

19	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
20	<u>Not over \$17,150</u>	<u>3.80% of the New York taxable</u>
21		<u>income</u>
22	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
23		<u>\$17,150</u>
24	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
25		<u>\$23,600</u>
26	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>

1		<u>\$27,900</u>
2	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
3		<u>over \$161,550</u>
4	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
5	<u>\$2,155,350</u>	<u>over \$323,200</u>
6	<u>Over \$2,155,350 but not over</u>	<u>\$143,107 plus 9.65% of excess</u>
7	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
8	<u>Over \$5,000,000 but not over</u>	<u>\$417,616 plus 10.30% of excess</u>
9	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
10	<u>Over \$25,000,000</u>	<u>\$2,477,616 plus 10.90% of excess</u>
11		<u>over \$25,000,000</u>

12 (ix) For taxable years beginning after two thousand thirty-two the
 13 following rates shall apply:

14	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
15	<u>Not over \$17,150</u>	<u>3.80% of the New York taxable</u>
16		<u>income</u>
17	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
18		<u>\$17,150</u>
19	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
20		<u>\$23,600</u>
21	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>
22		<u>\$27,900</u>
23	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
24		<u>over \$161,550</u>
25	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
26	<u>\$2,155,350</u>	<u>over \$323,200</u>
27	<u>Over \$2,155,350</u>	<u>\$143,107 plus 8.82% of excess</u>

1 over \$2,155,350

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

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

9 If the New York taxable income is:	The tax is:
10 Not over \$12,800	4% of the New York taxable income
11 Over \$12,800 but not over \$17,650	\$512 plus 4.5% of excess over
12	\$12,800
13 Over \$17,650 but not over \$20,900	\$730 plus 5.25% of excess over
14	\$17,650
15 Over \$20,900 but not over \$107,650	\$901 plus 5.5% of excess over
16	\$20,900
17 Over \$107,650 but not over \$269,300	\$5,672 plus 6.00% of excess over
18	\$107,650
19 Over \$269,300 but not over	\$15,371 plus 6.85% of excess over
20 \$1,616,450	\$269,300
21 Over \$1,616,450 but not over	\$107,651 plus 9.65% of excess over
22 \$5,000,000	\$1,616,450
23 Over \$5,000,000 but not over	\$434,163 plus 10.30% of excess over
24 \$25,000,000	\$5,000,000
25 Over \$25,000,000	\$2,494,163 plus 10.90% of excess over
26	\$25,000,000

1 (vii) For taxable years beginning after two thousand [twenty-seven]
2 twenty-four and before two thousand twenty-six the following rates shall
3 apply:

4 [If the New York taxable income is:	The tax is:
5 Not over \$12,800	4% of the New York taxable income
6 Over \$12,800 but not over	\$512 plus 4.5% of excess over
7 \$17,650	\$12,800
8 Over \$17,650 but not over	\$730 plus 5.25% of excess over
9 \$20,900	\$17,650
10 Over \$20,900 but not over	\$901 plus 5.5% of excess over
11 \$107,650	\$20,900
12 Over \$107,650 but not over	\$5,672 plus 6.00% of excess
13 \$269,300	over \$107,650
14 Over \$269,300 but not over	\$15,371 plus 6.85% of excess
15 \$1,616,450	over \$269,300
16 Over \$1,616,450	\$107,651 plus 8.82% of excess
17	over \$1,616,450]

18 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
19 <u>Not over \$12,800</u>	<u>3.90% of the New York taxable</u>
20	<u>income</u>
21 <u>Over \$12,800 but not over</u>	<u>\$499 plus 4.40% of excess over</u>
22 <u>\$17,650</u>	<u>\$12,800</u>
23 <u>Over \$17,650 but not over</u>	<u>\$712 plus 5.15% of excess over</u>
24 <u>\$20,900</u>	<u>\$17,650</u>
25 <u>Over \$20,900 but not over</u>	<u>\$879 plus 5.40% of excess over</u>
26 <u>\$107,650</u>	<u>\$20,900</u>
27 <u>Over \$107,650 but not over</u>	<u>\$5,564 plus 5.90% of excess</u>

1	<u>\$269,300</u>	<u>over \$107,650</u>
2	<u>Over \$269,300 but not over</u>	<u>\$15,101 plus 6.85% of excess</u>
3	<u>\$1,616,450</u>	<u>over \$269,300</u>
4	<u>Over \$1,616,450 but not over</u>	<u>\$107,381 plus 9.65% of excess</u>
5	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
6	<u>Over \$5,000,000 but not over</u>	<u>\$433,894 plus 10.30% of excess</u>
7	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
8	<u>Over \$25,000,000</u>	<u>\$2,493,894 plus 10.90% of excess</u>
9		<u>over \$25,000,000</u>

10 § 4. Subparagraph (B) of paragraph 1 of subsection (b) of section 601
 11 of the tax law is amended by adding two new clauses (viii) and (ix) to
 12 read as follows:

13 (viii) For taxable years beginning after two thousand twenty-five and
 14 before two thousand thirty-three the following rates shall apply:

15	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
16	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>
17		<u>income</u>
18	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
19	<u>\$17,650</u>	<u>\$12,800</u>
20	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
21	<u>\$20,900</u>	<u>\$17,650</u>
22	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
23	<u>\$107,650</u>	<u>\$20,900</u>
24	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
25	<u>\$269,300</u>	<u>over \$107,650</u>
26	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
27	<u>\$1,616,450</u>	<u>over \$269,300</u>

1	<u>Over \$1,616,450 but not over</u>	<u>\$107,113 plus 9.65% of excess</u>
2	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
3	<u>Over \$5,000,000 but not over</u>	<u>\$433,626 plus 10.30% of excess</u>
4	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
5	<u>Over \$25,000,000</u>	<u>\$2,493,626 plus 10.90% of excess</u>
6		<u>over \$25,000,000</u>

7 (ix) For taxable years beginning after two thousand thirty-two the
8 following rates shall apply:

9	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
10	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>
11		<u>income</u>
12	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
13	<u>\$17,650</u>	<u>\$12,800</u>
14	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
15	<u>\$20,900</u>	<u>\$17,650</u>
16	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
17	<u>\$107,650</u>	<u>\$20,900</u>
18	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
19	<u>\$269,300</u>	<u>over \$107,650</u>
20	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
21	<u>\$1,616,450</u>	<u>over \$269,300</u>
22	<u>Over \$1,616,450</u>	<u>\$107,113 plus 8.82% of excess</u>
23		<u>over \$1,616,450</u>

24 § 5. Clauses (vi) and (vii) of subparagraph (B) of paragraph 1 of
25 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
9	\$8,500
10 Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
11	\$11,700
12 Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
13	\$13,900
14 Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over
15	\$80,650
16 Over \$215,400 but not over	\$12,356 plus 6.85% of excess over
17 \$1,077,550	\$215,400
18 Over \$1,077,550 but not over	\$71,413 plus 9.65% of excess over
19 \$5,000,000	\$1,077,550
20 Over \$5,000,000 but not over	\$449,929 plus 10.30% of excess over
21 \$25,000,000	\$5,000,000
22 Over \$25,000,000	\$2,509,929 plus 10.90% of excess over
23	\$25,000,000

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

1	[If the New York taxable income is:	The tax is:
2	Not over \$8,500	4% of the New York taxable income
3	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
4		\$8,500
5	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
6		\$11,700
7	Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
8		\$13,900
9	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess
10		over \$80,650
11	Over \$215,400 but not over	\$12,356 plus 6.85% of excess
12	\$1,077,550	over \$215,400
13	Over \$1,077,550	\$71,413 plus 8.82% of excess
14		over \$1,077,550]
15	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
16	<u>Not over \$8,500</u>	<u>3.90% of the New York taxable income</u>
17	<u>Over \$8,500 but not over \$11,700</u>	<u>\$332 plus 4.40% of excess over</u>
18		<u>\$8,500</u>
19	<u>Over \$11,700 but not over \$13,900</u>	<u>\$473 plus 5.15% of excess over</u>
20		<u>\$11,700</u>
21	<u>Over \$13,900 but not over \$80,650</u>	<u>\$586 plus 5.40% of excess over</u>
22		<u>\$13,900</u>
23	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,191 plus 5.90% of excess</u>
24		<u>over \$80,650</u>
25	<u>Over \$215,400 but not over</u>	<u>\$12,141 plus 6.85% of excess</u>
26	<u>\$1,077,550</u>	<u>over \$215,400</u>
27	<u>Over \$1,077,550 but not over</u>	<u>\$71,198 plus 9.65% of excess</u>
28	<u>\$5,000,000</u>	<u>over \$1,077,550</u>

1 Over \$5,000,000 but not over \$449,714 plus 10.30% of excess
2 \$25,000,000 over \$5,000,000
3 Over \$25,000,000 \$2,509,714 plus 10.90% of excess
4 over \$25,000,000

5 § 6. Subparagraph (B) of paragraph 1 of subsection (c) of section 601
6 of the tax law is amended by adding two new clauses (viii) and (ix) to
7 read as follows:

8 (viii) For taxable years beginning after two thousand twenty-five and
9 before two thousand thirty-three the following rates shall apply:

10 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
11 <u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
12 <u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
13	<u>\$8,500</u>
14 <u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
15	<u>\$11,700</u>
16 <u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
17	<u>\$13,900</u>
18 <u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
19	<u>over \$80,650</u>
20 <u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
21 <u>\$1,077,550</u>	<u>over \$215,400</u>
22 <u>Over \$1,077,550 but not over</u>	<u>\$70,983 plus 9.65% of excess</u>
23 <u>\$5,000,000</u>	<u>over \$1,077,550</u>
24 <u>Over \$5,000,000 but not over</u>	<u>\$449,499 plus 10.30% of excess</u>
25 <u>\$25,000,000</u>	<u>over \$5,000,000</u>
26 <u>Over \$25,000,000</u>	<u>\$2,509,499 plus 10.90% of excess</u>
27	<u>over \$25,000,000</u>

1 (ix) For taxable years beginning after two thousand thirty-two the
2 following rates shall apply:

3 <u>If the New York taxable income is:</u>	<u>The tax is:</u>
4 <u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
5 <u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
6	<u>\$8,500</u>
7 <u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
8	<u>\$11,700</u>
9 <u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
10	<u>\$13,900</u>
11 <u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
12	<u>over \$80,650</u>
13 <u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
14 <u>\$1,077,550</u>	<u>over \$215,400</u>
15 <u>Over \$1,077,550</u>	<u>\$70,983 plus 8.82% of excess</u>
16	<u>over \$1,077,550</u>

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

20 Alternative tax table benefit recapture. Notwithstanding the
21 provisions of subsection (d), (d-1), (d-2) or (d-3) of this section, for
22 taxable years beginning on or after two thousand twenty-three and before
23 two thousand [twenty-eight] twenty-five, there is hereby imposed a
24 supplemental tax in addition to the tax imposed under subsections (a),
25 (b) and (c) of this section for the purpose of recapturing the benefit
26 of the tax tables contained in such subsections. During these taxable

1 years, any reference in this chapter to subsection (d), (d-1), (d-2) or
2 (d-3) of this section shall be read as a reference to this subsection.

3 § 8. Section 601 of the tax law is amended by adding three new
4 subsections (d-5), (d-6) and (d-7) to read as follows:

5 (d-5) Alternative tax table benefit recapture. Notwithstanding the
6 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-6) or (d-7)
7 of this section, for taxable years beginning on or after two thousand
8 twenty-five and before two thousand twenty-six, there is hereby imposed
9 a supplemental tax in addition to the tax imposed under subsections (a),
10 (b) and (c) of this section for the purpose of recapturing the benefit
11 of the tax tables contained in such subsections. During these taxable
12 years, any reference in this chapter to subsection (d), (d-1), (d-2),
13 (d-3), (d-4), (d-6) or (d-7) of this section shall be read as a refer-
14 ence to this subsection.

15 (1) For resident married individuals filing joint returns and resident
16 surviving spouses:

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

19 (i) the recapture base and incremental benefit shall be determined by
20 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>\$333</u>
<u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$807</u>
<u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,140</u>	<u>\$3,071</u>
<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>\$4,211</u>	<u>\$60,350</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$64,561</u>	<u>\$32,500</u>

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

1	<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
2	<u>\$27,900</u>	<u>\$161,550</u>	<u>New York adjusted gross income minus \$107,650</u>
3	<u>\$161,550</u>	<u>\$323,200</u>	<u>New York adjusted gross income minus \$161,550</u>
4	<u>\$323,200</u>	<u>\$2,155,350</u>	<u>New York adjusted gross income minus \$323,200</u>
5	<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$2,155,350</u>
6	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>

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

10 (iv) the supplemental tax due shall equal the sum of the recapture
11 base and the product of (i) the incremental benefit and (ii) the phase-
12 in fraction. Provided, however, that if the New York taxable income of
13 the taxpayer is less than twenty-seven thousand nine hundred dollars,
14 the supplemental tax shall equal the difference between the product of
15 5.40 percent and New York taxable income and the tax table computation
16 on the New York taxable income set forth in paragraph one of subsection
17 (a) of this section, multiplied by a fraction, the numerator of which is
18 the lesser of fifty thousand dollars or New York adjusted gross income
19 minus one hundred seven thousand six hundred fifty dollars, and the
20 denominator of which is fifty thousand dollars.

21 (B) If New York adjusted gross income is greater than twenty-five
22 million dollars, the supplemental tax due shall equal the difference
23 between the product of 10.90 percent and New York taxable income and the
24 tax table computation on the New York taxable income set forth in para-
25 graph one of subsection (a) of this section.

26 (2) For resident heads of households:

27 (A) If New York adjusted gross income is greater than \$107,650, but
28 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 <u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
4 <u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$787</u>
5 <u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,559</u>
6 <u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>\$3,346</u>	<u>\$45,260</u>
7 <u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$48,606</u>	<u>\$32,500</u>

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

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

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

18 (iv) the supplemental tax due shall equal the sum of the recapture
 19 base and the product of (i) the incremental benefit and (ii) the phase-
 20 in fraction. Provided, however, that if the New York taxable income of
 21 the taxpayer is less than one hundred seven thousand six hundred fifty
 22 dollars, the supplemental tax shall equal the difference between the
 23 product of 5.90 percent and New York taxable income and the tax table
 24 computation on the New York taxable income set forth in paragraph one of
 25 subsection (b) of this section, multiplied by a fraction, the numerator
 26 of which is the lesser of fifty thousand dollars or New York adjusted
 27 gross income minus one hundred seven thousand six hundred fifty dollars,
 28 and the denominator of which is fifty thousand dollars.

1 (B) If New York adjusted gross income is greater than twenty-five
 2 million dollars, the supplemental tax due shall equal the difference
 3 between the product of 10.90 percent and New York taxable income and the
 4 tax table computation on the New York taxable income set forth in para-
 5 graph one of subsection (b) of this section.

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

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$80,650	\$215,400	\$0	\$567
\$215,400	\$1,077,550	\$567	\$2,047
\$1,077,550	\$5,000,000	\$2,614	\$30,172
\$5,000,000	\$25,000,000	\$32,786	\$32,500

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

Greater than	Not over	Applicable Amount
\$80,650	\$215,400	New York adjusted gross income minus \$107,650
\$215,400	\$1,077,550	New York adjusted gross income minus \$215,400
\$1,077,550	\$5,000,000	New York adjusted gross income minus \$1,077,550
\$5,000,000	\$25,000,000	New York adjusted gross income minus \$5,000,000

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

27 (iv) the supplemental tax due shall equal the sum of the recapture
 28 base and the product of (i) the incremental benefit and (ii) the phase-

1 in fraction. Provided, however, that if the New York taxable income of
2 the taxpayer is less than eighty thousand six hundred fifty dollars, the
3 supplemental tax shall equal the difference between the product of 5.90
4 percent and New York taxable income and the tax table computation on the
5 New York taxable income set forth in paragraph one of subsection (c) of
6 this section, multiplied by a fraction, the numerator of which is the
7 lesser of fifty thousand dollars or New York adjusted gross income minus
8 one hundred seven thousand six hundred fifty dollars, and the denomina-
9 tor of which is fifty thousand dollars.

10 (B) If New York adjusted gross income is greater than twenty-five
11 million dollars, the supplemental tax due shall equal the difference
12 between the product of 10.90 percent and New York taxable income and the
13 tax table computation on the New York taxable income set forth in para-
14 graph one of subsection (c) of this section.

15 (d-6) Alternative tax table benefit recapture. Notwithstanding the
16 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-7)
17 of this section, for taxable years beginning on or after two thousand
18 twenty-six and before two thousand thirty-three, there is hereby imposed
19 a supplemental tax in addition to the tax imposed under subsections (a),
20 (b) and (c) of this section for the purpose of recapturing the benefit
21 of the tax tables contained in such subsections. During these taxable
22 years, any reference in this chapter to subsection (d), (d-1), (d-2),
23 (d-3), (d-4), (d-5) or (d-7) of this section shall be read as a refer-
24 ence to this subsection.

25 (1) For resident married individuals filing joint returns and resident
26 surviving spouses:

27 (A) If New York adjusted gross income is greater than \$107,650, but
28 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	<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
4	<u>\$27,900</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$333</u>
5	<u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$808</u>
6	<u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,141</u>	<u>\$3,393</u>
7	<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>\$4,534</u>	<u>\$60,350</u>
8	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$64,884</u>	<u>\$32,500</u>

9 (ii) the applicable amount shall be determined by New York taxable

10 income as follows:

11	<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
12	<u>\$27,900</u>	<u>\$161,550</u>	<u>New York adjusted gross income</u>
13			<u>minus \$107,650</u>
14	<u>\$161,550</u>	<u>\$323,200</u>	<u>New York adjusted gross income</u>
15			<u>minus \$161,550</u>
16	<u>\$323,200</u>	<u>\$2,155,350</u>	<u>New York adjusted gross income</u>
17			<u>minus \$323,200</u>
18	<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income</u>
19			<u>minus \$2,155,350</u>
20	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income</u>
21			<u>minus \$5,000,000</u>

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

25 (iv) the supplemental tax due shall equal the sum of the recapture
 26 base and the product of (i) the incremental benefit and (ii) the phase-
 27 in fraction. Provided, however, that if the New York taxable income of
 28 the taxpayer is less than twenty-seven thousand nine hundred dollars,

1 the supplemental tax shall equal the difference between the product of
 2 5.30 percent and New York taxable income and the tax table computation
 3 on the New York taxable income set forth in paragraph one of subsection
 4 (a) of this section, multiplied by a fraction, the numerator of which
 5 is the lesser of fifty thousand dollars or New York adjusted gross
 6 income minus one hundred seven thousand six hundred fifty dollars, and
 7 the denominator of which is fifty thousand dollars.

8 (B) If New York adjusted gross income is greater than twenty-five
 9 million dollars, the supplemental tax due shall equal the difference
 10 between the product of 10.90 percent and New York taxable income and the
 11 tax table computation on the New York taxable income set forth in para-
 12 graph one of subsection (a) of this section.

13 (2) For resident heads of households:

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

16 (i) the recapture base and incremental benefit shall be determined by
 17 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>\$787</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,827</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>\$3,614</u>	<u>\$45,260</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$48,874</u>	<u>\$32,500</u>

23 (ii) the applicable amount shall be determined by New York taxable
 24 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</u> <u>minus \$107,650</u>
<u>\$269,300</u>	<u>\$1,616,450</u>	<u>New York adjusted gross income</u>

1 minus \$269,300
2 \$1,616,450 \$5,000,000 New York adjusted gross income
3 minus \$1,616,450
4 \$5,000,000 \$25,000,000 New York adjusted gross income
5 minus \$5,000,000

6 (iii) the phase-in fraction shall be a fraction, the numerator of
7 which shall be the lesser of fifty thousand dollars or the applicable
8 amount and the denominator of which shall be fifty thousand dollars; and
9 (iv) the supplemental tax due shall equal the sum of the recapture
10 base and the product of (i) the incremental benefit and (ii) the phase-
11 in fraction. Provided, however, that if the New York taxable income of
12 the taxpayer is less than one hundred seven thousand six hundred fifty
13 dollars, the supplemental tax shall equal the difference between the
14 product of 5.80 percent and New York taxable income and the tax table
15 computation on the New York taxable income set forth in paragraph one of
16 subsection (b) of this section, multiplied by a fraction, the numerator
17 of which is the lesser of fifty thousand dollars or New York adjusted
18 gross income minus one hundred seven thousand six hundred fifty dollars,
19 and the denominator of which is fifty thousand dollars.

20 (B) If New York adjusted gross income is greater than twenty-five
21 million dollars, the supplemental tax due shall equal the difference
22 between the product of 10.90 percent and New York taxable income and the
23 tax table computation on the New York taxable income set forth in para-
24 graph one of subsection (b) of this section.

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

27 (A) If New York adjusted gross income is greater than \$107,650, but
28 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	<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
4	<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
5	<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$2,261</u>
6	<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$2,829</u>	<u>\$30,172</u>
7	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$33,001</u>	<u>\$32,500</u>

8 (ii) the applicable amount shall be determined by New York taxable

9 income as follows:

10	<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
11	<u>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income</u>
12			<u>minus \$107,650</u>
13	<u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income</u>
14			<u>minus \$215,400</u>
15	<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income</u>
16			<u>minus \$1,077,550</u>
17	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income</u>
18			<u>minus \$5,000,000</u>

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 eighty thousand six hundred fifty dollars, the
 26 supplemental tax shall equal the difference between the product of 5.80
 27 percent and New York taxable income and the tax table computation on the
 28 New York taxable income set forth in paragraph one of subsection (c) of

1 this section, multiplied by a fraction, the numerator of which is the
 2 lesser of fifty thousand dollars or New York adjusted gross income minus
 3 one hundred seven thousand six hundred fifty dollars, and the denomina-
 4 tor of which is fifty thousand dollars.

5 (B) If New York adjusted gross income is greater than twenty-five
 6 million dollars, the supplemental tax due shall equal the difference
 7 between the product of 10.90 percent and New York taxable income and the
 8 tax table computation on the New York taxable income set forth in para-
 9 graph one of subsection (c) of this section.

10 (d-7) Alternative tax table benefit recapture. Notwithstanding the
 11 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6)
 12 of this section, for taxable years beginning on or after two thousand
 13 thirty-three, there is hereby imposed a supplemental tax in addition to
 14 the tax imposed under subsections (a), (b) and (c) of this section for
 15 the purpose of recapturing the benefit of the tax tables contained in
 16 such subsections. During these taxable years, any reference in this
 17 chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6) of
 18 this section shall be read as a reference to this subsection.

19 (1) For resident married individuals filing joint returns and resident
 20 surviving spouses:

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
24 <u>\$27,900</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$333</u>
26 <u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$808</u>
27 <u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,141</u>	<u>\$3,393</u>
28 <u>\$2,155,350</u>		<u>\$4,534</u>	<u>\$42,461</u>

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

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

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

11 (iv) the supplemental tax due shall equal the sum of the recapture
 12 base and the product of (i) the incremental benefit and (ii) the phase-
 13 in fraction. Provided, however, that if the New York taxable income of
 14 the taxpayer is less than twenty-seven thousand nine hundred dollars,
 15 the supplemental tax shall equal the difference between the product of
 16 5.30 percent and New York taxable income and the tax table computation
 17 on the New York taxable income set forth in paragraph one of subsection
 18 (a) of this section, multiplied by a fraction, the numerator of which is
 19 the lesser of fifty thousand dollars or New York adjusted gross income
 20 minus one hundred seven thousand six hundred fifty dollars, and the
 21 denominator of which is fifty thousand dollars.

22 (2) For resident heads of households:

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

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

26	<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
27	<u>\$107,650</u>	<u>\$269,300</u>	<u>\$0</u>	<u>\$787</u>

1	<u>\$269,300</u>	<u>\$1,616,450</u>	<u>\$787</u>	<u>\$2,827</u>
2	<u>\$1,616,450</u>		<u>\$3,614</u>	<u>\$31,844</u>

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

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

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

12 (iv) the supplemental tax due shall equal the sum of the recapture
 13 base and the product of (i) the incremental benefit and (ii) the phase-
 14 in fraction. Provided, however, that if the New York taxable income of
 15 the taxpayer is less than one hundred seven thousand six hundred fifty
 16 dollars, the supplemental tax shall equal the difference between the
 17 product of 5.80 percent and New York taxable income and the tax table
 18 computation on the New York taxable income set forth in paragraph one of
 19 subsection (b) of this section, multiplied by a fraction, the numerator
 20 of which is the lesser of fifty thousand dollars or New York adjusted
 21 gross income minus one hundred seven thousand six hundred fifty dollars,
 22 and the denominator of which is fifty thousand dollars.

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

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

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

	<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
1				
2	<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
3	<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$2,261</u>
4	<u>\$1,077,550</u>		<u>\$2,829</u>	<u>\$21,228</u>

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

	<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
7			
8	<u>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income minus \$107,650</u>
9	<u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income minus \$215,400</u>
10	<u>\$1,077,550</u>		<u>New York adjusted gross income minus \$1,077,550</u>

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

14 (iv) the supplemental tax due shall equal the sum of the recapture
15 base and the product of (i) the incremental benefit and (ii) the phase-
16 in fraction. Provided, however, that if the New York taxable income of
17 the taxpayer is less than eighty thousand six hundred fifty dollars, the
18 supplemental tax shall equal the difference between the product of 5.80
19 percent and New York taxable income and the tax table computation on the
20 New York taxable income set forth in paragraph one of subsection (c) of
21 this section, multiplied by a fraction, the numerator of which is the
22 lesser of fifty thousand dollars or New York adjusted gross income minus
23 one hundred seven thousand six hundred fifty dollars, and the denomina-
24 tor of which is fifty thousand dollars.

25 § 9. This act shall take effect immediately.

1 Section 1. Paragraph 1 of subsection c-1 of section 606 of the tax
2 law, as amended by section 1 of part HH of chapter 56 of the laws of
3 2023, is amended to read as follows:

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

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

25 (1-a) (A) For taxable years beginning on and after January first, two
26 thousand twenty-five, and before January first, two thousand twenty-six,
27 a resident taxpayer shall be allowed a credit as provided herein, equal
28 to the sum of:

1 (i) one thousand dollars times the number of qualifying children of
2 the taxpayer aged three or younger, and

3 (ii) three hundred thirty dollars times the number of qualifying chil-
4 dren of the taxpayer who have attained age four and not yet attained age
5 seventeen.

6 (B) For taxable years beginning on and after January first, two thou-
7 sand twenty-six, and before January first, two thousand twenty-eight, a
8 resident taxpayer shall be allowed a credit as provided herein, equal to
9 the sum of:

10 (i) one thousand dollars times the number of qualifying children of
11 the taxpayer aged three or younger, and

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

15 (C) The amount of the credit allowable under subparagraphs (A) and (B)
16 of this paragraph shall be reduced (but not below zero) by sixteen
17 dollars and fifty cents for each one thousand dollars by which the
18 taxpayer's federal adjusted gross income exceeds the threshold amount.
19 For the purposes of this subparagraph, the term "threshold amount" shall
20 mean: (i) one hundred ten thousand dollars in the case of married
21 taxpayers filing jointly or a qualified surviving spouse; (ii) seventy-
22 five thousand dollars in the case of a taxpayer filing as head of house-
23 hold; and (iii) fifty-five thousand dollars in the case of a single
24 taxpayer or married taxpayer filing a separate return.

25 (D) For the purposes of this paragraph, a qualifying child shall be an
26 individual who: (i) is a child, sibling, or stepsibling of the taxpayer,
27 or a descendent of any such relative; (ii) has the same principal place
28 of abode as the taxpayer for more than one-half of the taxable year;

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

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

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

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

27 (iii) If the parents of an individual may claim such individual as a
28 qualifying child but no parent so claims the individual, such individual

1 may be claimed as the qualifying child of another taxpayer, but only if
2 the federal adjusted gross income of such taxpayer is higher than the
3 highest federal adjusted gross income of any parent of the individual,
4 regardless of a requirement to file a return pursuant to section six
5 hundred fifty-one of this article.

6 § 3. This act shall take effect immediately.

7 PART D

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

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

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

21 4. Statewide limitation. The aggregate dollar amount of credit which
22 the commissioner may allocate to eligible low-income buildings under
23 this article shall be one hundred [seventy-two] eighty-seven million
24 dollars. The limitation provided by this subdivision applies only to
25 allocation of the aggregate dollar amount of credit by the commission-
26 er[,] and does not apply to allowance to a taxpayer of the credit with

1 respect to an eligible low-income building for each year of the credit
2 period.

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

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

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

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

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

23 4. Statewide limitation. The aggregate dollar amount of credit which
24 the commissioner may allocate to eligible low-income buildings under
25 this article shall be two hundred [forty-seven] seventy-seven million
26 dollars. The limitation provided by this subdivision applies only to
27 allocation of the aggregate dollar amount of credit by the commissioner

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

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

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

12 § 7. This act shall take effect immediately; provided, however,
13 section two of this act shall take effect April 1, 2025; section three
14 of this act shall take effect April 1, 2026; section four of this act
15 shall take effect April 1, 2027; section five of this act shall take
16 effect April 1, 2028; and section six of this act shall take effect
17 April 1, 2029.

18 PART E

19 Section 1. Subdivision 26 of section 210-B of the tax law, as added by
20 section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a)
21 and (c) as amended by section 2 of part RR of chapter 59 of the laws of
22 2018, subparagraph (i) of paragraph (a) as amended by section 2, subpar-
23 agraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1)
24 as amended by section 3 of subpart B of part I of chapter 59 of the laws
25 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

1 within the state. Provided, however, the credit shall not exceed one
2 hundred thousand dollars.

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

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

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

20 (d) The credit allowed under this subdivision for any taxable year
21 shall not reduce the tax due for such year to less than the amount
22 prescribed in paragraph (d) of subdivision one of section two hundred
23 ten of this article. However, if the amount of the credit allowed under
24 this subdivision for any taxable year reduces the tax to such amount or
25 if the taxpayer otherwise pays tax based on the fixed dollar minimum
26 amount, any amount of credit thus not deductible in such taxable year
27 shall be treated as an overpayment of tax to be recredited or refunded
28 in accordance with the provisions of section one thousand eighty-six of

1 this chapter. Provided, however, the provisions of subsection (c) of
2 section one thousand eighty-eight of this chapter notwithstanding, no
3 interest shall be paid thereon.

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

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

23 (ii) a qualified rehabilitation project is undertaken for the
24 provision of affordable housing and the taxpayer has entered into a
25 regulatory agreement with any state or federal agency or authority, or
26 any other government entity that is authorized to engage in the financ-
27 ing, construction or oversight of affordable housing within such enti-
28 ty's jurisdiction, and where such regulatory agreement sets forth

1 affordability requirements applicable for a period of not less than
2 thirty years and that is binding on all successors of the taxpayer.

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

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

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

18 (A) the building identification numbers for all buildings in the
19 project;

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

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

23 (D) the amount of consideration received by the taxpayer for the
24 transfer credit; and

25 (E) the amount of credit being transferred.

26 (iii) No transfer shall be effective unless the taxpayer allowed a
27 credit pursuant to this subdivision and seeking to transfer the credit
28 files a transfer application with the commissioner of parks, recreation

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

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

25 (v) A taxpayer allowed a credit pursuant to section forty-seven of the
26 internal revenue code with respect to a qualified rehabilitation that is
27 also the subject of the credit allowed by this subdivision shall remain
28 solely liable for all obligations and liabilities imposed on the taxpay-

1 er with respect to the credit allowed by this subdivision, none of which
2 shall apply to a party to whom the credit has been subsequently trans-
3 ferred.

4 § 2. Subsection (oo) of section 606 of the tax law, as amended by
5 chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472
6 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by
7 section 1 of subpart B of part I of chapter 59 of the laws of 2023,
8 paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws
9 of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of
10 the laws of 2013, paragraph 5 as amended by section 2 of part U of chap-
11 ter 59 of the laws of 2019, paragraph 6 as added by section 1 of part
12 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

13 (oo) Credit for rehabilitation of historic properties. (1) (A) For
14 taxable years beginning on or after January first, two thousand ten and
15 before January first, two thousand thirty, a taxpayer, or a transferee
16 of such a taxpayer as described in paragraph seven of this subsection,
17 shall be allowed a credit as hereinafter provided, against the tax
18 imposed by this article, in an amount equal to one hundred percent of
19 the amount of credit allowed the taxpayer with respect to a certified
20 historic structure, and one hundred fifty percent of the amount of cred-
21 it allowed the taxpayer with respect to a certified historic structure
22 that is a small project, under internal revenue code section 47(c)(3),
23 determined without regard to ratably allocating the credit over a five
24 year period as required by subsection (a) of such section 47, with
25 respect to a certified historic structure located within the state.
26 Provided, however, the credit shall not exceed five million dollars. For
27 taxable years beginning on or after January first, two thousand thirty,
28 a taxpayer, or a transferee of such a taxpayer as described in paragraph

1 seven of this subsection, shall be allowed a credit as hereinafter
2 provided, against the tax imposed by this article, in an amount equal to
3 thirty percent of the amount of credit allowed the taxpayer with respect
4 to a certified historic structure under internal revenue code section
5 47(c)(3), determined without regard to ratably allocating the credit
6 over a five year period as required by subsection (a) of such section
7 47, with respect to a certified historic structure located within the
8 state; provided, however, the credit shall not exceed one hundred thou-
9 sand dollars.

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

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

19 (3) If the taxpayer is allowed a credit pursuant to section 47 of the
20 internal revenue code with respect to a qualified rehabilitation that is
21 also the subject of the credit allowed by this subsection and that cred-
22 it pursuant to such section 47 is recaptured pursuant to subsection (a)
23 of section 50 of the internal revenue code, a portion of the credit
24 allowed under this subsection must be added back by the taxpayer or
25 transferee in the same taxable year and in the same proportion as the
26 federal recapture.

27 (4) If the amount of the credit allowed under this subsection for any
28 taxable year shall exceed the taxpayer's tax for such year, the excess

1 shall be treated as an overpayment of tax to be credited or refunded in
2 accordance with the provisions of section six hundred eighty-six of this
3 article, provided, however, that no interest shall be paid thereon.

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

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

23 (B) a qualified rehabilitation project is undertaken for the provision
24 of affordable housing and the taxpayer has entered into a regulatory
25 agreement with any state or federal agency or authority, or any other
26 government entity that is authorized to engage in the financing,
27 construction or oversight of affordable housing within such entity's
28 jurisdiction, and where such regulatory agreement sets forth affordabil-

1 ity requirements applicable for a period of not less than thirty years
2 and that is binding on all successors of the taxpayer.

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

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

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

18 (i) the building identification numbers for all buildings in the
19 project;

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

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

23 (iv) the amount of consideration received by the taxpayer for the
24 transfer credit; and

25 (v) the amount of credit being transferred.

26 (C) No transfer shall be effective unless the taxpayer allowed a cred-
27 it pursuant to this subsection and seeking to transfer the credit files
28 a transfer application with the commissioner of parks, recreation and

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

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

25 (E) A taxpayer allowed a credit pursuant to section forty-seven of the
26 internal revenue code with respect to a qualified rehabilitation that is
27 also the subject of the credit allowed by this subsection shall remain
28 solely liable for all obligations and liabilities imposed on the taxpay-

1 er with respect to the credit allowed by this subsection, none of which
2 shall apply to a party to whom the credit has been subsequently trans-
3 ferred.

4 § 3. Subdivision (y) of section 1511 of the tax law, as added by chap-
5 ter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended
6 by section 5 of subpart B of part I of chapter 59 of the laws of 2023,
7 paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws
8 of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of
9 the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-
10 ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part
11 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

12 (y) Credit for rehabilitation of historic properties. (1) (A) For
13 taxable years beginning on or after January first, two thousand ten and
14 before January first, two thousand thirty, a taxpayer, or a transferee
15 of such a taxpayer as described in paragraph seven of this subdivision,
16 shall be allowed a credit as hereinafter provided, against the tax
17 imposed by this article, in an amount equal to one hundred percent of
18 the amount of credit allowed the taxpayer with respect to a certified
19 historic structure, and one hundred fifty percent of the amount of cred-
20 it allowed the taxpayer with respect to a certified historic structure
21 that is a small project, under internal revenue code section 47(c)(3),
22 determined without regard to ratably allocating the credit over a five
23 year period as required by subsection (a) of such section 47, with
24 respect to a certified historic structure located within the state.
25 Provided, however, the credit shall not exceed five million dollars. For
26 taxable years beginning on or after January first, two thousand thirty,
27 a taxpayer, or a transferee of such a taxpayer as described in paragraph
28 seven of this subdivision, shall be allowed a credit as hereinafter

1 provided, against the tax imposed by this article, in an amount equal to
2 thirty percent of the amount of credit allowed the taxpayer with respect
3 to a certified historic structure under internal revenue code section
4 47(c)(3), determined without regard to ratably allocating the credit
5 over a five year period as required by subsection (a) of such section 47
6 with respect to a certified historic structure located within the state.
7 Provided, however, the credit shall not exceed one hundred thousand
8 dollars.

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

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

17 (3) If the taxpayer is allowed a credit pursuant to section 47 of the
18 internal revenue code with respect to a qualified rehabilitation that is
19 also the subject of the credit allowed by this subdivision and that
20 credit pursuant to such section 47 is recaptured pursuant to subsection
21 (a) of section 50 of the internal revenue code, a portion of the credit
22 allowed under this subdivision in the taxable year the credit was
23 claimed must be added back by the taxpayer or transferee in the same
24 taxable year and in the same proportion as the federal recapture.

25 (4) The credit allowed under this subdivision for any taxable year
26 shall not reduce the tax due for such year to less than the minimum
27 fixed by paragraph four of subdivision (a) of section fifteen hundred
28 two or section fifteen hundred two-a of this article, whichever is

1 applicable. However, if the amount of credits allowed under this subdi-
2 vision for any taxable year reduces the tax to such amount, any amount
3 of credit thus not deductible in such taxable year shall be treated as
4 an overpayment of tax to be credited or refunded in accordance with the
5 provisions of section one thousand eighty-six of this chapter. Provided,
6 however, the provisions of subsection (c) of section one thousand eight-
7 y-eight of this chapter notwithstanding, no interest shall be paid ther-
8 eon.

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

24 (A) a qualified rehabilitation project is undertaken within a state
25 park, state historic site, or other land owned by the state, that is
26 under the jurisdiction of the office of parks, recreation and historic
27 preservation; or

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

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

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

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

24 (i) the building identification numbers for all buildings in the
25 project;

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

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

1 (iv) the amount of consideration received by the taxpayer for the
2 transfer credit; and

3 (v) the amount of credit being transferred.

4 (C) No transfer shall be effective unless the taxpayer allowed a cred-
5 it pursuant to this subdivision and seeking to transfer the credit files
6 a transfer application with the commissioner of parks, recreation and
7 historic preservation prior to the transfer and such transfer applica-
8 tion is approved. The transfer application shall include the name and
9 federal identification numbers of the taxpayer and each proposed trans-
10 feree, the amount of credit proposed to be transferred to each proposed
11 transferee, a copy of the transfer contract, and such other information
12 as the commissioner or the commissioner of parks, recreation and histor-
13 ic preservation may require. The commissioner of parks, recreation and
14 historic preservation shall approve or deny each transfer application
15 and, if an application is denied, shall issue a written determination to
16 the taxpayer. If the transfer is approved, the commissioner of parks,
17 recreation and historic preservation shall issue a transfer approval
18 certificate that provides the name of the transferor and all transfer-
19 ees, the amount of credit being transferred and such other information
20 as the commissioner of parks, recreation and historic preservation and
21 the commissioner deem necessary. A copy of the transfer approval certif-
22 icate must be attached to each transferee's tax return. The commissioner
23 of parks, recreation and historic preservation, in consultation with the
24 commissioner, may establish such other procedures and standards deemed
25 necessary for the transferability of credits allowed under this subdivi-
26 sion.

27 (D) The commissioner of parks, recreation and historic preservation
28 shall forward copies of all transfer applications and attachments there-

1 to and approval certificates to the commissioner within thirty days
2 after the transfer is approved.

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

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

12 PART F

13 Section 1. This Part enacts into law major components of legislation
14 relating to the purchase of residential real property by certain
15 purchasers, and taxation relating thereto. Each component is wholly
16 contained within a Subpart identified as Subpart A and Subpart B. The
17 effective date for each particular provision contained within such
18 Subpart is set forth in the last section of such Subpart. Any provision
19 in any section contained within a Subpart, including the effective date
20 of the Subpart, which makes a reference to a section "of this act", when
21 used in connection with that particular component, shall be deemed to
22 mean and refer to the corresponding section of the Subpart in which it
23 is found. Section three of this Part sets forth the general effective
24 date of this Part.

25 SUBPART A

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

3 ARTICLE 16

4 SEVENTY-FIVE-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY

5 RESIDENCES TO CERTAIN PURCHASERS

6 Section 520. Definitions.

7 521. Seventy-five-day waiting period.

8 522. Enforcement.

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

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

18 2. (a) "Covered entity" shall mean an institutional real estate inves-
19 tor or an entity that receives funding from an institutional real estate
20 investor for the purchase of a single-family residence or two-family
21 residence.

22 (b) "Covered entity" shall not include:

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

26 (ii) a land bank; or

27 (iii) a community land trust.

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

3 (i) owns ten or more single-family residences and/or two-family resi-
4 dences;

5 (ii) manages or receives funds pooled from investors and acts as a
6 fiduciary with respect to one or more investors; and

7 (iii) has fifty million dollars or more in net value or assets under
8 management on any day during the taxable year.

9 (b) An entity is considered owning a single-family residence or two-
10 family residence if it directly owns the single-family residence or
11 two-family residence or indirectly owns ten percent or more of the
12 single-family residence or two-family residence.

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

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

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

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

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

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

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

3 § 521. Seventy-five-day waiting period. 1. Notwithstanding any other
4 provision of law, on and after July first, two thousand twenty-five, it
5 shall be unlawful for a covered entity to purchase, acquire, or offer to
6 purchase or acquire any interest in a single-family residence or two-fa-
7 mily residence unless the single-family residence or two-family resi-
8 dence has been listed for sale to the general public for at least seven-
9 ty-five days.

10 2. The seventy-five-day waiting period set forth in subdivision one of
11 this section shall restart if the seller changes the asking price for
12 the single-family residence or two-family residence, and a covered enti-
13 ty shall be prohibited from purchasing, acquiring, or offering to
14 purchase or acquire any interest in the single-family residence or two-
15 family residence until it has been listed for sale to the general public
16 at the new asking price for at least an additional seventy-five days.

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

20 4. Before finalizing the sale of a single-family or two-family resi-
21 dence, a covered entity purchasing such residence shall be required to
22 submit to the seller or anyone acting as an agent for such seller, a
23 form that has been signed by the covered entity purchaser, or an author-
24 ized agent thereof, and notarized, stating that the purchaser is a
25 covered entity. Any covered entity or covered entity's agent that
26 violates this section may be subject to civil damages and penalties in
27 an amount not to exceed ten thousand dollars.

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

3 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

4 Pursuant to Article 16 of the New York State Real Property Law,
5 covered entities are required to wait at least 75 days after a single-
6 family residence or two-family residence has been listed for sale to the
7 general public to purchase, acquire, or offer to purchase or acquire any
8 interest in the single-family residence or two-family residence. Prior
9 to finalizing the sale, the covered entity or its agent is required to
10 complete this form stating that the purchaser is a covered entity.

11 The buyer of this single-family residence or two-family residence is a
12 covered entity as defined in New York State Real Property Law § 520. The
13 buyer is subject to the statutory 75-day waiting period. Failure to
14 comply with the 75-day waiting period may result in civil fines and
15 penalties.

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

19 IDENTIFYING INFORMATION

20 BUYER OR BUYERS OF THIS RESIDENCE:

21 _____

22 Printed Name and Mailing Address

23 _____

24 Printed Name and Mailing Address

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

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

1 _____

2 Signature Date

3 _____

4 Signature Date

5 _____

6 SIGNATURE OF WITNESSES

7 _____

8 Signature Date

9 _____

10 Signature Date

11 _____

12 NOTARY ACKNOWLEDGEMENT

13 (insert notary acknowledgement for this form here)"

14 § 522. Enforcement. Notwithstanding any other provision of law, the
 15 attorney general of the state of New York shall have the authority to
 16 enforce the provisions of section five hundred twenty-one of this arti-
 17 cle by applying, in the name of the people of the state of New York, to
 18 the supreme court of the state of New York, on notice of five days, for
 19 an order enjoining the continuance of such violative activity, including
 20 but not limited to by bringing an action for injunctive or declaratory
 21 relief if a single-family residence or two-family residence is in the
 22 process of being or has been sold in a manner that contravenes the
 23 requirements of section five hundred twenty-one of this article, and
 24 imposing civil damages and penalties pursuant to subdivisions three and
 25 four of section five hundred twenty-one of this article, as applicable.

26 § 2. Severability. If any provision of this act, or any application of
 27 any provision of this act, is held to be invalid, that shall not affect
 28 the validity or effectiveness of any other provision of this act, or of

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

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

6 SUBPART B

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

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

17 (2) Definitions. (A) "Institutional real estate investor" means an
18 entity or combined group that (i) owns ten or more covered properties,
19 (ii) manages funds pooled from investors and acts as a fiduciary with
20 respect to one or more investors, and (iii) has fifty million dollars or
21 more in net value or assets under management on any day during the taxa-
22 ble year. An entity is considered owning a covered property if it
23 directly owns the covered property or indirectly owns ten percent or
24 more of the covered property.

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

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

4 (4) Interest deductions. With respect to covered properties, the
5 interest deduction for federal income tax purposes allowed under section
6 one hundred sixty-three of the internal revenue code shall not be
7 allowed and must be added back in the computation of entire net income,
8 except with respect to interest paid or accrued in the taxable year when
9 such covered property is sold to an individual for use as the principal
10 residence of such individual or sold to a nonprofit organization that
11 has as its principal purpose the creation, development, or preservation
12 of affordable housing. For purposes of this subparagraph, any amount of
13 interest that would have been allowed under section one hundred sixty-
14 three of the internal revenue code in connection with a covered property
15 but for an election to treat such interest as chargeable to capital
16 account shall be treated as an amount allowed under section one hundred
17 sixty-three of the internal revenue code.

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

20 (y) Depreciation and interest adjustments for covered properties owned
21 by an institutional real estate investor. (1) Notwithstanding any other
22 provision of this section, in the case of a taxpayer that is a partner,
23 member or shareholder of an entity that is an institutional real estate
24 investor as defined in paragraph (c-4) of subdivision nine of section
25 two hundred eight of this chapter, New York adjusted gross income shall
26 be computed with adjustments for depreciation and interest related to
27 covered properties as set forth in this subsection.

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

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

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

21 (17) Depreciation and interest adjustments for covered properties
22 owned by an institutional real estate investor. (A) Notwithstanding any
23 other provision of this section, in the case of a taxpayer that is an
24 institutional real estate investor or partner, member or shareholder of
25 an entity that is an institutional real estate investor as defined in
26 paragraph (c-4) of subdivision nine of section two hundred eight of this
27 chapter, entire net income shall be computed with adjustments for depre-

1 ciation and interest related to covered properties as set forth in this
2 paragraph.

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

6 (C) Federal interest deductions. With respect to covered properties,
7 the interest deduction for federal income tax purposes allowed under
8 section one hundred sixty-three of the internal revenue code shall not
9 be allowed and must be added back in the computation of entire net
10 income, except with respect to interest paid or accrued in the taxable
11 year when such covered property is sold to an individual for use as the
12 principal residence of such individual or sold to a nonprofit organiza-
13 tion that has as its principal purpose the creation, development, or
14 preservation of affordable housing. For purposes of this subparagraph,
15 any amount of interest that would have been allowed under section one
16 hundred sixty-three of the internal revenue code in connection with a
17 covered property but for an election to treat such interest as chargea-
18 ble to capital account shall be treated as an amount allowed under
19 section one hundred sixty-three of the internal revenue code.

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

22 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
23 sion, section or part of this act shall be adjudged by any court of
24 competent jurisdiction to be invalid, such judgment shall not affect,
25 impair, or invalidate the remainder thereof, but shall be confined in
26 its operation to the clause, sentence, paragraph, subdivision, section
27 or part thereof directly involved in the controversy in which such judg-
28 ment shall have been rendered. It is hereby declared to be the intent of

1 the legislature that this act would have been enacted even if such
2 invalid provisions had not been included herein.

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

6 PART G

7 Section 1. The economic development law is amended by adding a new
8 article 30 to read as follows:

9 ARTICLE 30

10 CATALIST NY PROGRAM

11 Section 510. Short title.

12 511. Statement of legislative findings and declaration.

13 512. Definitions.

14 513. Eligibility criteria.

15 514. Application and approval process.

16 515. Tax benefits.

17 516. Powers and duties of the commissioner.

18 § 510. Short title. This article shall be known and may be cited as
19 the "companies attracting talent to advance leading innovations and
20 scale technologies in New York program", or the "CATALIST NY program".

21 § 511. Statement of legislative findings and declaration. It is hereby
22 found and declared that New York state needs, as a matter of public
23 policy, to grow the innovation economy in New York state and support
24 early-stage innovation businesses during a critical phase of their
25 growth.

26 § 512. Definitions. For the purposes of this article:

1 1. "CATALIST NY incubator" shall mean a New York state incubator that
2 has been certified by the department as a CATALIST NY incubator.

3 2. "CATALIST NY small business" shall mean any business that qualifies
4 as a small business under section one hundred thirty-one of this chapter
5 that has been certified by the department as a CATALIST NY small busi-
6 ness.

7 3. "Certificate of tax benefits" shall mean the document issued to a
8 CATALIST NY small business by the department, after the department has
9 verified that such business entity has met all applicable criteria in
10 section five hundred thirteen of this article to be eligible for the
11 CATALIST NY tax benefits allowed under section five hundred fifteen of
12 this article. The certificate shall be issued in each year in which the
13 eligibility criteria are satisfied and shall specify (a) the number of
14 CATALIST NY small business net new jobs that are eligible for the tax
15 benefits pursuant to section five hundred fifteen of this article; and
16 (b) the taxable year in which such tax benefits are applicable.

17 4. "Commissioner" shall mean the commissioner of economic development.

18 5. "Department" shall mean the department of economic development.

19 6. "New York state incubator" shall mean a business incubation program
20 that (a) provides physical space to early-stage innovation-focused busi-
21 nesses in New York state; (b) has been in operation for at least three
22 years prior to the date of application to become a CATALIST NY incuba-
23 tor; and (c) provides technical assistance, direct mentorship, entrepre-
24 neurial education, and business development services to early-stage
25 innovation-focused businesses.

26 7. "Net new job" shall mean a full-time job that: (a) is new to the
27 state; and (b) has not been transferred from employment with another
28 business located in this state through an acquisition, merger, consol-

1 idation or other reorganization of businesses, or the acquisition of
2 assets of another business, and has not been transferred from employment
3 with a related person in this state. For purposes of this subdivision,
4 full-time means at least thirty-five hours of gainful work a week.

5 § 513. Eligibility criteria. 1. To qualify as a CATALIST NY incubator,
6 a New York state incubator shall be a New York state certified incubator
7 or innovation hot spot under section sixteen-v of the New York state
8 urban development corporation act or meet all of the following require-
9 ments: (a) has been in operation in New York state for at least three
10 years, prior to submission of an application to the department for
11 certification as a CATALIST NY incubator, with a demonstrated track
12 record of supporting high growth start-up companies; (b) provide techni-
13 cal assistance, direct mentorship, entrepreneurial education, and access
14 to investment and business development services, including providing
15 assistance in the development of business plans , to incubator clients;
16 and (c) provide physical space under a written agreement for any indi-
17 vidual incubator client. Priority shall be given to entities that
18 support businesses within the following sectors: clean energy and
19 climate technology; life sciences; computing and cybersecurity; agricul-
20 tural technology; advanced manufacturing; materials; and microelectron-
21 ics.

22 2. A CATALIST NY incubator shall nominate, for certification by the
23 department as a CATALIST NY small business, small businesses that have
24 completed a program with the CATALIST NY incubator, or otherwise have a
25 direct and sustained engagement with the CATALIST NY incubator, to
26 receive tax benefits pursuant to section five hundred fifteen of this
27 article, and paragraph forty-eight of subdivision (c) of section six
28 hundred twelve of the tax law for up to a period of five taxable years

1 commencing with the taxable year during which the CATALIST NY small
2 business is certified by the department.

3 3. To be eligible to be nominated by a CATALIST NY incubator and
4 subsequently certified by the department to receive tax benefits as a
5 CATALIST NY small business, such business entity shall satisfy each of
6 the following conditions: (a) such business shall graduate from, or have
7 otherwise completed, such CATALIST NY incubator's services within the
8 previous twenty-four months and engaged with the CATALIST NY incubator
9 for at least twelve months; (b) such business shall be headquartered in
10 New York state and one or more of the persons employed as chief execu-
11 tive officer, chief technology officer, or chief operating officer shall
12 perform services in New York state; (c) at the time such business is
13 nominated, it shall have fewer than twenty full-time employees; (d) such
14 business shall demonstrate a sound financial plan and, if approved to
15 receive the tax benefits allowed under this program, such business shall
16 create at least two additional permanent full-time, New York state based
17 jobs; (e) during the taxable year immediately preceding the taxable year
18 in which such business would be eligible for the tax benefits pursuant
19 to this program, the small business shall not exceed two million dollars
20 in gross receipts, as determined in accordance with generally accepted
21 accounting principles; and (f) any other conditions as determined by the
22 department through regulations or guidelines promulgated pursuant to
23 paragraph two of section five hundred sixteen of this article.

24 4. Such nominations and determinations shall be made in conformance
25 with program guidelines issued by the department.

26 § 514. Application and approval process. 1. New York state incubators
27 shall submit a complete application as prescribed by the commissioner to
28 be certified as a CATALIST NY incubator.

1 2. The commissioner shall establish procedures and a timeframe for the
2 New York state incubators to submit applications to be certified as
3 CATALIST NY incubators and for nominations of small businesses for
4 certification as CATALIST NY small businesses.

5 3. To nominate a small business for certification as a CATALIST NY
6 small business, a CATALIST NY incubator shall:

7 (a) provide evidence in a form and manner prescribed by the commis-
8 sioner of the eligibility of the small business being nominated pursuant
9 to paragraphs two and three of section five hundred thirteen of this
10 article for the tax benefits pursuant to section five hundred fifteen of
11 this article and paragraph forty-eight of subdivision (c) of section six
12 hundred twelve of the tax law;

13 (b) allow the department and its agents access to any and all books
14 and records the department may require to monitor compliance; and

15 (c) agree to provide any additional information required by the
16 department relevant to this article.

17 4. After reviewing a CATALIST NY incubator's nomination and determin-
18 ing that the nominated small business meets the eligibility criteria as
19 set forth in this article, the department may issue to such small busi-
20 ness a certificate of tax benefit as a CATALIST NY small business.

21 § 515. Tax benefits. 1. A CATALIST NY small business certified by the
22 department shall be eligible for an allocation by the department of
23 personal income tax benefits pursuant to paragraph forty-eight of
24 subsection (c) of section six hundred twelve of the tax law for up to
25 eight net new jobs. The tax benefits shall be available for a period of
26 five taxable years commencing with the taxable year during which the
27 department issues the certificate of tax benefits to the CATALIST NY
28 small business.

1 2. To be eligible for the tax benefits allocated pursuant to this
2 program, (a) the CATALIST NY small business employees shall be employed
3 by and work exclusively for the CATALIST NY small business in a net new
4 job during the taxable year; (b) the CATALIST NY small business employee
5 shall be engaged in work for the CATALIST NY small business for at least
6 one-half of the taxable year; and (c) the CATALIST NY small business
7 shall be in compliance with the requirements set forth in this article.

8 3. If the certified CATALIST NY small business creates more net new
9 jobs than for which it has been allocated personal income tax benefits,
10 the allocated personal income tax benefits shall be provided to eligible
11 CATALIST NY small business employees based on the employees' dates of
12 hiring.

13 4. The CATALIST NY small business shall identify to the department,
14 through the submission of a CATALIST Jobs Plan, the titles that shall
15 receive personal income tax benefits pursuant to this section for inclu-
16 sion in the certificate of tax benefits provided to such CATALIST NY
17 small business and such titles shall be included on the certificate of
18 tax benefits provided to such business. CATALIST NY small businesses
19 shall annually identify to the department of taxation and finance, in
20 the form and matter established by such department, the CATALIST NY
21 small business employees who are eligible to receive the personal income
22 tax benefits allocated to such business. The CATALIST NY small business
23 shall provide a copy of the certificate of tax benefits issued by the
24 department to each such employee.

25 5. For taxable years beginning on or after January first, two thousand
26 twenty-five and before January first, two thousand thirty, the aggregate
27 number of CATALIST NY small business employees allowed the tax benefits
28 under this article in any taxable year shall be four thousand five

1 hundred, the funds for which benefits shall be allotted from the funds
2 available for tax credits under article seventeen of this chapter. Such
3 aggregate number of eligible CATALIST NY small business employees shall
4 be allocated by the department among CATALIST NY small businesses in
5 order of priority based upon the date of certification under this arti-
6 cle.

7 6. No tax benefit shall be allowed for taxable years beginning on or
8 after January first, two thousand thirty-five.

9 § 516. Powers and duties of the commissioner. 1. The commissioner is
10 authorized to accept applications from New York state incubators for
11 designation as "CATALIST NY incubators", to accept nominations by CATAL-
12 IST NY incubators of small businesses for designation as CATALIST NY
13 small businesses, and to issue certificates of tax benefits under this
14 article.

15 2. The commissioner shall promulgate guidelines or regulations estab-
16 lishing a nomination process for small businesses and eligibility crite-
17 ria that will be applied consistent with the provisions of this article,
18 so as not to exceed the annual cap set forth in section five hundred
19 fifteen of this article which, notwithstanding any provisions to the
20 contrary in the state administrative procedure act, may be adopted on an
21 emergency basis.

22 3. The commissioner shall, in consultation with the department of
23 taxation and finance, develop a certificate of tax benefits that shall
24 be issued by the commissioner to eligible CATALIST NY small businesses.
25 Such certificate shall contain such information as required by the
26 department of taxation and finance.

27 4. The commissioner shall solely determine the eligibility of any
28 applicant applying to be a CATALIST NY incubator and designation as a

1 CATALIST NY small business and shall remove any such entities from the
2 program for failing to meet any of the requirements set forth in section
3 five hundred thirteen of this article, or for failing to meet the
4 requirement set forth in subdivision one of section five hundred four-
5 teen of this article.

6 5. The commissioner shall promulgate regulations or guidelines to
7 establish an application process to become certified as a CATALIST NY
8 incubator and shall include in such regulations or guidelines the
9 requirements that all nominated small businesses shall adhere to in
10 order to be considered for the tax benefits under this article.

11 § 2. Subsection (c) of section 612 of the tax law is amended by adding
12 a new paragraph 48 to read as follows:

13 (48) The amount of any wages received during the taxable year by an
14 employee specified in a certificate of tax benefits issued to a CATALIST
15 NY small business pursuant to article thirty of the economic development
16 law, to the extent included in federal adjusted gross income. Notwith-
17 standing any provision of this chapter to the contrary, the commissioner
18 may assist the commissioner of economic development in determining
19 whether a CATALIST NY small business, or an employee of such business,
20 is entitled to such tax benefits pursuant to article thirty of the
21 economic development law, and may utilize and, if necessary, disclose to
22 the commissioner of economic development, information derived from the
23 tax returns of such employee, such business, or related persons of such
24 business and wage reporting information relating to any employees of
25 such business or its related persons.

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

1

PART H

2 Section 1. This Part enacts into law major components of legislation
3 relating to the excelsior jobs program and the empire state jobs
4 retention program. Each component is wholly contained within a Subpart
5 identified as Subpart A and Subpart B. The effective date for each
6 particular provision contained within such Subpart is set forth in the
7 last section of such Subpart. Any provision in any section contained
8 within a Subpart, including the effective date of the Subpart, which
9 makes a reference to a section "of this act", when used in connection
10 with that particular component, shall be deemed to mean and refer to the
11 corresponding section of the Subpart in which it is found. Section three
12 of this Part sets forth the general effective date of this Part.

13

SUBPART A

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

16 25. "Semiconductor supply chain project" means a project deemed by the
17 commissioner to make products or develop technologies that are primarily
18 aimed at supporting the growth of the semiconductor manufacturing and
19 related equipment and material supplier sector. "Semiconductor supply
20 chain project" shall include, but need not be limited to, semiconductor
21 device manufacturing, producers of component parts, direct input materi-
22 als and equipment necessary for the manufacture of semiconductor chips,
23 machinery, equipment, and materials necessary for the operational effi-
24 ciency of semiconductor manufacturing facilities, other such inputs
25 directly supportive of the domestic production of semiconductor chips,

1 and companies engaged in the assembly, testing, packaging and advanced
2 packaging semiconductor value chain. "Semiconductor supply chain
3 project" shall not include a project primarily composed of: (i) machin-
4 ery, equipment, or materials that are inputs to manufacturing generally,
5 but are not direct inputs to semiconductor manufacturing in specific;
6 (ii) the production of products or development of technologies that
7 would produce only marginal and incremental benefits to the semiconduc-
8 tor manufacturing sector; (iii) projects that would otherwise qualify as
9 a Green CHIPS project as defined in section twenty-four of this section.

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

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

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

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

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

25 1. Excelsior jobs tax credit component. A participant in the excelsior
26 jobs program shall be eligible to claim a credit for each net new job it
27 creates in New York state. In a project that is not a green project, the
28 amount of such credit per job shall be equal to the product of the gross

1 wages paid and up to 6.85 percent. In a green project, or a Green CHIPS
2 project, the amount of such credit per job shall be equal to the product
3 of the gross wages paid and up to 7.5 percent. Provided, however, given
4 the transformational nature of Green CHIPS projects, only the first two
5 hundred thousand dollars of gross wages per job shall be eligible for
6 this credit. The maximum amount of gross wages per job for a Green CHIPS
7 project may be adjusted for inflation at an annual amount determined by
8 the commissioner in a manner substantially similar to the cost of living
9 adjustments calculated by the United States Social Security Adminis-
10 tration based on changes in consumer price indices or a rate of four
11 percent per year, whichever is higher. In a semiconductor supply chain
12 project, the amount of such credit per job shall be equal to the product
13 of the gross wages paid and up to seven percent.

14 2. Excelsior investment tax credit component. A participant in the
15 excelsior jobs program shall be eligible to claim a credit on qualified
16 investments. In a project that is not a green project, the credit shall
17 be equal to two percent of the cost or other basis for federal income
18 tax purposes of the qualified investment. In a green project, the credit
19 shall be equal to five percent of the cost or other basis for federal
20 income tax purposes of the qualified investment. In a project for child
21 care services or a Green CHIPS project, the credit shall be up to five
22 percent of the cost or other basis for federal income tax purposes of
23 the qualified investment in child care services or in the Green CHIPS
24 project as applicable. In a semiconductor supply chain project, the
25 credit shall be up to three percent of the cost or other basis for
26 federal income tax purposes of the qualified investment. A participant
27 may not claim both the excelsior investment tax credit component and the
28 investment tax credit set forth in subdivision one of section two

1 hundred ten-B, subsection (a) of section six hundred six, the former
2 subsection (i) of section fourteen hundred fifty-six, or subdivision (q)
3 of section fifteen hundred eleven of the tax law for the same property
4 in any taxable year, except that a participant may claim both the
5 excelsior investment tax credit component and the investment tax credit
6 for research and development property. In addition, a taxpayer who or
7 which is qualified to claim the excelsior investment tax credit compo-
8 nent and is also qualified to claim the brownfield tangible property
9 credit component under section twenty-one of the tax law may claim
10 either the excelsior investment tax credit component or such tangible
11 property credit component, but not both with regard to a particular
12 piece of property. A credit may not be claimed until a business enter-
13 prise has received a certificate of tax credit, provided that qualified
14 investments made on or after the issuance of the certificate of eligi-
15 bility but before the issuance of the certificate of tax credit to the
16 business enterprise, may be claimed in the first taxable year for which
17 the business enterprise is allowed to claim the credit. Expenses
18 incurred prior to the date the certificate of eligibility is issued are
19 not eligible to be included in the calculation of the credit.

20 3. Excelsior research and development tax credit component. A partic-
21 ipant in the excelsior jobs program shall be eligible to claim a credit
22 equal to fifty percent of the portion of the participant's federal
23 research and development tax credit that relates to the participant's
24 research and development expenditures in New York state during the taxa-
25 ble year; provided however, if not a green project, the excelsior
26 research and development tax credit shall not exceed six percent of the
27 qualified research and development expenditures attributable to activ-
28 ities conducted in New York state, or, if a green project or a Green

1 CHIPS project, the excelsior research and development tax credit shall
2 not exceed eight percent of the research and development expenditures
3 attributable to activities conducted in New York state, or if a semicon-
4 ductor supply chain project, the excelsior research and development tax
5 credit shall not exceed seven percent of the qualified research and
6 development expenditures attributable to activities conducted in New
7 York state. If the federal research and development credit has expired,
8 then the research and development expenditures relating to the federal
9 research and development credit shall be calculated as if the federal
10 research and development credit structure and definition in effect in
11 two thousand nine were still in effect. Notwithstanding any other
12 provision of this chapter to the contrary, research and development
13 expenditures in this state, including salary or wage expenses for jobs
14 related to research and development activities in this state, may be
15 used as the basis for the excelsior research and development tax credit
16 component and the qualified emerging technology company facilities,
17 operations and training credit under the tax law.

18 § 4. Section 359 of the economic development law, as amended by chap-
19 ter 494 of the laws of 2022, is amended to read as follows:

20 § 359. Cap on tax credit. 1. Except with respect to tax credits issued
21 to Green CHIPS projects as articulated in subdivision four of this
22 section, the total amount of tax credits issued by the commissioner for
23 any taxable year may not exceed the limitations set forth in this subdivi-
24 sion. Except with respect to tax credits issued to Green CHIPS
25 projects as articulated in subdivision four of this section, one-half of
26 any amount of tax credits not awarded for a particular taxable year may
27 be used by the commissioner to award tax credits in another taxable
28 year.

1 Credit components in the aggregate	With respect to taxable
2 shall not exceed:	years beginning in:
3 \$ 50 million	2011
4 \$ 100 million	2012
5 \$ 150 million	2013
6 \$ 200 million	2014
7 \$ 250 million	2015
8 \$ 183 million	2016
9 \$ 183 million	2017
10 \$ 183 million	2018
11 \$ 183 million	2019
12 \$ 183 million	2020
13 \$ 183 million	2021
14 \$ 133 million	2022
15 \$ 83 million	2023
16 \$ 36 million	2024
17 \$ 200 million	2025
18 \$ 200 million	2026
19 \$ 200 million	2027
20 \$ 200 million	2028
21 \$ 200 million	2029
22 <u>\$ 200 million</u>	<u>2030</u>
23 <u>\$ 200 million</u>	<u>2031</u>
24 <u>\$ 200 million</u>	<u>2032</u>
25 <u>\$ 200 million</u>	<u>2033</u>
26 <u>\$ 200 million</u>	<u>2034</u>
27 <u>\$ 200 million</u>	<u>2035</u>

1	<u>\$ 200 million</u>	<u>2036</u>
2	<u>\$ 200 million</u>	<u>2037</u>
3	<u>\$ 200 million</u>	<u>2038</u>
4	<u>\$ 200 million</u>	<u>2039</u>

5 2. Twenty-five percent of tax credits shall be allocated to businesses
6 accepted into the program under subdivision four of section three
7 hundred fifty-three of this article and seventy-five percent of tax
8 credits shall be allocated to businesses accepted into the program under
9 subdivision three of section three hundred fifty-three of this article.

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

25 4. The total amount of tax credits issued by the commissioner for the
26 taxable years two thousand twenty-two to two thousand forty-one for
27 Green CHIPS projects shall not exceed five hundred million per year. One

1 hundred percent of any amount of tax credits not awarded for a partic-
2 ular taxable year may be used by the commissioner to award tax credits
3 in another taxable year. Notwithstanding the foregoing, Green CHIPS
4 projects may be allowed to claim credits for taxable years up to January
5 first, two thousand fifty.

6 § 5. Article 22 of the economic development law is REPEALED.

7 § 6. Paragraph (a) of subdivision 50 of section 210-B of the tax law,
8 as added by section 2 of part 0 of chapter 59 of the laws of 2015, is
9 amended to read as follows:

10 (a) [A] For taxable years beginning before January first, two thousand
11 twenty-nine, a taxpayer that has been approved by the commissioner of
12 economic development to participate in the employee training incentive
13 program and has been issued a certificate of tax credit pursuant to
14 section four hundred forty-three of the economic development law shall
15 be allowed to claim a credit against the tax imposed by this article.
16 The credit shall equal fifty percent of a taxpayer's eligible training
17 costs, up to a credit of ten thousand dollars per employee completing
18 eligible training pursuant to paragraph (a) of subdivision three of
19 section four hundred forty-one of the economic development law. The
20 credit shall equal fifty percent of the stipend paid to an intern, up to
21 a credit of three thousand dollars per intern completing eligible train-
22 ing pursuant to paragraph (b) of subdivision three of section four
23 hundred forty-one of the economic development law. In no event shall a
24 taxpayer be allowed a credit greater than the amount of credit listed on
25 the certificate of tax credit issued by the commissioner of economic
26 development. The credit will be allowed in the taxable year in which the
27 eligible training is completed.

1 § 7. Paragraph 1 of subsection (ddd) of section 606 of the tax law, as
2 added by section 3 of part 0 of chapter 59 of the laws of 2015, is
3 amended to read as follows:

4 (1) [A] For taxable years beginning before January first, two thousand
5 twenty-nine, a taxpayer that has been approved by the commissioner of
6 economic development to participate in the employee training incentive
7 program and has been issued a certificate of tax credit pursuant to
8 section four hundred forty-three of the economic development law shall
9 be allowed to claim a credit against the tax imposed by this article.
10 The credit shall equal fifty percent of a taxpayer's eligible training
11 costs, up to a credit of ten thousand dollars per employee completing
12 eligible training pursuant to paragraph (a) of subdivision three of
13 section four hundred forty-one of the economic development law. The
14 credit shall equal fifty percent of the stipend paid to an intern, up to
15 a credit of three thousand dollars per intern completing eligible train-
16 ing pursuant to paragraph (b) of subdivision three of section four
17 hundred forty-one of the economic development law. In no event shall a
18 taxpayer be allowed a credit greater than the amount listed on the
19 certificate of tax credit issued by the commissioner of economic devel-
20 opment. In the case of a taxpayer who is a partner in a partnership,
21 member of a limited liability company or shareholder in an S corpo-
22 ration, the taxpayer shall be allowed its pro rata share of the credit
23 earned by the partnership, limited liability company or S corporation.
24 The credit will be allowed in the taxable year in which the eligible
25 training is completed.

26 § 8. The economic development law is amended by adding a new article
27 17-A to read as follows:

1 ARTICLE 17-A

2 SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

3 Section 359-a. Short title.

4 359-b. Statement of legislative findings and declaration.

5 359-c. Definitions.

6 359-d. Eligibility criteria.

7 359-e. Application and approval process.

8 359-f. Powers and duties of the commissioner.

9 359-g. Semiconductor research and development tax credit.

10 § 359-a. Short title. This article shall be known and may be cited as
11 the "semiconductor research and development project act".

12 § 359-b. Statement of legislative findings and declaration. It is
13 hereby found and declared that New York state needs, as a matter of
14 public policy, to create competitive financial incentives to attract
15 large scale semiconductor research and development projects to New York
16 state, and to position New York state to be at the center of cutting
17 edge innovations in the semiconductor industry.

18 § 359-c. Definitions. For the purposes of this article:

19 1. "Certificate of eligibility" means the document issued by the
20 department to an applicant that has completed an application to be
21 admitted into the semiconductor research and development project program
22 and has been accepted into the program by the department. Possession of
23 a certificate of eligibility does not by itself guarantee the eligibil-
24 ity to claim the tax credit.

25 2. "Certificate of tax credit" means the document issued to a partic-
26 ipant by the department, after the department has verified that the
27 participant has met all applicable eligibility criteria in this article.

1 The certificate shall be issued annually if such criteria are satisfied
2 and shall specify the exact amount of the tax credit under this article
3 that a participant may claim and shall specify the taxable year in which
4 such credit may be claimed.

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

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

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

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

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

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

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

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

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

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

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

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

3 6. "Semiconductor research and development project" means a project
4 for a physical research and development facility, deemed by the commis-
5 sioner as being primarily aimed at supporting research and development
6 within the semiconductor manufacturing and related equipment and materi-
7 al supplier sector. Such project shall incur at least one hundred
8 million dollars in qualified investment in New York state. Such project
9 must lead to the establishment and operation of a research and develop-
10 ment facility separate and apart from new or existing semiconductor or
11 semiconductor supply chain manufacturing facilities.

12 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-
13 ductor research and development project program, a business entity shall
14 operate in New York state and be undertaking a semiconductor research
15 and development project as defined in section three hundred fifty-nine-c
16 of this article.

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

22 § 359-e. Application and approval process. 1. A business enterprise
23 must submit a completed application as prescribed by the commissioner.

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

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

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

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

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

13 (e) Agree to allow the department and the department of taxation and
14 finance to share and exchange information contained in or derived from
15 the applications for admission into the semiconductor research and
16 development project program and the credit claim forms submitted to the
17 department of taxation and finance. However, any information shared as a
18 result of this agreement shall not be available for disclosure or
19 inspection under the state freedom of information law.

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

23 3. After reviewing a business enterprise's completed application and
24 determining that the business enterprise will meet the condition set
25 forth in subdivision six of section three hundred fifty-nine-c of this
26 article, the department may admit the applicant into the program and
27 provide the applicant with a certificate of eligibility and a prelimi-
28 nary schedule of benefits by year based on the applicant's projections

1 as set forth in its application. This preliminary schedule of benefits
2 delineates the maximum possible benefits an applicant may receive.

3 4. In order to become a participant in the program, an applicant must
4 submit evidence that it satisfies the eligibility criteria specified in
5 section three hundred fifty-nine-d of this article and subdivision two
6 of this section in such form as the commissioner may prescribe. After
7 reviewing such evidence and finding it sufficient, the department shall
8 certify the applicant as a participant and issue to that participant a
9 certificate of tax credit for one taxable year. To receive a certificate
10 of tax credit for subsequent taxable years, the participant must submit
11 to the department a performance report demonstrating that the partic-
12 ipant continues to satisfy the eligibility criteria specified in this
13 article.

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

21 § 359-f. Powers and duties of the commissioner. 1. The commissioner
22 may promulgate regulations establishing an application process and
23 eligibility criteria, that will be applied consistent with the purposes
24 of this article, so as not to exceed the annual cap on tax credits set
25 forth in section three hundred fifty-nine-g of this article which,
26 notwithstanding any provisions to the contrary in the state administra-
27 tive procedure act, may be adopted on an emergency basis.

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

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

11 § 359-g. Semiconductor research and development tax credit. 1. A
12 participant in the semiconductor research and development project
13 program shall be eligible to claim a credit on qualified investments in
14 semiconductor research and development projects in New York state. The
15 amount of such credit shall be equal to fifteen percent of the cost or
16 other basis for federal income tax purposes of the qualified investment.

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

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

23 61. Semiconductor research and development tax credit. (a) Allowance
24 of credit. A taxpayer that has been approved by the commissioner of
25 economic development to participate in the semiconductor research and
26 development program and has been issued a certificate of tax credit
27 pursuant to section three hundred fifty-nine-e of the economic develop-
28 ment law shall be allowed to claim a credit against the tax imposed by

1 this article. The credit shall equal up to fifteen percent of the cost
2 or other basis for federal income tax purposes of the qualified invest-
3 ment and shall be allowable in each taxable year for which the commis-
4 sioner of economic development has issued a certificate of tax credit,
5 for up to ten consecutive taxable years. In no event shall a taxpayer be
6 allowed a credit greater than the amount of credit listed on the certif-
7 icate of tax credit issued by the commissioner of economic development.
8 No cost or expense paid or incurred by the taxpayer that is the basis
9 for this credit shall be the basis for any other tax credit provided by
10 this chapter.

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

23 (c) Reporting. The taxpayer shall attach to its tax return its certif-
24 icate of tax credit issued by the commissioner of economic development
25 pursuant to section three hundred fifty-nine-e of the economic develop-
26 ment law. In no event shall the taxpayer be allowed a credit greater
27 than the amount of the credit listed on the certificate of tax credit,
28 or in the case of a taxpayer who is a partner in a partnership, a member

1 of a limited liability company, or shareholder in an S corporation, its
2 pro rata share of the amount of credit listed on the certificate of tax
3 credit.

4 (d) Credit recapture. If a certificate of eligibility or a certificate
5 of tax credit issued by the department of economic development under
6 article seventeen-A of the economic development law is revoked by such
7 department because the taxpayer does not meet the eligibility require-
8 ment set forth in subdivision six of section three hundred fifty-nine-c
9 of the economic development law, the amount of credit described in this
10 subdivision and claimed by the taxpayer prior to that revocation shall
11 be added back to tax in the taxable year in which any such revocation
12 becomes final.

13 § 10. Section 606 of the tax law is amended by adding a new subsection
14 (qqq) to read as follows:

15 (qqq) Semiconductor research and development tax credit. (1) Allowance
16 of credit. A taxpayer that has been approved by the commissioner of
17 economic development to participate in the semiconductor research and
18 development tax credit program and has been issued a certificate of tax
19 credit pursuant to section three hundred fifty-nine-e of the economic
20 development law shall be allowed to claim a credit against the tax
21 imposed by this article. The credit shall equal up to fifteen percent of
22 the cost or other basis for federal income tax purposes of the qualified
23 investment and shall be allowable in each taxable year for which the
24 commissioner of economic development has issued a certificate of tax
25 credit, for up to ten consecutive taxable years. In no event shall a
26 taxpayer be allowed a credit greater than the amount listed on the
27 certificate of tax credit issued by the commissioner of economic devel-
28 opment. In the case of a taxpayer who is a partner in a partnership,

1 member of a limited liability company or shareholder in an S corpo-
2 ration, the taxpayer shall be allowed its pro rata share of the credit
3 earned by the partnership, limited liability company or S corporation.
4 No cost or expense paid or incurred by the taxpayer that is the basis
5 for this credit shall be the basis for any other tax credit provided by
6 this chapter.

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

13 (3) 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 section three hundred fifty-nine-e of the economic develop-
16 ment law. In no event shall the taxpayer be allowed a credit greater
17 than the amount of the credit listed on the certificate of tax credit,
18 or in the case of a taxpayer who is a partner in a partnership, a member
19 of a limited liability company, or shareholder in an S corporation, its
20 pro rata share of the amount of credit listed on the certificate of tax
21 credit.

22 (4) Credit recapture. If a certificate of eligibility or a certificate
23 of tax credit issued by the department of economic development under
24 article seventeen-A 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 six of section three hundred fifty-nine-c
27 of economic development law, the amount of credit described in this
28 subdivision and claimed by the taxpayer prior to that revocation shall

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

3 § 11. The economic development law is amended by adding a new article
4 28 to read as follows:

5 ARTICLE 28

6 SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

7 Section 501. Definitions.

8 502. Eligibility criteria.

9 503. Application and approval process.

10 504. Powers and duties of the commissioner.

11 505. Recordkeeping requirements.

12 506. Cap on tax credit.

13 § 501. Definitions. As used in this article, the following terms shall
14 have the following meanings:

15 1. "Approved provider" means an entity approved by the commissioner
16 that may provide eligible training to employees of a business entity
17 participating in the semiconductor manufacturing workforce training
18 incentive program. Such criteria shall ensure that any approved provider
19 possesses adequate credentials to provide the training described in an
20 application by a business entity to the commissioner to participate in
21 the semiconductor manufacturing workforce training incentive program.

22 2. "Eligible training" means training provided to an employee hired
23 within twelve months of the business entity applying for this program by
24 the business entity or an approved provider that is:

25 (a) to upgrade, retrain or improve the productivity of employees;

26 (b) determined by the commissioner to satisfy a business need on the
27 part of a participating business entity; and

1 (c) not designed to train or upgrade skills as required by a federal
2 or state entity.

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

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

1 5. "Wrap around services" means transportation, childcare, case
2 management and other services designed to maximize the economic impact
3 of workforce development training for participants, and to provide the
4 support services necessary to ensure trainees can access training.

5 § 502. Eligibility criteria. In order to participate in the manufac-
6 turing workforce training incentive program, a business entity must
7 satisfy the following criteria:

8 1. The business entity must operate in the state as a semiconductor
9 manufacturing business or a manufacturing business as defined in this
10 article;

11 2. The business entity must demonstrate that it is conducting eligible
12 training or obtaining eligible training from an approved provider; and

13 3. The business entity must be in compliance with all worker
14 protection and environmental laws and regulations. In addition, the
15 business entity may not owe past due state taxes or local property
16 taxes.

17 § 503. Application and approval process. 1. A business entity must
18 submit a completed application in such form and with such information as
19 prescribed by the commissioner.

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

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

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

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

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

7 (e) agree to allow the department and the department of taxation and
8 finance to share and exchange information contained in or derived from
9 the applications for admission into the semiconductor manufacturing
10 workforce training incentive program and the credit claim forms submit-
11 ted to the department of taxation and finance. However, any information
12 shared as a result of this agreement shall not be available for disclo-
13 sure or inspection under the state freedom of information law.

14 3. The commissioner may approve an application from a business entity
15 upon determining that such business entity meets the eligibility crite-
16 ria established in section five hundred two of this article. Following
17 approval by the commissioner of an application by a business entity to
18 participate in the semiconductor manufacturing workforce training incen-
19 tive program, the commissioner shall issue a certificate of tax credit
20 to the business entity upon its demonstrating successful completion of
21 such eligible training to the satisfaction of the commissioner. For
22 eligible training as defined by subdivision two of section five hundred
23 one of this article the amount of the credit shall be equal to seventy-
24 five percent of wages, salaries or other compensation, training costs,
25 and wrap around services, up to a credit of twenty-five thousand dollars
26 per employee receiving eligible training, up to one million dollars per
27 eligible non-semiconductor manufacturing business and up to five million
28 dollars per eligible semiconductor manufacturing business. The tax cred-

1 its shall be claimed by the qualified employer as specified in subdivi-
2 sion sixty-two of section two hundred ten-B and subsection (rrr) of
3 section six hundred six of the tax law.

4 § 504. Powers and duties of the commissioner. 1. The commissioner
5 shall promulgate regulations consistent with the purposes of this arti-
6 cle that, notwithstanding any provisions to the contrary in the state
7 administrative procedure act, may be adopted on an emergency basis. Such
8 regulations shall include, but not be limited to, eligibility criteria
9 for business entities desiring to participate in the semiconductor manu-
10 facturing workforce training incentive program, procedures for the
11 receipt and evaluation of applications from business entities to partic-
12 ipate in the program, and such other provisions as the commissioner
13 deems to be appropriate in order to implement the provisions of this
14 article.

15 2. The commissioner shall, in consultation with the department of
16 taxation and finance, develop a certificate of tax credit that shall be
17 issued by the commissioner to participating business entities. Partic-
18 ipants may be required by the commissioner of taxation and finance to
19 include the certificate of tax credit with their tax return to receive
20 any tax benefits under this article.

21 3. The commissioner shall solely determine the eligibility of any
22 applicant applying for entry into the program and shall remove any
23 participant from the program for failing to meet any of the requirements
24 set forth in section five hundred two of this article or for making a
25 material misrepresentation with respect to its participation in the
26 program.

1 § 505. Recordkeeping requirements. Each business entity participating
2 in the program shall maintain all relevant records for the duration of
3 its program participation plus three years.

4 § 506. Cap on tax credit. The total amount of tax credits listed on
5 certificates of tax credit issued by the commissioner for any taxable
6 year may not exceed twenty million dollars, and shall be allotted from
7 the funds available for tax credits under the excelsior jobs program act
8 pursuant to section three hundred fifty-nine of this chapter.

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

11 62. Semiconductor manufacturing workforce training program tax credit.
12 (a) Allowance of tax credit. A taxpayer that has been approved by the
13 commissioner of economic development to participate in the semiconductor
14 manufacturing workforce training program and has been issued a certif-
15 icate of tax credit pursuant to section five hundred three of the
16 economic development law shall be allowed to claim a credit against the
17 tax imposed by this article. The credit shall equal seventy-five percent
18 of wages, salaries or other compensation, training costs, and wrap
19 around services, up to a credit of twenty-five thousand dollars per
20 employee receiving eligible training, up to one million dollars per
21 eligible non-semiconductor manufacturing business and up to five million
22 dollars per eligible semiconductor manufacturing business pursuant to
23 subdivision three of section five hundred three of the economic develop-
24 ment law. In no event shall a taxpayer be allowed a credit greater than
25 the amount of credit listed on the certificate of tax credit issued by
26 the commissioner of economic development. The credit shall be allowed in
27 the taxable year in which the eligible training is completed. No cost or
28 other expense paid or incurred by the taxpayer that is the basis for

1 this credit shall be the basis for any other tax credit provided by this
2 chapter.

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

15 (c) 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 section five hundred three of the economic development law.
18 In no event shall the taxpayer be allowed a credit greater than the
19 amount of the credit listed on the certificate of tax credit, or in the
20 case of a taxpayer who is a partner in a partnership, a member of a
21 limited liability company, or shareholder in an S corporation, its pro
22 rata share of the amount of credit listed in the certificate of tax
23 credit.

24 (d) Credit recapture. If a certificate of eligibility or a certificate
25 of tax credit issued by the department of the economic development under
26 article twenty-eight 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 subdivision three of section five hundred three of the

1 economic development law, the amount of credit described in this subdi-
2 vision and claimed by the taxpayer prior to that revocation shall be
3 added back to tax in the taxable year in which any such revocation
4 becomes final.

5 § 13. Section 606 of the tax law is amended by adding a new subsection
6 (rrr) to read as follows:

7 (rrr) Semiconductor workforce training program tax credit. (1) Allow-
8 ance of tax credit. A taxpayer that has been approved by the commission-
9 er of economic development to participate in the semiconductor workforce
10 training program and has been issued a certificate of tax credit pursu-
11 ant to section five hundred three of the economic development law shall
12 be allowed to claim a credit against the tax imposed by this article.
13 The credit shall equal seventy-five percent of wages, salaries or other
14 compensation, training costs, and wrap around services, up to a credit
15 of twenty-five thousand dollars per employee receiving eligible train-
16 ing, up to one million dollars per eligible non-semiconductor manufac-
17 turing business and up to five million dollars per eligible semiconduc-
18 tor manufacturing business pursuant to subdivision three of section five
19 hundred three of the economic development law. In no event shall a
20 taxpayer be allowed a credit greater than the amount listed on the
21 certificate of tax credit issued by the commissioner of economic devel-
22 opment. In the case of a taxpayer who is a partner in a partnership,
23 member of a limited liability company or shareholder in an S corpo-
24 ration, the taxpayer shall be allowed its pro rata share of the credit
25 earned by the partnership, limited liability company or S corporation.
26 The credit shall be allowed in the taxable year in which the eligible
27 training is completed. No cost or expense paid or incurred by the

1 taxpayer that is the basis for this credit shall be the basis for any
2 other tax credit provided by this chapter.

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

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

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

1 § 14. This act shall take effect immediately and apply to taxable
2 years beginning on or after January 1, 2025; provided, however, that
3 section five of this act shall take effect December 31, 2028.

4 SUBPART B

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

8 § 421. Statement of legislative findings and declaration. It is hereby
9 found and declared that New York state needs, as a matter of public
10 policy, to create competitive financial incentives to retain [strategic]
11 businesses, including small businesses and jobs that are at risk of
12 leaving the state or closing operations due to the impact on its busi-
13 ness operations of an event leading to an emergency declaration by the
14 governor. The empire state jobs retention program is created to support
15 the retention of the state's [most strategic] businesses, including
16 small businesses in the event of an emergency.

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

23 § 2. Section 422 of the economic development law, as added by section
24 1 of part E of chapter 56 of the laws of 2011, is amended to read as
25 follows:

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

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

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

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

17 [4.] 2. "Certificate of tax credit" means the document issued to a
18 participant by the department, after the department has verified that
19 the participant has met all applicable eligibility criteria in this
20 article. The certificate shall be issued annually if such criteria are
21 satisfied and shall specify the exact amount of each tax credit under
22 this article that a participant may claim, pursuant to section four
23 hundred twenty-five of this article, and shall specify the taxable year
24 in which such credit may be claimed.

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

1 6. "Financial services data centers" or "financial services customer
2 back office operations" means operations that manage the data or
3 accounts of existing customers or provide product or service information
4 and support to customers of financial services companies, including
5 banks, other lenders, securities and commodities brokers and dealers,
6 investment banks, portfolio managers, trust offices, and insurance
7 companies.

8 7.] 3. "Impacted jobs" means jobs [existing] at a business enterprise
9 [at a location or locations within the county declared an emergency by
10 the governor on the day immediately preceding the day on which the event
11 leading to the emergency declaration by the governor occurred] existing
12 the day before an event leading to an emergency declaration by the
13 governor at a location or locations which demonstrate substantial phys-
14 ical damage and economic harm caused by the event for which the emergen-
15 cy declaration was made.

16 [8. "Manufacturing" means the process of working raw materials into
17 products suitable for use or which gives new shapes, new quality or new
18 combinations to matter which has already gone through some artificial
19 process by the use of machinery, tools, appliances, or other similar
20 equipment. "Manufacturing" does not include an operation that involves
21 only the assembly of components, provided, however, the assembly of
22 motor vehicles or other high value-added products shall be considered
23 manufacturing.

24 9.] 4. "Participant" means a business entity that:

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

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

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

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

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

15 [11.] 6. "Related person" means a related person pursuant to subpara-
16 graph (c) of paragraph three of subsection (b) of section four hundred
17 sixty-five of the internal revenue code.

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

26 13. "Software development" means the creation of coded computer
27 instructions and includes new media as defined by the commissioner in
28 regulations.]

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

3 § 3. Section 423 of the economic development law, as added by section
4 1 of part E of chapter 56 of the laws of 2011, is amended to read as
5 follows:

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

9 (a) as a financial services data center or a financial services back
10 office operation;

11 (b) in manufacturing;

12 (c) in software development and new media;

13 (d) in scientific research and development;

14 (e) in agriculture;

15 (f) in the creation or expansion of back office operations in the
16 state; or

17 (g) in a distribution center.

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

23 3.] For the purposes of this article, in order to participate in the
24 empire state jobs retention program[, a business entity operating in one
25 of the strategic industries listed in subdivision one of this section
26 (a) must be located in a county in which an emergency has been declared
27 by the governor] on or after [January] June first, two thousand [eleven]
28 twenty-five, [(b)] a business entity must demonstrate substantial phys-

1 ical damage and economic harm at a location or locations within an area
2 for which the governor has issued an emergency declaration and resulting
3 from the event leading to the emergency declaration by the governor[,
4 and (c) must have had at least one hundred full-time equivalent jobs in
5 the county in which an emergency has been declared by the governor on
6 the day immediately preceding the day on which the event leading to the
7 emergency declaration by the governor occurred, and must retain or
8 exceed that number of jobs in New York state.

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

17 [5.] 2. A business entity must be in compliance with all worker
18 protection and environmental laws and regulations. In addition, a busi-
19 ness entity may not owe past due state taxes. In addition, a business
20 entity must not owe local property taxes for any year prior to the year
21 in which it applies to participate in the empire state jobs retention
22 program.

23 § 4. Section 424 of the economic development law, as added by section
24 1 of part E of chapter 56 of the laws of 2011, is amended to read as
25 follows:

26 § 424. Application and approval process. 1. A business [enterprise]
27 entity must submit a completed application as prescribed by the commis-
28 sioner. Such completed application must be submitted to the commissioner

1 within [(a)] one hundred eighty days of the declaration of an emergency
2 by the governor in the county in which the business enterprise is
3 located [or (b) one hundred eighty days of the enactment of this arti-
4 cle, if such date is later than the date specified in paragraph (a) of
5 this subdivision]; provided, however, that the eligibility period for
6 the credit shall begin upon the date of declaration of an emergency by
7 the governor covering the county in which the business entity is
8 located.

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

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

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

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

21 (d) agree to be permanently disqualified for empire zone tax benefits
22 at any location or locations that qualify for empire state jobs
23 retention program benefits if admitted into the empire state jobs
24 retention program.

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

26 (i) a plan outlining the schedule for meeting the jobs retention
27 requirements as set forth in subdivision [three] one of section four

1 hundred twenty-three of this article. Such plan must include details on
2 jobs titles and expected salaries;

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

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

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

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

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

24 4. In order to become a participant in the program, an applicant must
25 submit evidence that it satisfies the eligibility criteria specified in
26 section four hundred twenty-three of this article and subdivision two of
27 this section in such form as the commissioner may prescribe. After
28 reviewing such evidence and finding it sufficient, the department shall

1 certify the applicant as a participant and issue to that participant a
2 certificate of tax credit [for one taxable year. To receive a certif-
3 icate of tax credit for subsequent taxable years, the participant must
4 submit to the department a performance report demonstrating that the
5 participant continues to satisfy the eligibility criteria specified in
6 section four hundred twenty-three of this article and subdivision two of
7 this section].

8 5. A participant may claim tax benefits commencing in the first taxa-
9 ble year that the business enterprise receives a certificate of tax
10 credit or the first taxable year listed on its preliminary schedule of
11 benefits, whichever is later. [A participant may claim such benefits for
12 the next nine consecutive taxable years, provided that the participant
13 demonstrates to the department that it continues to satisfy the eligi-
14 bility criteria specified in section four hundred twenty-three of this
15 article and subdivision two of this section in each of those taxable
16 years.]

17 § 5. Section 425 of the economic development law, as added by section
18 1 of part E of chapter 56 of the laws of 2011, is amended to read as
19 follows:

20 § 425. Empire state jobs retention program credit. 1. A participant in
21 the empire state jobs retention program shall be eligible to claim a
22 credit for the impacted jobs. [The] For a business entity that employes
23 three to forty-nine employees, the amount of such credit shall be equal
24 to the product of the gross wages paid for the impacted jobs and [6.85]
25 up to 15 percent. For a business entity that employs fifty to one
26 hundred employees, the amount of such credit shall be equal to the prod-
27 uct of the gross wages paid for the impacted jobs and up to 7.5 percent.
28 For a business entity that employs greater than one hundred employees,

1 the amount of such credit shall be equal to the product of the gross
2 wages paid for the impacted jobs and up to 3.75 percent. An eligible
3 business entity may only receive up to \$500,000 in tax credits per event
4 triggering an emergency declaration by the governor.

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

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

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

19 § 6. Section 426 of the economic development law, as added by section
20 1 of part E of chapter 56 of the laws of 2011, is amended to read as
21 follows:

22 § 426. Powers and duties of the commissioner. 1. The commissioner
23 shall promulgate regulations establishing [an] the type of application
24 process and the eligibility criteria, that will be applied consistent
25 with the purposes of this article, so as not to exceed thirty million
26 dollars from the annual cap on tax credits set forth in section three
27 hundred fifty-nine of this chapter which, notwithstanding any provisions
28 to the contrary in the state administrative procedure act, may be

1 adopted on an emergency basis. Such regulations shall include, but not
2 be limited to, criteria for determining whether a business entity demon-
3 strates substantial physical damage and economic harm from the event
4 leading to an emergency declaration by the governor.

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

11 3. The commissioner shall solely determine the eligibility of any
12 applicant applying for entry into the program and shall remove any
13 participant from the program for failing to meet any of the requirements
14 set forth in subdivision two of section four hundred twenty-four of this
15 article, or for failing to meet the [job retention] requirements set
16 forth in [subdivision three of] section four hundred twenty-three of
17 this article[, or for failing to meet the requirements of subdivision
18 five of section four hundred twenty-three of this article].

19 § 7. This act shall take effect immediately.

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

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

4 PART I

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

9 (2) The amount of the credit shall be the product (or pro rata share
10 of the product, in the case of a member of a partnership) of thirty
11 percent and the qualified production costs paid or incurred in the
12 production of a qualified film, provided that: (i) the qualified
13 production costs (excluding post production costs) paid or incurred
14 which are attributable to the use of tangible property or the perform-
15 ance of services at a qualified film production facility in the
16 production of such qualified film equal or exceed seventy-five percent
17 of the production costs (excluding post production costs) paid or
18 incurred which are attributable to the use of tangible property or the
19 performance of services at any film production facility within and with-
20 out the state in the production of such qualified film, and (ii) except
21 with respect to a qualified independent film production company or
22 pilot, at least ten percent of the total principal photography shooting
23 days spent in the production of such qualified film must be spent at a
24 qualified film production facility. However, if the qualified production
25 costs (excluding post production costs) which are attributable to the
26 use of tangible property or the performance of services at a qualified

1 film production facility in the production of such qualified film is
2 less than three million dollars, then the portion of the qualified
3 production costs attributable to the use of tangible property or the
4 performance of services in the production of such qualified film outside
5 of a qualified film production facility shall be allowed only if the
6 shooting days spent in New York outside of a film production facility in
7 the production of such qualified film equal or exceed seventy-five
8 percent of the total shooting days spent within and without New York
9 outside of a film production facility in the production of such quali-
10 fied film. The credit shall be allowed for the taxable year in which the
11 production of such qualified film is completed. However, in the case of
12 a qualified film that receives funds from additional pool 2, no credit
13 shall be claimed before the later of (1) the taxable year the production
14 of the qualified film is complete, or (2) the taxable year that includes
15 the last day of the allocation year for which the film has been allo-
16 cated credit by the department of economic development. If the amount of
17 the credit is at least one million dollars but less than five million
18 dollars, the credit shall be claimed over a two year period beginning in
19 the first taxable year in which the credit may be claimed and in the
20 next succeeding taxable year, with one-half of the amount of credit
21 allowed being claimed in each year. If the amount of the credit is at
22 least five million dollars, the credit shall be claimed over a three
23 year period beginning in the first taxable year in which the credit may
24 be claimed and in the next two succeeding taxable years, with one-third
25 of the amount of the credit allowed being claimed in each year.
26 Provided, however, in the case of a qualified film for which the credit
27 application was received on or after January first, two thousand twen-
28 ty-five, the credit shall be claimed in the taxable year that includes

1 the last day of the allocation year for which the film has been allo-
2 cated a credit by the department of economic development.

3 (5) For the period two thousand fifteen through two thousand [thirty-
4 four] thirty-six, in addition to the amount of credit established in
5 paragraph two of this subdivision, a taxpayer shall be allowed a credit
6 equal to (i) the product (or pro rata share of the product, in the case
7 of a member of a partnership) of ten percent and the wages, salaries or
8 other compensation constituting qualified production costs as defined in
9 paragraph two of subdivision (b) of this section, paid to individuals
10 directly employed by a qualified film production company or a qualified
11 independent film production company for services performed by those
12 individuals in one of the counties specified in this paragraph in
13 connection with a qualified film with a minimum budget of five hundred
14 thousand dollars, and (ii) the product (or pro rata share of the prod-
15 uct, in the case of a member of a partnership) of ten percent and the
16 qualified production costs (excluding wages, salaries or other compen-
17 sation) paid or incurred in the production of a qualified film where the
18 property constituting such qualified production costs was used, and the
19 services constituting such qualified production costs were performed in
20 any of the counties specified in this paragraph in connection with a
21 qualified film with a minimum budget of five hundred thousand dollars
22 where the majority of principal photography shooting days in the
23 production of such film were shot in any of the counties specified in
24 this paragraph. Provided, however, that the aggregate total eligible
25 qualified production costs constituting wages, salaries or other compen-
26 sation, for writers, directors, composers, producers, and performers
27 shall not exceed forty percent of the aggregate sum total of all other
28 qualified production costs. For purposes of the credit, the services

1 must be performed and the property must be used in one or more of the
2 following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chau-
3 tauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutch-
4 ess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer,
5 Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara,
6 Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam,
7 Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St.
8 Lawrence, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washing-
9 ton, Wayne, Wyoming, or Yates.

10 (6) Production plus program. (i) A taxpayer who is a qualified inde-
11 pendent film production company or a qualified film production company
12 engaging in the production of a qualified film that undertakes multiple
13 productions in New York state may be eligible for a tax credit in addi-
14 tion to the credit pursuant to paragraph two of this subdivision.
15 Production companies that submit at least two initial applications to
16 the empire state film production tax credit program after January first,
17 two thousand twenty-five the sum of which total at least one hundred
18 million dollars in qualified production costs in New York state may be
19 eligible to receive an additional tax credit equal to the product of ten
20 percent and the qualified production costs incurred on all subsequent
21 films or television series applied for.

22 (ii) A taxpayer who is a qualified independent film production company
23 engaging in the production of a feature length film, television film or
24 television series as defined in the regulations promulgated for this
25 program that undertakes multiple productions in New York state may be
26 eligible for a tax credit in addition to the credit pursuant to para-
27 graph two of this subdivision. Production companies that submit at least
28 two applications to the empire state film production tax credit program

1 after January first, two thousand twenty-five the sum of which total at
2 least twenty million in qualified production costs in New York state may
3 receive an additional tax credit equal to the product of five percent
4 and the qualified production costs incurred on all subsequent films or
5 series applied for.

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

12 § 2. Paragraphs 1, 2 and 7 of subdivision (b) of section 24 of the
13 tax law, paragraph 1 as amended by section 2-a and paragraph 2 as
14 amended by section 3 of part D of chapter 59 of the laws of 2023, para-
15 graph 7 as added by section 9 of part Q of chapter 57 of the laws of
16 2010, are amended and a new paragraph 11 is added to read as follows:

17 (1) "Qualified production costs" means production costs only to the
18 extent such costs are attributable to the use of tangible property or
19 the performance of services within the state directly and predominantly
20 in the production (including pre-production and post production) of a
21 qualified film. In the case of an eligible relocated television series,
22 the term "qualified production costs" shall include, in the first season
23 that the eligible relocated television series is produced in New York
24 after relocation, qualified relocation costs. Provided, however, that
25 the aggregate total eligible qualified production costs for producers,
26 writers, directors, performers (other than background actors with no
27 scripted lines), and composers shall not exceed forty percent of the
28 aggregate sum total of all other qualified production costs. Provided,

1 further, that qualified production costs shall not include any payments
2 to a loan-out company for the provision of specific individual person-
3 nel, such as artists, crew, actors, producers, or directors, for the
4 performance of services used directly in a production unless the taxpay-
5 er has satisfied the withholding requirement pursuant to subdivision (g)
6 of this section.

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

1 production company or a qualified independent film production company
2 for services performed].

3 (7) "Qualified independent film production company" is a corporation,
4 partnership, limited partnership, or other entity or individual, that or
5 who (i) is principally engaged in the production of a qualified film
6 [with a maximum budget of fifteen million dollars], [and] (ii) [controls
7 the qualified film during production] is not publicly traded, and (iii)
8 [either is not a publicly traded entity, or no more than five percent of
9 the beneficial ownership of which is owned, directly or indirectly, by a
10 publicly traded entity] is not majority owned, fifty-one percent or more,
11 by a company publicly traded on a United States stock exchange.

12 (11) "Loan-out company" means a personal service corporation or other
13 entity with which a qualified film production company or a qualified
14 independent film production company contracts for the provision of spec-
15 ified individual personnel, such as artists, crew, actors, producers, or
16 directors for the performance of services used directly in a production.
17 "Loan-out company" shall not include entities that contracted with a
18 qualified film production company or a qualified independent film
19 production company to provide goods or ancillary contractor services
20 such as catering, construction, trailers, equipment, or transportation.

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

24 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
25 subdivision (a) of this section shall be increased by an additional four
26 hundred twenty million dollars in each year starting in two thousand ten
27 through two thousand twenty-three and seven hundred million dollars in
28 each year starting in two thousand twenty-four through two thousand

1 [thirty-four] thirty-six, provided however, seven million dollars of the
2 annual allocation shall be available for the empire state film post
3 production credit pursuant to section thirty-one of this article in two
4 thousand thirteen and two thousand fourteen, twenty-five million dollars
5 of the annual allocation shall be available for the empire state film
6 post production credit pursuant to section thirty-one of this article in
7 each year starting in two thousand fifteen through two thousand twenty-
8 three, and forty-five million dollars of the annual allocation shall be
9 available for the empire state film post production credit pursuant to
10 section thirty-one of this article in each year starting in two thousand
11 twenty-four through two thousand [thirty-four] thirty-six. Provided
12 further, five million dollars of the annual allocation shall be made
13 available for the television writers' and directors' fees and salaries
14 credit pursuant to section twenty-four-b of this article in each year
15 starting in two thousand twenty through two thousand [thirty-four] thir-
16 ty-six. This amount shall be allocated by the department of economic
17 development among taxpayers in accordance with subdivision (a) of this
18 section. If the commissioner of economic development determines that the
19 aggregate amount of tax credits available from additional pool 2 for the
20 empire state film production tax credit have been previously allocated,
21 and determines that the pending applications from eligible applicants
22 for the empire state film post production tax credit pursuant to section
23 thirty-one of this article is insufficient to utilize the balance of
24 unallocated empire state film post production tax credits from such
25 pool, the remainder, after such pending applications are considered,
26 shall be made available for allocation in the empire state film tax
27 credit pursuant to this section, subdivision twenty of section two
28 hundred ten-B and subsection (gg) of section six hundred six of this

1 chapter. Also, if the commissioner of economic development determines
2 that the aggregate amount of tax credits available from additional pool
3 2 for the empire state film post production tax credit have been previ-
4 ously allocated, and determines that the pending applications from
5 eligible applicants for the empire state film production tax credit
6 pursuant to this section is insufficient to utilize the balance of unal-
7 located film production tax credits from such pool, then all or part of
8 the remainder, after such pending applications are considered, shall be
9 made available for allocation for the empire state film post production
10 credit pursuant to this section, subdivision thirty-two of section two
11 hundred ten-B and subsection (qq) of section six hundred six of this
12 chapter. The department of economic development must notify taxpayers of
13 their allocation year and include the allocation year on the certificate
14 of tax credit. Taxpayers eligible to claim a credit must report the
15 allocation year directly on their empire state film production credit
16 tax form for each year a credit is claimed and include a copy of the
17 certificate with their tax return. In the case of a qualified film that
18 receives funds from additional pool 2 where the taxpayer filed an
19 initial application before April first, two thousand twenty-three and
20 before January first, two thousand twenty-five, no empire state film
21 production credit shall be claimed before the later of (1) the taxable
22 year the production of the qualified film is complete, or (2) the taxa-
23 ble year immediately following the allocation year for which the film
24 has been allocated credit by the department of economic development. In
25 the case of a qualified film that receives funds from additional pool 2
26 where the taxpayer filed an initial application on or after April first,
27 two thousand twenty-three and before January first, two thousand twen-
28 ty-five, no empire state film production credit shall be claimed before

1 the later of (1) the taxable year the production of the qualified film
2 is complete, or (2) the taxable year that includes the last day of the
3 allocation year for which the film has been allocated credit by the
4 department of economic development. In the case of a qualified film for
5 which the taxpayer filed an initial application on or after January
6 first, two thousand twenty-five, the credit shall be claimed in the
7 taxable year that includes the last day of the allocation year for which
8 the production of such qualified film has been allocated a credit by the
9 department of economic development.

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

13 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
14 subdivision (a) of this section shall be increased by an additional four
15 hundred twenty million dollars in each year starting in two thousand ten
16 through two thousand twenty-three and seven hundred million dollars each
17 year starting in two thousand twenty-four through two thousand [thirty-
18 four] thirty-six, provided however, seven million dollars of the annual
19 allocation shall be available for the empire state film post production
20 credit pursuant to section thirty-one of this article in two thousand
21 thirteen and two thousand fourteen, twenty-five million dollars of the
22 annual allocation shall be available for the empire state film post
23 production credit pursuant to section thirty-one of this article in each
24 year starting in two thousand fifteen through two thousand twenty-three,
25 and forty-five million dollars of the annual allocation shall be avail-
26 able for the empire state film post production credit pursuant to
27 section thirty-one of this article in each year starting in two thousand
28 twenty-four through two thousand [thirty-four] thirty-six. This amount

1 shall be allocated by the department of economic development among
2 taxpayers in accordance with subdivision (a) of this section. If the
3 commissioner of economic development determines that the aggregate
4 amount of tax credits available from additional pool 2 for the empire
5 state film production tax credit have been previously allocated, and
6 determines that the pending applications from eligible applicants for
7 the empire state film post production tax credit pursuant to section
8 thirty-one of this article is insufficient to utilize the balance of
9 unallocated empire state film post production tax credits from such
10 pool, the remainder, after such pending applications are considered,
11 shall be made available for allocation in the empire state film tax
12 credit pursuant to this section, subdivision twenty of section two
13 hundred ten-B and subsection (gg) of section six hundred six of this
14 chapter. Also, if the commissioner of economic development determines
15 that the aggregate amount of tax credits available from additional pool
16 2 for the empire state film post production tax credit have been previ-
17 ously allocated, and determines that the pending applications from
18 eligible applicants for the empire state film production tax credit
19 pursuant to this section is insufficient to utilize the balance of unal-
20 located film production tax credits from such pool, then all or part of
21 the remainder, after such pending applications are considered, shall be
22 made available for allocation for the empire state film post production
23 credit pursuant to this section, subdivision thirty-two of section two
24 hundred ten-B and subsection (qq) of section six hundred six of this
25 chapter. The department of economic development must notify taxpayers of
26 their allocation year and include the allocation year on the certificate
27 of tax credit. Taxpayers eligible to claim a credit must report the
28 allocation year directly on their empire state film production credit

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

22 § 5. Section 24 of the tax law is amended by adding two new subdivi-
23 sions (g) and (h) to read as follows:

24 (g) A taxpayer shall withhold from each payment to a loan-out company
25 an amount equal to six and eighty-five one hundredths (6.85) percent of
26 the payment otherwise due. The amounts withheld shall be deemed to be
27 withholding pursuant to part five of article twenty-two of this chapter,
28 and the taxpayer shall be deemed to have the rights, duties, and respon-

1 sibilities pursuant to such part of an employer of the individuals to
2 whom the loan-out company made payments for services performed in the
3 state. The amounts so withheld shall be allocated to the loan-out compa-
4 ny's employees in proportion to payments made to the loan-out company's
5 employees for services performed in the state. Notwithstanding any
6 other provisions of this chapter, loan-out company nonresident employees
7 performing services in the state shall be considered taxable nonresi-
8 dents and the loan-out company shall be subject to income taxation in
9 the taxable year in which the loan-out company's employees perform
10 services in the state. Such withholding liability shall be subject to
11 penalties and interest in the same manner as the employee withholding
12 taxes imposed by part five of article twenty-two of this chapter.

13 (h) Credit recapture. If a certificate of tax credit issued by the
14 department of economic development pursuant to this section is revoked
15 by such department because the taxpayer does not meet the eligibility
16 requirements of this section, the amount of credit described in this
17 section and claimed by the taxpayer prior to that revocation shall be
18 added back to tax in the taxable year in which any such revocation
19 becomes final.

20 § 6. Paragraphs 3, 5 and 6 of subdivision (a) of section 31 of the
21 tax law, paragraph 3 as amended by section 5 and paragraph 5 as added by
22 section 5-a of part B of chapter 59 of the laws of 2013, and paragraph 6
23 as amended by section 9 of part D of chapter 59 of the laws of 2023, are
24 amended to read as follows:

25 (3) (i) A taxpayer shall not be eligible for the credit established by
26 this section for qualified post production costs, excluding the costs
27 for visual effects and animation, unless the qualified post production
28 costs, excluding the costs for visual effects and animation, at a quali-

1 fied post production facility meet or exceed one million dollars seven-
2 ty-five percent of the total post production costs, excluding the costs
3 for visual effects and animation, paid or incurred in the post
4 production of the qualified film at any post production facility. (ii) A
5 taxpayer shall not be eligible for the credit established by this
6 section for qualified post production costs which are costs for visual
7 effects or animation unless the qualified post production costs for
8 visual effects or animation at a qualified post production facility meet
9 or exceed [three million] five hundred thousand dollars or [twenty] ten
10 percent of the total post production costs for visual effects or
11 animation paid or incurred in the post production of a qualified film at
12 any post production facility, whichever is less. (iii) A taxpayer may
13 claim a credit for qualified post production costs excluding the costs
14 for visual effects and animation, and for qualified post production
15 costs of visual effects and animation, provided that the criteria in
16 subparagraphs (i) and (ii) of this paragraph are both satisfied. The
17 credit shall be allowed for the taxable year in which the production of
18 such qualified film is completed.

19 (5) If the amount of the credit is at least one million dollars but
20 less than five million dollars, the credit shall be claimed over a two
21 year period beginning in the first taxable year in which the credit may
22 be claimed and in the next succeeding taxable year, with one-half of the
23 amount of credit allowed being claimed in each year. If the amount of
24 the credit is at least five million dollars, the credit shall be claimed
25 over a three year period beginning in the first taxable year in which
26 the credit may be claimed and in the next two succeeding taxable years,
27 with one-third of the amount of the credit allowed being claimed in each
28 year. Provided, however, in the case of a qualified film for which the

1 taxpayer filed an initial application on or after January first, two
2 thousand twenty-five, the credit shall be claimed for the taxable year
3 in which such qualified film is completed.

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

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

1 (2) "[Post] Qualified production costs" means production of original
2 content for a qualified film employing traditional, emerging and new
3 workflow techniques used in post-production for picture, sound and music
4 editorial, rerecording and mixing, visual effects, graphic design,
5 [original scoring,] animation, and musical composition in the state; but
6 shall not include the editing of previously produced content for a qual-
7 ified film. Provided, however, that the aggregate total eligible post
8 production costs for the wages, salaries or other compensation of writ-
9 ers, directors, performers (other than background actors with no script-
10 ed lines), composers, and no more than two producers, shall not exceed
11 forty percent of the aggregate sum total of all other qualified post
12 production costs. Provided, further, that qualified post production
13 costs shall not include any payments to a loan-out company for the
14 provision of specific individual personnel, such as artists, crew,
15 actors, producers, or directors, for the performance of services used
16 directly in a production unless the taxpayer has satisfied the withhold-
17 ing requirement pursuant to subdivision (f) of this section.

18 (5) "Loan-out company" means a personal service corporation or other
19 entity with which a qualified film production company or a qualified
20 independent film production company contracts for the provision of spec-
21 ified individual personnel, such as artists, crew, actors, producers, or
22 directors for the performance of services used directly in a production.
23 "Loan-out company" shall not include entities that contracted with a
24 qualified film production company or a qualified independent film
25 production company to provide goods or ancillary contractor services
26 such as catering, construction, trailers, equipment, or transportation.

27 § 8. Section 31 of the tax law is amended by adding two new subdivi-
28 sions (f) and (g) to read as follows:

1 (f) A taxpayer shall withhold from each payment to a loan-out company
2 an amount equal to 6.85 percent of the payment otherwise due. The
3 amounts withheld shall be deemed to be withholding pursuant to part five
4 of article twenty-two of this chapter, and the taxpayer shall be deemed
5 to have the rights, duties, and responsibilities pursuant to such part
6 of an employer of the individuals to whom the loan-out company made
7 payments for services performed in the state. The amounts so withheld
8 shall be allocated to the loan-out company's employees in proportion to
9 payments made to the loan-out company's employees for services performed
10 in the state. Notwithstanding any other provisions of this chapter,
11 loan-out company nonresident employees performing services in the state
12 shall be considered taxable nonresidents and the loan-out company shall
13 be subject to income taxation in the taxable year in which the loan-out
14 company's employees perform services in the state. Such withholding
15 liability shall be subject to penalties and interest in the same manner
16 as the employee withholding taxes imposed by part five of article twen-
17 ty-two of this chapter.

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

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

27 § 24-d. Empire state independent film production credit. (a) (1)
28 Allowance of credit. A taxpayer which is a qualified independent film

1 production company, or which is a sole proprietor of or a member of a
2 partnership which is a qualified independent film production company,
3 and which is subject to tax under articles nine-A or twenty-two of this
4 chapter, shall be allowed a credit against such tax, pursuant to the
5 provisions referenced in subdivision (c) of this section, to be computed
6 as hereinafter provided.

7 (2) (i) The amount of the credit shall be the product (or pro rata
8 share of the product, in the case of a member of a partnership) of thir-
9 ty percent and the qualified production costs paid or incurred in the
10 production of a qualified film, provided that the qualified production
11 costs (excluding post production costs) paid or incurred which are
12 attributable to the use of tangible property or the performance of
13 services at a qualified film production facility in the production of
14 such qualified film equal or exceed seventy-five percent of the
15 production costs (excluding post production costs) paid or incurred
16 which are attributable to the use of tangible property or the perform-
17 ance of services at any film production facility within and without the
18 state in the production of such qualified film. However, if the quali-
19 fied production costs (excluding post production costs) which are
20 attributable to the use of tangible property or the performance of
21 services at a qualified film production facility in the production of
22 such qualified film is less than three million dollars, then the portion
23 of the qualified production costs attributable to the use of tangible
24 property or the performance of services in the production of such quali-
25 fied film outside of a qualified film production facility shall be
26 allowed only if the shooting days spent in New York outside of a film
27 production facility in the production of such qualified film equal or
28 exceed seventy-five percent of the total shooting days spent within and

1 without the state outside of a film production facility in the
2 production of such qualified film. The credit shall be allowed for the
3 taxable year in which the production of such qualified film is
4 completed. A taxpayer shall not be eligible for a tax credit established
5 by this section for the production of more than two qualified films per
6 calendar year.

7 (ii) In addition to the amount of credit established in subparagraph
8 (i) of this paragraph, a taxpayer shall be allowed a credit equal to (A)
9 the product (or pro rata share of the product, in the case of a member
10 of a partnership) of ten percent and the wages, salaries or other
11 compensation constituting qualified production costs as defined in para-
12 graph one of subdivision (b) of this section, paid to individuals
13 directly employed by a qualified independent film production company for
14 services performed by those individuals in one of the counties specified
15 in this subparagraph in connection with a qualified independent film
16 with a minimum budget of five hundred thousand dollars, and (B) the
17 product (or pro rata share of the product, in the case of a member of a
18 partnership) of ten percent and the qualified production costs (exclud-
19 ing wages, salaries or other compensation) paid or incurred in the
20 production of a qualified film where the property constituting such
21 qualified production costs was used, and the services constituting such
22 qualified production costs were performed in any of the counties speci-
23 fied in this subparagraph in connection with a qualified film with a
24 minimum budget of five hundred thousand dollars where the majority of
25 principal photography shooting days in the production of such film
26 were shot in any of the counties specified in this paragraph. Provided,
27 however, that the aggregate total eligible qualified production costs
28 constituting wages, salaries or other compensation, for writers,

1 directors, composers, producers, and performers shall not exceed forty
2 percent of the aggregate sum total of all other qualified production
3 costs. For purposes of the credit, the services must be performed and
4 the property must be used in one or more of the following counties:
5 Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung,
6 Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex,
7 Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis,
8 Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga,
9 Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Saratoga,
10 Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Sulli-
11 van, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, or
12 Yates.

13 (3) No qualified production costs used by a taxpayer either as the
14 basis for the allowance of the credit provided for under this section or
15 used in the calculation of the credit provided for under this section
16 shall be used by such taxpayer to claim any other credit allowed pursu-
17 ant to this chapter.

18 (4) Notwithstanding the foregoing provisions of this subdivision, a
19 qualified independent film production company that has applied for cred-
20 it under the provisions of this section, agrees as a condition for the
21 granting of the credit: (i) to include in each qualified film distrib-
22 uted by DVD, or other media for the secondary market, a New York promo-
23 tional video approved by the governor's office of motion picture and
24 television development or to include in the end credits of each quali-
25 fied film "Filmed With the Support of the New York State Governor's
26 Office of Motion Picture and Television Development" and a logo provided
27 by the governor's office of motion picture and television development,
28 and (ii) to certify that it will purchase taxable tangible property and

1 services, defined as qualified production costs pursuant to paragraph
2 one of subdivision (b) of this section, only from companies registered
3 to collect and remit state and local sales and use taxes pursuant to
4 articles twenty-eight and twenty-nine of this chapter.

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

7 (1) "Qualified production costs" means production costs only to the
8 extent such costs, excluding labor costs, do not exceed sixty million
9 dollars and are attributable to the use of tangible property or the
10 performance of services within the state directly and predominantly in
11 the production (including pre-production and post production) of a qual-
12 ified film. In the case of an eligible relocated television series, the
13 term "qualified production costs" shall include, in the first season
14 that the eligible relocated television series is produced in New York
15 after relocation, qualified relocation costs. Provided, however, that
16 the aggregate total eligible qualified production costs for producers,
17 writers, directors, performers (other than background actors with no
18 scripted lines), and composers shall not exceed forty percent of the
19 aggregate sum total of all other qualified production costs. Provided,
20 further, that qualified production costs shall not include any payments
21 to a loan-out company for the provision of specified individual person-
22 nel, such as artists, crew, actors, producers, or directors, for the
23 performance of services used directly in a production unless the taxpay-
24 er has satisfied the withholding requirement pursuant to subdivision (g)
25 of this section.

26 (2) "Production costs" means any costs for tangible property used and
27 services performed directly and predominantly in the production (includ-
28 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 mum 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

1 performer in such production (reporting of books, films, etc. with
2 respect to sexually explicit conduct); or (iii) a television series
3 commonly known as variety entertainment, variety sketch and variety
4 talk, i.e., a program with components of improvisational or scripted
5 content (monologues, sketches, interviews), either exclusively or in
6 combination with other entertainment elements such as musical perform-
7 ances, dancing, cooking, crafts, pranks, stunts, and games and which may
8 be further defined in regulations of the commissioner of economic devel-
9 opment.

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

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

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

26 (7) "Relocated television series" shall mean the first two years of a
27 regularly occurring production intended to run in its initial broadcast,
28 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) "Loan-out company" means a personal service corporation or other
22 entity with which a qualified independent film production company or a
23 qualified independent film production company contracts for the
24 provision of specified individual personnel, such as artists, crew,
25 actors, producers, or directors for the performance of services used
26 directly in a production. "Loan-out company" shall not include entities
27 that contracted with a qualified independent film production company or
28 a qualified independent film production company to provide goods or

1 ancillary contractor services such as catering, construction, trailers,
2 equipment, or transportation.

3 (10) If the total amount of allocated credits applied for in any
4 particular year is less than the aggregate amount of tax credits allowed
5 for such year under this section, any unused portion may be carried over
6 and added to the aggregate amount of credits allowed in the next
7 succeeding taxable year or years.

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

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

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

12 (d) Notwithstanding any provision of this chapter, employees and offi-
13 cers of the governor's office of motion picture and television develop-
14 ment and the department shall be allowed and are directed to share and
15 exchange information regarding the credits applied for, allowed, or
16 claimed pursuant to this section and taxpayers who are applying for
17 credits or who are claiming credits, including information contained in
18 or derived from credit claim forms submitted to the department and
19 applications for credit submitted to the governor's office of motion
20 picture and television development.

21 (e) Allocation of credit. The aggregate amount of tax credits allowed
22 under this section, subdivision twenty-a of section two hundred ten and
23 subsection (gg-1) of section six hundred six of this chapter in any
24 calendar year shall be (1) twenty million dollars for qualified films
25 with a budget of less than ten million dollars of qualified production;
26 and (2) eighty million dollars for qualified films with a budget of ten
27 million dollars or more of qualified production costs. There shall be at
28 least two application periods each year; such aggregate amount of cred-

1 its shall be allocated by the governor's office for motion picture and
2 television development among taxpayers in order of priority based upon
3 the date of filing of an application for allocation of the independent
4 film production credit with such office within each application period.
5 If the commissioner of economic development determines that the aggre-
6 gate amount of tax credits available for an application period under
7 paragraph one of this subdivision have been previously allocated, and
8 determines that the pending applications from eligible applicants for
9 the other application period in such calendar year is insufficient to
10 utilize the balance of unallocated tax credits for such period, then
11 such commissioner may allocate to productions eligible under such para-
12 graph any credits that remain unallocated for such period pursuant to
13 paragraph two of this subdivision. Provided, however, the total amount
14 of allocated credits applied in any calendar year shall not exceed the
15 aggregate amount of tax credits allowed for such year under this
16 section.

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

22 (2) By January thirty-first of each year, the commissioner of economic
23 development shall report to the comptroller the total amount of such
24 reductions of tax credit during the immediately preceding calendar year.
25 On or before March thirty-first of each year, the comptroller shall
26 transfer without appropriations from the general fund to the empire
27 state entertainment diversity job training development fund established
28 under section ninety-seven-ff of the state finance law an amount equal

1 to the total amount of such reductions reported by the commissioner of
2 economic development for the immediately preceding calendar year.

3 (g) A taxpayer shall withhold from each payment to a loan-out company
4 an amount equal to 6.85 percent of the payment otherwise due. The
5 amounts withheld shall be deemed to be withholding pursuant to part five
6 of article twenty-two of this chapter, and the taxpayer shall be deemed
7 to have the rights, duties, and responsibilities pursuant to such part
8 of an employer of the individuals to whom the loan-out company made
9 payments for services performed in the state. The amounts so withheld
10 shall be allocated to the loan-out company's employees in proportion to
11 payments made to the loan-out company's employees for services performed
12 in the state. Notwithstanding any other provisions of this chapter,
13 loan-out company nonresident employees performing services in the state
14 shall be considered taxable nonresidents and the loan-out company shall
15 be subject to income taxation in the taxable year in which the loan-out
16 company's employees perform services in the state. Such withholding
17 liability shall be subject to penalties and interest in the same manner
18 as the employee withholding taxes imposed by part five of article twen-
19 ty-two of this chapter.

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

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

1 20-a. Empire state independent film production credit. (a) Allowance
2 of credit. A taxpayer who is eligible pursuant to section twenty-four-d
3 of this chapter shall be allowed a credit to be computed as provided in
4 such section twenty-four-d against the tax imposed by this article.

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

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

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

23 (2) Application of credit. If the amount of the credit allowable under
24 this subsection for any taxable year exceeds the taxpayer's tax for such
25 year, the excess shall be treated as an overpayment of tax to be credit-
26 ed or refunded as provided in section six hundred eighty-six of this
27 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.

1

PART K

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

5 (b) Allocation of credit. The aggregate amount of tax credits allowed
6 under this section, subdivision fifty-five of section two hundred ten-B
7 and subsection (nnn) of section six hundred six of this chapter in any
8 taxable year shall be five million dollars. Such credit shall be allo-
9 cated by the department of economic development in order of priority
10 based upon the date of filing an application for allocation of digital
11 gaming media production credit with such office. If the total amount of
12 allocated credits applied for in any particular year exceeds the aggre-
13 gate amount of tax credits allowed for such year under this section,
14 such excess shall be treated as having been applied for on the first day
15 of the subsequent taxable year. Provided, however, that for taxable
16 years beginning on or after January first, two thousand twenty-three, if
17 the total amount of allocated credits applied for in any particular year
18 is less than the aggregate amount of tax credits allowed for such year
19 under this section, any unused portion may be carried over and added to
20 the aggregate amount of credits allowed in the next succeeding taxable
21 year or years.

22 § 2. This act shall take effect immediately.

23

PART L

24 Section 1. Section 6 of subpart B of part PP of chapter 59 of the laws
25 of 2021 amending the tax law and the state finance law relating to

1 establishing the New York city musical and theatrical production tax
2 credit and establishing the New York state council on the arts cultural
3 program fund, as amended by section 1 of subpart E of part I of chapter
4 59 of the laws of 2023, is amended to read as follows:

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

12 § 2. Subparagraph (i) of paragraph 5 of subdivision (b) of section
13 24-c of the tax law, as amended by section 3 of subpart E of part I of
14 chapter 59 of the laws of 2023, is amended to read as follows:

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

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

25 (c) The credit shall be allowed for the taxable year beginning on or
26 after January first, two thousand twenty-one but before January first,
27 two thousand [twenty-six] twenty-eight. A qualified New York city

1 musical and theatrical production company shall claim the credit in the
2 year in which its credit period ends.

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

7 (f) Maximum amount of credits. (1) The aggregate amount of tax cred-
8 its allowed under this section, subdivision fifty-seven of section two
9 hundred ten-B and subsection (mmm) of section six hundred six of this
10 chapter shall be [~~three~~] four hundred million dollars. Such aggregate
11 amount of credits shall be allocated by the department of economic
12 development among taxpayers based on the date of first performance of
13 the qualified musical and theatrical production.

14 (2) The commissioner of economic development, after consulting with
15 the commissioner, shall promulgate regulations to establish procedures
16 for the allocation of tax credits as required by this section. Such
17 rules and regulations shall include provisions describing the applica-
18 tion process, the due dates for such applications, the standards that
19 will be used to evaluate the applications, the documentation that will
20 be provided by applicants to substantiate to the department the amount
21 of qualified production expenditures of such applicants, and such other
22 provisions as deemed necessary and appropriate. Notwithstanding any
23 other provisions to the contrary in the state administrative procedure
24 act, such rules and regulations may be adopted on an emergency basis. In
25 no event shall a qualified New York city musical and theatrical
26 production submit an application for this program after June thirtieth,
27 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:

1 1. All proceedings in the division of tax appeals shall be commenced
2 by the filing of a petition with the division of tax appeals protesting
3 any written notice of the division of taxation, including any electronic
4 notice provided in accordance with section thirty-five of this chapter,
5 which has advised the petitioner of a tax deficiency, a determination of
6 tax due, a denial of a refund or credit application, a cancellation,
7 revocation or suspension of a license, permit or registration, a denial
8 of an application for a license, permit or registration or any other
9 notice which expressly gives a person the right to a hearing in the
10 division of tax appeals under this chapter or other law. Provided,
11 however, that any written communications of the division of taxation
12 that advise a taxpayer of a past-due tax liability, as defined in
13 section one hundred seventy-one-v of this chapter, shall not give a
14 person the right to a hearing in the division of tax appeals.

15 § 3. This act shall take effect immediately.

16 PART N

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

19 § 6. Filing of electronic warrants and warrant-related records in the
20 department of state. [Wherever under the provisions] 1. Notwithstanding
21 any provision of this chapter or a [warrant is required to] related
22 statute to the contrary, all warrants and warrant-related records issued
23 by the department shall be filed electronically by the department in the
24 department of state [in order to create a lien on personal property such
25 requirement shall be satisfied if there is filed a record of the fact of
26 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.

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

4 3. A written or electronic copy of any electronic warrant or warrant-
5 related record filed in the department of state shall be filed by the
6 department in the office of the clerk of the county named in the warrant
7 or warrant-related record.

8 4. Notwithstanding any provision of this chapter or a related statute
9 to the contrary, all warrant-related records issued by the department
10 that are authorized by applicable laws, including, but not limited to,
11 warrant satisfactions, vacaturs, amendments and expirations, and any
12 warrant-related record issued by the department on or after July first,
13 two thousand twenty-five that pertains to a warrant filed prior to July
14 first, two thousand twenty-five, shall be filed electronically by the
15 department in the department of state. No fee shall be required to be
16 paid for such filings. A written or electronic copy of the electronic
17 warrant-related record filed in the department of state shall be filed
18 by the department in the office of the clerk of the county named in the
19 warrant-related record.

20 5. The department shall file warrants and warrant-related records
21 electronically with the department of state. The department of state
22 shall provide electronic notice to the department confirming the date of
23 filing of the warrants and warrant-related records. The department of
24 state shall also make information regarding the warrants and warrant-re-
25 lated records, including the date of filing, available to the public and
26 searchable by the name of the person or persons listed in the tax
27 warrant. Upon request of the commissioner, the department of state shall

1 certify that a warrant or warrant-related record has been filed and the
2 date of such filing.

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

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

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

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

20 § 175. Manner of execution of instruments by the commissioner.
21 Notwithstanding any other provision of law, whenever a statute author-
22 izes or requires the commissioner to execute an instrument, such instru-
23 ment shall be executed by having the name or title of the commissioner
24 appear on such instrument and, underneath such name or title, such
25 instrument shall be signed by the commissioner or by a deputy tax
26 commissioner or by the secretary to such commissioner[, and the]. An
27 electronic signature may be used in lieu of a signature affixed by hand
28 pursuant to article three of the state technology law. The seal of such

1 commissioner [shall] may be affixed or [shall] appear on such instrument
2 as a facsimile which is engraved, printed or reproduced in any other
3 manner. No acknowledgment of the execution of any such instrument shall
4 be necessary for the purpose of the recordation thereof or for any other
5 purpose.

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

12 PART O

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

16 (b-1) Income. For final assessment rolls to be used for the levy of
17 taxes for the two thousand eleven-two thousand twelve through two thou-
18 sand eighteen-two thousand nineteen school years, the parcel's affil-
19 iated income may be no greater than five hundred thousand dollars, as
20 determined by the commissioner pursuant to subdivision fourteen of this
21 section or section one hundred seventy-one-u of the tax law, in order to
22 be eligible for the basic exemption authorized by this section. Begin-
23 ning with the two thousand nineteen-two thousand twenty school year, for
24 purposes of the exemption authorized by this section, the parcel's
25 affiliated income may be no greater than two hundred fifty thousand
26 dollars, as so determined. As used herein, the term "affiliated income"

1 shall mean the combined income of all of the owners of the parcel who
2 resided primarily thereon on the applicable taxable status date, and of
3 any owners' spouses residing primarily thereon. For exemptions on final
4 assessment rolls to be used for the levy of taxes for the two thousand
5 eleven-two thousand twelve school year, affiliated income shall be
6 determined based upon the parties' incomes for the income tax year
7 ending in two thousand nine. In each subsequent school year, the appli-
8 cable income tax year shall be advanced by one year. The term "income"
9 as used herein shall have the same meaning as in subdivision four of
10 this section, and the provisions of clause (B) of subparagraph (ii) of
11 paragraph (b) of subdivision four of this section shall be equally
12 applicable to the basic exemption.

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

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

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

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

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

11 The combined income of all of the owners who primarily reside on the
12 property, and of any owners' spouses primarily residing on the [prem-
13 ises] property, may not exceed the applicable income standard specified
14 herein.

15 § 4. Subparagraph (ii) of paragraph (b) of subdivision 4 of section
16 425 of the real property tax law, as amended by section 1 of part B of
17 chapter 59 of the laws of 2018, is amended to read as follows:

18 (ii) The term "income" as used herein shall mean the "adjusted gross
19 income" for federal income tax purposes as reported on the applicant's
20 federal or state income tax return for the applicable income tax year,
21 subject to any subsequent amendments or revisions, reduced by distrib-
22 utions, to the extent included in federal adjusted gross income,
23 received from an individual retirement account and an individual retire-
24 ment annuity; provided that if no such return was filed for the applica-
25 ble income tax year, "income" shall mean the [adjusted gross income]
26 amount that would have been so reported if such a return had been filed.
27 Provided further, that [effective]:

1 (A) Effective with exemption applications for final assessment rolls
2 to be completed in two thousand nineteen, where an income-eligibility
3 determination is wholly or partly based upon the income of one or more
4 individuals who did not file a return for the applicable income tax
5 year, then in order for the application to be considered complete, each
6 such individual must file a statement with the department showing the
7 source or sources of [his or her] such individual's income for that
8 income tax year, and the amount or amounts thereof, that would have been
9 reported on such a return if one had been filed. Such statement shall be
10 filed at such time, and in such form and manner, as may be prescribed by
11 the department, and shall be subject to the secrecy provisions of the
12 tax law to the same extent that a personal income tax return would be.
13 The department shall make such forms and instructions available for the
14 filing of such statements. The local assessor shall upon the request of
15 a taxpayer assist such taxpayer in the filing of the statement with the
16 department.

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

1 section when the commissioner determines that a property owner has a
2 source of income that renders that owner ineligible for that exemption.

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

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

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

12 4-b. Authority of the commissioner in relation to eligibility determi-
13 nations. (a) (i) Notwithstanding any provision of this section to the
14 contrary, it shall be the responsibility of the commissioner to deter-
15 mine eligibility for the basic and enhanced STAR exemptions authorized
16 by this section, in consultation with local assessors as necessary.

17 (ii) The commissioner's eligibility determinations shall be based upon
18 data the commissioner has obtained from local assessment rolls, personal
19 income tax returns, the STAR registration program, the STAR income
20 verification program and such other data sources as may be available to
21 the commissioner.

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

25 (b) If the commissioner should determine that a parcel that has a
26 basic STAR exemption is eligible for an enhanced STAR exemption, the
27 commissioner shall so notify the assessor. The assessor shall thereupon

1 grant the parcel an enhanced STAR exemption without requesting a new
2 application from the owner.

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

6 (i) The commissioner shall provide the property owners with notice and
7 an opportunity to show the commissioner that the property is eligible to
8 receive the exemption. If the owners fail to respond to such notice
9 within forty-five days from the mailing thereof, or if their response
10 does not show to the commissioner's satisfaction that the property is
11 eligible for the exemption, the commissioner shall direct the assessor
12 or other person having custody or control of the assessment roll or tax
13 roll to remove or deny the exemption, and to correct the roll according-
14 ly. Such a directive shall be binding upon the assessor or other person
15 having custody or control of the assessment roll or tax roll, and shall
16 be implemented by such person without the need for further documentation
17 or approval.

18 (ii) Neither an assessor nor a board of assessment review has the
19 authority to consider an objection to the removal or denial of an
20 exemption pursuant to this subdivision, nor may such an action be
21 reviewed in a proceeding to review an assessment pursuant to title one
22 or one-A of article seven of this chapter. Such an action may only be
23 challenged before the department of taxation and finance. If a taxpayer
24 is dissatisfied with the department's final determination, the taxpayer
25 may appeal that determination to the state board of real property tax
26 services in a form and manner to be prescribed by the commissioner. Such
27 appeal shall be filed within forty-five days from the issuance of the
28 department's final determination. If dissatisfied with the state board

1 of real property tax services' determination, the taxpayer may seek
2 judicial review thereof pursuant to article seventy-eight of the civil
3 practice law and rules. The taxpayer shall otherwise have no right to
4 challenge such final determination in a court action, administrative
5 proceeding or any other form of legal recourse against the commissioner,
6 the department of taxation and finance, the state board of real property
7 tax services, the assessor or other person having custody or control of
8 the assessment roll or tax roll regarding such action.

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

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

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

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

19 § 9. Subparagraphs (B) and (E) of paragraph 1 of subsection (eee) of
20 section 606 of the tax law, subparagraph (B) as amended by section 10 of
21 part B of chapter 59 of the laws of 2018 and subparagraph (E) as amended
22 by section 2 of part H of chapter 59 of the laws of 2017, are amended to
23 read as follows:

24 (B) (i) "Affiliated income" shall mean [for purposes of the basic STAR
25 credit,] the combined income of all of the owners of the parcel who
26 resided primarily thereon as of [December thirty-first] July first of
27 the taxable year, and of any owners' spouses residing primarily thereon
28 as of such date[, and for purposes of the enhanced STAR credit, the

1 combined income of all of the owners of the parcel as of December thir-
2 ty-first of the taxable year, and of any owners' spouses residing prima-
3 rily thereon as of such date; provided that for both purposes]; provided
4 that the income to be so combined shall be the "adjusted gross income"
5 for the taxable year as reported for federal income tax purposes, or
6 that would be reported as adjusted gross income if a federal income tax
7 return were required to be filed, reduced by distributions, to the
8 extent included in federal adjusted gross income, received from an indi-
9 vidual retirement account and an individual retirement annuity.

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

1 income of an individual should be included in "affiliated income" shall
2 be based upon the ownership and/or residency status of that individual
3 as of the first day of the month during which the qualified taxpayer
4 ceased to be an owner of the property, rather than as of December thir-
5 ty-first of the taxable year.]

6 (iii) Notwithstanding the foregoing provisions of this subparagraph,
7 where property is owned solely by a person or persons who received the
8 credit for three consecutive years without having filed returns for the
9 applicable income tax years, but who demonstrated their eligibility for
10 the credit to the commissioner's satisfaction by filing statements
11 pursuant to clause (ii) of this subparagraph, such person or persons
12 shall be presumed to satisfy the applicable income-eligibility require-
13 ments each year thereafter and shall not be required to continue to file
14 such statements in the absence of a specific request therefor from the
15 commissioner. Nothing contained herein shall be construed to prevent the
16 commissioner from denying a credit pursuant to this subsection when the
17 commissioner determines that a property owner has a source of income
18 that renders that owner temporarily or permanently ineligible for that
19 credit.

20 (E) "Qualifying taxes" means the school district taxes that were or
21 are to be levied upon the taxpayer's primary residence for the associ-
22 ated fiscal year [that were actually paid by the taxpayer during the
23 taxable year]; or, in the case of a city school district that is subject
24 to article fifty-two of the education law, the combined city and school
25 district taxes that were or are to be levied upon the taxpayer's primary
26 residence for the associated fiscal year [that were actually paid by the
27 taxpayer during the taxable year]. Provided, however, that in the case
28 of a cooperative apartment, "qualifying taxes" means the school district

1 taxes that would have been levied upon the tenant-stockholder's primary
2 residence if it were separately assessed, as determined by the commis-
3 sioner based on the statement provided by the assessor pursuant to
4 subparagraph (ii) of paragraph (k) of subdivision two of section four
5 hundred twenty-five of the real property tax law, or in the case of a
6 cooperative apartment corporation that is described in subparagraph (iv)
7 of paragraph (k) of subdivision two of section four hundred twenty-five
8 of the real property tax law, one third of such amount. In no case shall
9 the term "qualifying taxes" be construed to include penalties or inter-
10 est.

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

13 § 11. The opening paragraph of subparagraph (A) of paragraph 4 and
14 clause (i) of subparagraph (A) of paragraph 4 of subsection (eee) of
15 section 606 of the tax law, as amended by section 8 of part A of chapter
16 73 of the laws of 2016, are amended to read as follows:

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

20 (i) [All] At least one of the owners of the parcel that serves as the
21 taxpayer's primary residence [are] is at least sixty-five years of age
22 as of December thirty-first of the taxable year [or, in the case of
23 property owned by a married couple or by siblings, at least one of the
24 owners is at least sixty-five years of age as of that date. The terms
25 "siblings" as used herein shall have the same meaning as set forth in
26 section four hundred sixty-seven of the real property tax law]. In the
27 case of property owned by a married couple, [one of whom] if only one of
28 the spouses is sixty-five years of age or over, the credit, once

1 allowed, shall not be disallowed because of the death of the older
2 spouse so long as the surviving spouse is at least sixty-two years of
3 age as of December thirty-first of the taxable year.

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

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

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

14 PART P

15 Section 1. Subdivision 8 of section 874 of the general municipal law
16 is REPEALED.

17 § 2. Subdivision 3 of section 1963 of the public authorities law is
18 REPEALED.

19 § 3. Subdivision 9 of section 1964-a of the public authorities law is
20 REPEALED.

21 § 4. Subdivision 3 of section 2326 of the public authorities law is
22 REPEALED.

23 § 5. Subdivision 9 of section 2327 of the public authorities law is
24 REPEALED.

25 § 6. This act shall take effect immediately.

1 PART Q

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

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

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

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

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

25 (2) [The amount of any required installment shall be twenty-five
26 percent of the required annual payment] For an election to be taxed
27 pursuant to this article that is made after March fifteenth but before

1 June fifteenth in the taxable year to be valid, the electing partnership
2 or electing S corporation is required to make an estimated tax payment
3 with its election that represents twenty-five percent of the required
4 annual payment. The electing partnership or electing S corporation shall
5 further make payments on June fifteenth, September fifteenth, and Decem-
6 ber fifteenth in the calendar year prior to the year in which the due
7 date of the return required by this article falls, which shall each
8 represent twenty-five percent of the required annual payment.

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

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

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

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

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

20 § 4. Subsection (b) of section 871 of the tax law, as added by section
21 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3
22 as amended by chapter 555 of the laws of 2022, is amended to read as
23 follows:

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

27 (1) [The estimated tax shall be paid] For an election to be taxed
28 pursuant to this article that is made on or before March fifteenth in

1 the taxable year to be valid, the electing city partnership or electing
2 city S corporation is required to make estimated tax payments in four
3 equal installments on March fifteenth, June fifteenth, September
4 fifteenth and December fifteenth in the calendar year prior to the year
5 in which the due date of the return required by this article falls. The
6 amount of each installment shall be twenty-five percent of the required
7 annual payment.

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

20 (3) For an election to be taxed pursuant to this article that is made
21 after June fifteenth but before September fifteenth in the taxable year
22 to be valid, the electing city partnership or electing city S corpo-
23 ration is required to make an estimated tax payment with its election
24 that represents fifty percent of the required annual payment. The elect-
25 ing city partnership or electing city S corporation shall further make
26 payments on September fifteenth and December fifteenth in the calendar
27 year prior to the year in which the due date of the return required by

1 this article falls, which shall each represent twenty-five percent of
2 the required annual payment.

3 (4) For an election to be taxed pursuant to this article that is made
4 on September fifteenth in the taxable year to be valid, the electing
5 city partnership or electing city S corporation is required to make an
6 estimated tax payment with its election that represents seventy-five
7 percent of the required annual payment. The electing city partnership or
8 electing city S corporation shall further make a payment on December
9 fifteenth in the calendar year prior to the year in which the due date
10 of the return required by this article falls, which shall represent
11 twenty-five percent of the required annual payment.

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

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

20 PART R

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

23 (a) Requirement of declaration.--Every taxpayer subject to the tax
24 imposed by section two hundred nine of this chapter shall make a decla-
25 ration of its estimated tax for the current privilege period, containing
26 such information as the commissioner of taxation and finance may

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

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

14 (a) First installments for certain taxpayers.--In privilege periods of
15 twelve months ending at any time during the calendar year nineteen
16 hundred seventy and thereafter, every taxpayer subject to the tax
17 imposed by section two hundred nine of this [chapter] article must pay
18 with the report required to be filed for the preceding privilege period,
19 or with an application for extension of the time for filing the report,
20 for taxable years beginning before January first, two thousand sixteen,
21 and must pay on or before the fifteenth day of the third month of such
22 privilege periods, for taxable years beginning on or after January
23 first, two thousand sixteen, an amount equal to (i) twenty-five percent
24 of the second preceding year's tax if the second preceding year's tax
25 exceeded one thousand dollars, 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

1 year's tax exceeded one hundred thousand dollars. If the second preced-
2 ing year's tax under section two hundred nine of this chapter exceeded
3 one thousand dollars, or five thousand dollars for taxable years begin-
4 ning on or after January first, two thousand twenty-six, and the taxpay-
5 er is subject to the tax surcharge imposed by section two hundred nine-B
6 of this [chapter] article, the taxpayer must also pay with the tax
7 surcharge report required to be filed for the second preceding privilege
8 period, or with an application for extension of the time for filing the
9 report, for taxable years beginning before January first, two thousand
10 sixteen, and must pay on or before the fifteenth day of the third month
11 of such privilege periods, for taxable years beginning on or after Janu-
12 ary first, two thousand sixteen, an amount equal to (i) twenty-five
13 percent of the tax surcharge imposed for the second preceding year if
14 the second preceding year's tax was equal to or less than one hundred
15 thousand dollars, or (ii) forty percent of the tax surcharge imposed for
16 the second preceding year if the second preceding year's tax exceeded
17 one hundred thousand dollars. Provided, however, that every taxpayer
18 that is a New York S corporation must pay with the report required to be
19 filed for the preceding privilege period, or with an application for
20 extension of the time for filing the report, an amount equal to (i)
21 twenty-five percent of the preceding year's tax if the preceding year's
22 tax exceeded one thousand dollars, or five thousand dollars for taxable
23 years beginning on or after January first, two thousand twenty-six, but
24 was equal to or less than one hundred thousand dollars, or (ii) forty
25 percent of the preceding year's tax if the preceding year's tax exceeded
26 one hundred thousand dollars.

27 § 3. This act shall take effect immediately.

1

PART S

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

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

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

17 (A) travel expenses;

18 (B) lodging expenses; and

19 (C) lost wages.

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

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

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

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

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

- 20 (i) travel expenses;
21 (ii) lodging expenses; and
22 (iii) lost wages.

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

25 § 3. This act shall take effect immediately.

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

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

15 § 2. This act shall take effect immediately.

16 PART U

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

20 (c) Amount of credit. Except as provided in paragraph (d) of this
21 subdivision, the amount of credit for taxable years beginning before
22 January first, two thousand twenty-five shall be thirty-five percent of
23 the first six thousand dollars in qualified first-year wages earned by
24 each qualified employee and for taxable years beginning on or after
25 January first, two thousand twenty-five shall be the first five thousand
26 dollars in qualified first-year wages earned by each qualified employee.

1 "Qualified first-year wages" means wages paid or incurred by the taxpay-
2 er during the taxable year to qualified employees which are attribut-
3 able, with respect to any such employee, to services rendered during the
4 one-year period beginning with the day the employee begins work for the
5 taxpayer.

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

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

25 (3) Amount of credit. Except as provided in paragraph four of this
26 subsection, the amount of credit for taxable years beginning before
27 January first, two thousand twenty-five shall be thirty-five percent of
28 the first six thousand dollars in qualified first-year wages earned by

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

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

25 § 3. This act shall take effect immediately.

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

4 3. If the amount of taxable income for any year of any taxpayer
5 (including any taxpayer which has elected to be taxed under subchapter s
6 of chapter one of the internal revenue code), as returned to the United
7 States treasury department is changed or corrected by the commissioner
8 of internal revenue or other officer of the United States or other
9 competent authority, or where a renegotiation of a contract or subcon-
10 tract with the United States results in a change in taxable income, such
11 taxpayer shall report such changed or corrected taxable income, or the
12 results of such renegotiation, within ninety days (or one hundred twenty
13 days, in the case of a taxpayer making a combined report under this
14 article for such year) after the final determination of such change or
15 correction or renegotiation, or as required by the commissioner, and
16 shall concede the accuracy of such determination or state wherein it is
17 erroneous. Provided however, if the taxpayer is a direct or indirect
18 partner of a partnership required to report adjustments in accordance
19 with section six hundred fifty-nine-a of this chapter, such taxpayer
20 shall also report such adjustments in accordance with section six
21 hundred fifty-nine-a of this chapter when such adjustments result in an
22 overpayment. The allowance of a tentative carryback adjustment based
23 upon a net operating loss carryback or net capital loss carryback pursu-
24 ant to section sixty-four hundred eleven of the internal revenue code,
25 as amended, shall be treated as a final determination for purposes of
26 this subdivision. Any taxpayer filing an amended return with such
27 department shall also file within ninety days (or one hundred twenty
28 days, in the case of a taxpayer making a combined report under this

1 article for such year) thereafter an amended report with the commission-
2 er.

3 § 2. Subsection (b) of section 653 of the tax law, as added by chapter
4 563 of the laws of 1960, is amended to read as follows:

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

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

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

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

22 § 659. Report of federal changes, corrections or disallowances. If the
23 amount of a taxpayer's federal taxable income, total taxable amount or
24 ordinary income portion of a lump sum distribution or includible gain of
25 a trust reported on [his] their federal income tax return for any taxa-
26 ble year, or the amount of a taxpayer's earned income credit or credit
27 for employment-related expenses set forth on such return, or the amount
28 of any federal foreign tax credit affecting the calculation of the cred-

1 it for Canadian provincial taxes under section six hundred twenty or six
2 hundred twenty-A of this article, or the amount of any claim of right
3 adjustment, is changed or corrected by the United States internal reven-
4 ue service or other competent authority or as the result of a renegoti-
5 ation of a contract or subcontract with the United States, or the amount
6 an employer is required to deduct and withhold from wages for federal
7 income tax withholding purposes is changed or corrected by such service
8 or authority or if a taxpayer's claim for credit or refund of federal
9 income tax is disallowed in whole or in part, the taxpayer or employer
10 shall report such change or correction or disallowance within ninety
11 days after the final determination of such change, correction, renegoti-
12 ation or disallowance, or as otherwise required by the commissioner, and
13 shall concede the accuracy of such determination or state wherein it is
14 erroneous. Provided, however, if the taxpayer is a direct or indirect
15 partner of a partnership required to report adjustments in accordance
16 with section six hundred fifty-nine-a of this part, such taxpayer shall
17 also report such adjustments in accordance with section six hundred
18 fifty-nine-a of this part when such adjustments result in an overpay-
19 ment. The allowance of a tentative carryback adjustment based upon a net
20 operating loss carryback pursuant to section sixty-four hundred eleven
21 of the internal revenue code shall be treated as a final determination
22 for purposes of this section. Any taxpayer filing an amended federal
23 income tax return and any employer filing an amended federal return of
24 income tax withheld shall also file within ninety days thereafter an
25 amended return under this article, and shall give such information as
26 the commissioner may require. The commissioner may by regulation
27 prescribe such exceptions to the requirements of this section as [he or
28 she deems] they deem appropriate. For purposes of this section, (i) the

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

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

22 § 659-a. Reporting of federal partnership adjustments. (a) If any
23 item required to be shown on a federal partnership return, for any part-
24 nership that has a resident partner or any income derived from New York
25 sources, including any gross income, gain, loss, deduction, penalty,
26 credit, or tax for any year of such partnership, including any amount of
27 any partner's distributive share, is changed or corrected by the commis-
28 sioner of internal revenue or other officer of the United States or

1 other competent authority, and the partnership is issued an adjustment
2 under section sixty-two hundred twenty-five of the internal revenue code
3 or makes a federal election for alternative payment with the United
4 States internal revenue service as part of a partnership level audit, or
5 files an administrative adjustment request, the partnership shall
6 report, in the manner prescribed by the commissioner, each change or
7 correction in sufficient detail to allow for the computation of the New
8 York tax change or correction for the reviewed year within ninety days
9 after the date of each final federal determination, or ninety days after
10 the filing of an administrative adjustment request.

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

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

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

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

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

27 (5) "Final federal determination date" means the date on which each
28 adjustment or resolution resulting from a United States internal revenue

1 service examination is assessed pursuant to section sixty-two hundred
2 three of the internal revenue code.

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

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

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

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

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

24 (2) Notwithstanding any election made for federal purposes under the
25 provisions of subchapter C of chapter sixty-three of the internal reven-
26 ue code, any changes or corrections made by the United States internal
27 revenue service pursuant to such a final federal adjustment or as a
28 result of an administrative adjustment request that increases New York

1 taxable income must be calculated with respect to the impacted partner-
2 ship in the reviewed year, and any additional New York tax owed as a
3 result of such a final federal adjustment or administrative adjustment
4 request must be paid by the impacted partnership as computed in accord-
5 ance with subsection (d) of this section.

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

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

16 (1) Impacted partnerships must report any final federal adjustments
17 and administrative adjustment requests regardless of tax impact. Such
18 report must include the impacted partnership's direct and indirect part-
19 ner identifying information and any other information the commissioner
20 may require.

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

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

25 (i) for partners subject to tax pursuant to articles nine-a or thir-
26 ty-three of this chapter in the reviewed year, other than tiered part-
27 ners, the partner's distributive share of gross income or gain, appor-

1 tioned to New York using a percentage using the apportionment rules
2 described in article nine-A of this chapter;

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

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

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

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

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

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

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

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

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

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

19 (3) The impacted partnership must inform each direct and indirect
20 partner of partnership adjustments described in paragraph three of
21 subsection (c) of this section in the manner required by the commission-
22 er.

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

26 (1) If the impacted partnership files a report within the period spec-
27 ified in subsection (c) of this section, the commissioner may assess an
28 impacted partnership additional tax, interest, and penalties arising

1 from final federal adjustments or administrative adjustment requests
2 pursuant to the provisions of section six hundred eighty-three of this
3 article.

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

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

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

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

19 (1) If the taxpayer or employer fails to comply with section six
20 hundred fifty-nine or section six hundred fifty-nine-a, instead of the
21 mode and time of assessment provided for in subsection (b) of this
22 section, the [tax commission] commissioner may assess a deficiency based
23 upon such federal change, correction or disallowance by mailing to the
24 taxpayer a notice of additional tax due specifying the amount of the
25 deficiency, and such deficiency, together with the interest, additions
26 to tax and penalties stated in such notice, shall be deemed assessed on
27 the date such notice is mailed unless within thirty days after the mail-
28 ing of such notice a report of the federal change, correction or disal-

1 lowance or an amended return, where such return was required by section
2 six hundred fifty-nine or section six hundred fifty-nine-a, is filed
3 accompanied by a statement showing wherein such federal determination
4 and such notice of additional tax due are erroneous.

5 (2) Such notice shall not be considered as a notice of deficiency for
6 the purposes of this section, subsection (f) of section six hundred
7 eighty-seven (limiting credits or refunds after petition to the [tax
8 commission] division of tax appeals), or subsection (b) of section six
9 hundred eighty-nine (authorizing the filing of a petition with the [tax
10 commission] division of tax appeals based on a notice of deficiency),
11 nor shall such assessment or the collection thereof be prohibited by the
12 provisions of subsection (c).

13 (3) If [a husband and wife] spouses are jointly liable for tax, a
14 notice of additional tax due may be a single joint notice, except that
15 if the [tax commission] commissioner has been notified by either spouse
16 that separate residences have been established, then, in lieu of the
17 joint notice, a duplicate original of the joint notice shall be mailed
18 to each spouse at [his or her] their last known address in or out of
19 this state. If the taxpayer is deceased or under a legal disability, a
20 notice of additional tax due may be mailed to [his] their last known
21 address in or out of this state, unless the [tax commission] commission-
22 er has received notice of the existence of a fiduciary relationship with
23 respect to the taxpayer.

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

27 (a) Assessment date.--The amount of tax which a return shows to be
28 due, or the amount of tax which a return would have shown to be due but

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

1 § 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax
2 law, as added by chapter 1011 of 1962, paragraph 1 as amended by chapter
3 526 of the laws of 1973, subparagraph (C) of paragraph 1 and paragraph 3
4 as amended by chapter 28 of the laws of 1987, are amended as follows:

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

6 (A) no return is filed,

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

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

10 (2) Extension by agreement.--Where, before the expiration of the time
11 prescribed in this section for the assessment of tax, both the [tax
12 commission] commissioner and the taxpayer have consented in writing to
13 its assessment after such time, the tax may be assessed at any time
14 prior to the expiration of the period agreed upon. The period so agreed
15 upon may be extended by subsequent agreements in writing made before the
16 expiration of the period previously agreed upon.

17 (3) Report of federal changes, corrections or disallowances.--If the
18 taxpayer or employer complies with section six hundred fifty-nine or six
19 hundred fifty-nine-a, the assessment (if not deemed to have been made
20 upon the filing of the report or amended return) may be made at any time
21 within two years after such report or amended return was filed. The
22 amount of such assessment of tax shall not exceed the amount of the
23 increase in New York tax attributable to such federal change or
24 correction. The provisions of this paragraph shall not affect the time
25 within which or the amount for which an assessment may otherwise be
26 made.

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

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

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

1 (c) Notice of federal change or correction.--A claim for credit or
2 refund of any overpayment of tax attributable to a federal change or
3 correction required to be reported pursuant to section six hundred
4 fifty-nine or by a partner of a partnership required to report a federal
5 change or correction pursuant to section six hundred fifty-nine-a shall
6 be filed by the taxpayer within two years from the time the notice of
7 such change or correction or such amended return was required to be
8 filed with the commissioner of taxation and finance. If the report or
9 amended return required by section six hundred fifty-nine or six hundred
10 fifty-nine-a is not filed within the ninety day period therein speci-
11 fied, no interest shall be payable on any claim for credit or refund of
12 the overpayment attributable to the federal change or correction. The
13 amount of such credit or refund shall not exceed the amount of the
14 reduction in tax attributable to such federal change, correction or
15 items amended on the taxpayer's amended federal income tax return. This
16 subsection shall not affect the time within which or the amount for
17 which a claim for credit or refund may be filed apart from this
18 subsection.

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

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

25 § 11. Subsection (a) of section 1312 of the tax law, as amended by
26 section 9 of part Q of chapter 407 of the laws of 1999, is amended to
27 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.

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

4 (1) If the amount of the life insurance company taxable income (which
5 shall include, in the case of a stock life insurance company which has
6 an existing policyholders surplus account, the amount of direct and
7 indirect distributions during the taxable year to shareholders from such
8 account), taxable income of a partnership or taxable income, as the case
9 may be, or alternative minimum taxable income for any year of any
10 taxpayer as returned to the United States treasury department is changed
11 or corrected by the commissioner of internal revenue or other officer of
12 the United States or other competent authority, such taxpayer shall
13 report such change or corrected taxable income or alternative minimum
14 taxable income within ninety days (or one hundred twenty days, in the
15 case of a taxpayer making a combined return under this article for such
16 year) after the final determination of such change or correction or as
17 required by the commissioner, and shall concede the accuracy of such
18 determination or state wherein it is erroneous. Provided, however, if
19 the taxpayer is a direct or indirect partner of a partnership required
20 to report adjustments in accordance with section six hundred
21 fifty-nine-a of this chapter, such taxpayer shall also report such
22 adjustments in accordance with section six hundred fifty-nine-a of this
23 chapter when such adjustments result in an overpayment. Any taxpayer
24 filing an amended return with such department shall also file within
25 ninety days (or one hundred twenty days, in the case of a taxpayer
26 making a combined return under this article for such year) thereafter an
27 amended return with the commissioner which shall contain such informa-
28 tion as the commissioner shall require. The allowance of a tentative

1 carryback adjustment based upon a net operating loss carryback or net
2 capital loss carryback pursuant to section sixty-four hundred eleven of
3 the internal revenue code or upon an operations loss carryback pursuant
4 to section eight hundred ten of the internal revenue code, shall be
5 treated as a final determination for purposes of this subdivision.

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

12 PART W

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

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

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

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

1 (i) for city taxpayers who filed a resident income tax return as
2 married 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 city taxpayers who filed a resident income tax return as a
13 single taxpayer, married taxpayer filing a separate return, or head of
14 household:

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>

1 8 or more \$88,361

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

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

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

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

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

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

1	<u>2</u>	<u>\$46,350</u>
2	<u>3</u>	<u>\$54,545</u>
3	<u>4</u>	<u>\$61,071</u>
4	<u>5</u>	<u>\$68,403</u>
5	<u>6</u>	<u>\$75,204</u>
6	<u>7 or more</u>	<u>\$91,902</u>

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

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

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

25 (C) such taxpayer is not allowed a credit pursuant to: (i) subsection

1 (a) of section eight hundred sixty-three of the tax law against the
2 tax imposed pursuant to article twenty-two of such law; or (ii) subdivi-
3 sion (g) of this section against the tax imposed pursuant to this chap-
4 ter;

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

8 (2) Where the income of a taxpayer exceeds the amount indicated in
9 subparagraph (B) of paragraph one of this subdivision for such taxpayer
10 by five thousand dollars or less, and such taxpayer satisfies subpara-
11 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-
12 vision, a credit shall be allowed in the amount determined by multiply-
13 ing: (A) the tax otherwise due under this article for such taxable year
14 reduced by all the credits permitted by this article for such taxable
15 year by (B) a fraction the numerator of which is five thousand dollars
16 minus the amount by which such income exceeds the amount indicated in
17 subparagraph (B) of paragraph one of this subdivision and the denomina-
18 tor of which is five thousand dollars.

19 (3) For purposes of this subdivision:

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

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

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

1

PART X

2 Section 1. The opening paragraph of subdivision (b) of section 25-z of
3 the general city law, as amended by section 1 of part RR of chapter 56
4 of the laws of 2020, is amended to read as follows:

5 No eligible business shall be authorized to receive a credit under any
6 local law enacted pursuant to this article until the premises with
7 respect to which it is claiming the credit meet the requirements in the
8 definition of eligible premises and until it has obtained a certif-
9 ication of eligibility from the mayor of such city or an agency desig-
10 nated by such mayor, and an annual certification from such mayor or an
11 agency designated by such mayor as to the number of eligible aggregate
12 employment shares maintained by such eligible business that may qualify
13 for obtaining a tax credit for the eligible [business'] business's taxa-
14 ble year. Any written documentation submitted to such mayor or such
15 agency or agencies in order to obtain any such certification shall be
16 deemed a written instrument for purposes of section 175.00 of the penal
17 law. Such local law may provide for application fees to be determined by
18 such mayor or such agency or agencies. No such certification of eligi-
19 bility shall be issued under any local law enacted pursuant to this
20 article to an eligible business on or after July first, two thousand
21 [twenty-five] thirty unless:

22 § 2. The general city law is amended by adding a new article 2-K to
23 read as follows:

24

ARTICLE 2-K

25

RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

26

Section 25-ff. Definitions.

27

25-gg. Relocation assistance credit per employee.

1 § 25-ff. Definitions. When used in this article, the following terms
2 shall have the following meanings:

3 (a) "Aggregate employment shares" means the sum of all employment
4 shares maintained by an eligible business in a taxable year.

5 (b) "Eligible aggregate employment shares" means, in the case of an
6 eligible business, the amount, if any, of aggregate employment shares
7 maintained by an eligible business in eligible premises in the taxable
8 year in which such eligible business claims a credit pursuant to a local
9 law enacted in accordance with section twenty-five-gg of this article;
10 provided, however, that:

11 (1) such amount shall not exceed the lesser of:

12 (i) the number of aggregate employment shares maintained by such
13 eligible business in eligible premises in the taxable year during which
14 such eligible business relocates;

15 (ii) the maximum approved employment shares for such eligible busi-
16 ness; or

17 (iii) an amount equal to the product of multiplying the aggregate
18 employment shares and the linear scalar for such eligible business in
19 such tax year; and

20 (2) a full-time work week or part-time work week at eligible premises
21 prior to the date of relocation shall not be taken into account in
22 determining eligible aggregate employment shares.

23 (c) "Eligible business" means any person subject to a tax imposed
24 under a local law enacted pursuant to part two or three of section one,
25 or section two of chapter seven hundred seventy-two of the laws of nine-
26 teen hundred sixty-six that:

27 (1) has been conducting substantial business operations at one or more
28 business locations outside of New York state for the twenty-four consec-

1 utive months immediately preceding the taxable year during which such
2 eligible business relocates but has not maintained employment shares at
3 premises in New York state at any time during the period beginning Janu-
4 ary first, two thousand twenty-five and ending on the date such business
5 enters into a lease or a contract to purchase the premises that will
6 qualify as eligible premises pursuant to this article; and

7 (2) on or after July first, two thousand twenty-five relocates all or
8 part of such business operations.

9 (d) "Eligible premises" means one or more non-residential premises
10 that consist of at least twenty thousand square feet that are:

11 (1) wholly contained in real property located in a city with a popu-
12 lation of one million or more; and

13 (2) for which final certificates of occupancy were issued prior to
14 January first, two thousand.

15 (e) "Employment share" means, for each employee, partner or sole
16 proprietor of an eligible business, the sum of: (1) the number of full-
17 time work weeks worked by such employee, partner or sole proprietor
18 during the eligible business's taxable year divided by the number of
19 weeks in the taxable year; and (2) the number of part-time work weeks
20 worked by such employee, partner or sole proprietor during the eligible
21 business's taxable year divided by an amount equal to twice the number
22 of weeks in the taxable year. Employment share shall not include full-
23 time or part-time work weeks attributable to employees, partners or sole
24 proprietors acquired by an eligible business as a result of a merger
25 with, acquisition of another person, or a transaction having a compara-
26 ble effect, that occurs after June thirtieth, two thousand twenty-five,
27 and before the end of the taxable year in which a credit is claimed by
28 such eligible business pursuant to a local law enacted in accordance

1 with section twenty-five-gg of this article, or to successors, if any,
2 to those employees, partners or sole proprietors.

3 (f) "Full-time work week" means a week during which at least thirty-
4 five hours of gainful work has been performed by an employee, partner or
5 sole proprietor.

6 (g) "Hotel services" means any services that consist predominately of
7 the lodging of guests at a building or a portion thereof that is regu-
8 larly used and kept open for such services. Hotel services shall include
9 the lodging of guests at an apartment hotel, a motel, boarding house or
10 club, whether or not meals are served.

11 (h) "Linear scalar" means, for an eligible business in a taxable year
12 in which a credit is claimed pursuant to a local law enacted in accord-
13 ance with section twenty-five-gg of this article, the quotient of divid-
14 ing the total square footage of an eligible premises by the product of
15 multiplying two hundred fifty by such business's aggregate employment
16 shares.

17 (i) "Maximum approved employment shares" means a limitation on the
18 aggregate employment shares that an eligible business may receive in any
19 taxable year determined by the mayor pursuant to a local law enacted in
20 accordance with section twenty-five-gg of this article based on documen-
21 tation submitted by such business demonstrating such business's inten-
22 tion to relocate. The maximum approved employment shares is the number
23 of aggregate employment shares such business intends to relocate as
24 indicated by the mayor on the applicable initial certification of eligi-
25 bility.

26 (j) "Mayor" means the mayor of a city having a population of one
27 million or more, or an agency of such city as designated by such mayor.

1 (k) "Part-time work week" means a week during which at least fifteen
2 but less than thirty-five hours of gainful work has been performed by an
3 employee, partner or sole proprietor.

4 (l) "Person" includes any individual, partnership, association, joint-
5 stock company, corporation, estate or trust, limited liability company,
6 and any combination of the foregoing.

7 (m) "Program total" means the sum of maximum approved aggregate
8 employment shares included in all initial certification of eligibility
9 issued by the mayor.

10 (n) "Relocate" means, with respect to an eligible business, to trans-
11 fer a pre-existing business operation to an eligible premises, or to
12 establish a new business operation at such premises, provided that an
13 eligible business shall not be deemed to have relocated unless at least
14 one employee, partner or sole proprietor of the eligible business is
15 transferred to such premises from a pre-existing business operation
16 conducted outside the state of New York. The date of relocation shall be
17 the first day on which the individual so transferred commences work at
18 such eligible premises. The taxable year of relocation shall be the
19 taxable year in which the date of relocation occurs. For purposes of
20 this article, an eligible business may relocate only once but may add or
21 substitute other eligible premises throughout such period.

22 (o) "Retail activity" means any activity which consists predominately
23 of:

24 (1) the sale, other than through the mail or by the telephone or by
25 means of the internet, of tangible personal property to a person, for
26 any purpose unrelated to the trade or business of such person;

27 (2) the selling of a service to an individual which generally involves
28 the physical, mental or spiritual care of such individual;

1 (3) the physical care of the personal property of any person unrelated
2 to the trade or business of such person; or

3 (4) the provision of a retail banking service.

4 § 25-gg. Relocation assistance credit per employee. (a) Any city
5 having a population of one million or more is hereby authorized and
6 empowered to adopt and amend a local law allowing an eligible business
7 that relocates to receive a credit against a tax imposed under a local
8 law enacted pursuant to part two or three of section one or section two
9 of chapter seven hundred seventy-two of the laws of nineteen hundred
10 sixty-six. The amount of such credit shall be determined by multiplying
11 five thousand dollars by the number of eligible aggregate employment
12 shares maintained by the taxpayer during the taxable year with respect
13 to eligible premises to which the taxpayer has relocated, and may be
14 taken, pursuant to the provisions of section four-j of part two of
15 section one, or subdivision (1) of section one hundred one of section
16 two of chapter seven hundred seventy-two of the laws of nineteen hundred
17 sixty-six, for up to eleven consecutive taxable years beginning with the
18 taxable year in which the eligible business relocates, provided that no
19 such credit shall be allowed for the relocation of any retail activity
20 or hotel services.

21 (b) No eligible business shall be authorized to receive a credit
22 against tax under any local law enacted pursuant to this article unless
23 the premises with respect to which it is claiming the credit are eligi-
24 ble premises and until it has obtained an initial certification of
25 eligibility from the mayor of such city and an annual certification from
26 such mayor as to the number of eligible aggregate employment shares
27 maintained by such eligible business that may qualify for obtaining a
28 tax credit for the eligible business's taxable year. Each initial

1 certification of eligibility shall include the maximum approved employ-
2 ment shares for the eligible business, which shall not exceed five
3 hundred employment shares. Any written documentation submitted to such
4 mayor in order to obtain any such certification shall be deemed a writ-
5 ten instrument for purposes of section 175.00 of the penal law. Such
6 local law may provide for an application fee for such certification to
7 be determined by such mayor. No initial certification of eligibility
8 shall be issued under any local law enacted pursuant to this article to
9 an eligible business on or after July first, two thousand twenty-eight
10 unless:

11 (1) prior to such date, such business has purchased, leased or entered
12 into a contract to purchase or lease eligible premises;

13 (2) prior to such date, such business submits a preliminary applica-
14 tion for an initial certification of eligibility to such mayor with
15 respect to a proposed relocation to such premises;

16 (3) such business enters into a lease or contract to purchase an
17 eligible premises between the date that such business submits such
18 preliminary application and three months thereafter; and

19 (4) such business relocates to such premises not later than thirty-six
20 months from the date of submission of such preliminary application.

21 (c) Notwithstanding any provision of law to the contrary, such mayor
22 shall not issue an initial certification of eligibility that would cause
23 the program total to exceed three thousand maximum approved employment
24 shares. Such mayor shall approve applications on a first-come, first-
25 serve basis among eligible businesses in accordance with rules promul-
26 gated pursuant to a local law authorized by subdivision (d) of this
27 section. Such mayor shall include on such mayor's website an indication

1 regarding whether the program total has reached three thousand maximum
2 approved employment shares.

3 (d) Such mayor shall be authorized to promulgate rules and regulations
4 to administer and ensure compliance with the provisions of this article,
5 including but not limited to rules and regulations to provide for alter-
6 native methods to measure employment shares in instances where an eligi-
7 ble business is not required by law to maintain weekly records of full-
8 time work weeks and part-time work weeks of employees, partners or sole
9 proprietors.

10 (e) For the duration of the benefit period, the recipient of a credit
11 pursuant to a local law enacted in accordance with this article shall
12 file an application for an annual certification each year demonstrating
13 such recipient's eligibility for such credit and the average wage and
14 benefits offered to the applicable relocated employees used in determin-
15 ing eligible aggregate employment shares. Such mayor shall have the
16 authority to require that statements filed under this subdivision be
17 filed electronically and that such statements be certified.

18 (f) The business services agency of a city that adopts a local law
19 pursuant to this article may require in a contract with a not-for-profit
20 corporation that provides economic development services for such city
21 that such corporation will provide administrative support to such mayor
22 and assist such mayor's review of any initial certification of eligibil-
23 ity or annual certification, and provide recommendations regarding the
24 approval of any credit pursuant to a local law enacted in accordance
25 with this article.

26 § 3. Part II of section 1 of chapter 772 of the laws of 1966, relating
27 to enabling any city having a population of one million or more to raise
28 tax revenue, is amended by adding a new section 4-j to read as follows:

1 § 4-j. Relocation assistance credit per employee. (1) In addition to
2 any other credit allowed by this part other than a credit allowed by
3 section four-h of this part, a taxpayer that has obtained the certif-
4 ications in accordance with subdivision (b) of section twenty-five-gg of
5 the general city law shall be allowed a credit against the tax imposed
6 by this part. The amount of the credit shall be the amount determined
7 by multiplying five thousand dollars by the number of eligible aggregate
8 employment shares maintained by the taxpayer during the taxable year
9 with respect to eligible premises to which the taxpayer has relocated;
10 provided, however, that no credit shall be allowed for the relocation of
11 any retail activity or hotel services. For purposes of this section, the
12 terms "eligible aggregate employment shares", "eligible premises",
13 "relocate", "retail activity" and "hotel services" shall have the mean-
14 ings ascribed by section twenty-five-ff of the general city law.

15 (2) The credit allowed under this section with respect to eligible
16 aggregate employment shares maintained with respect to eligible premises
17 to which the taxpayer has relocated shall be allowed for the taxable
18 year of the relocation and for any of the ten succeeding taxable years
19 during which eligible aggregate employment shares are maintained with
20 respect to eligible premises; provided that the credit allowed for the
21 tenth succeeding taxable year shall be calculated by multiplying the
22 number of eligible aggregate employment shares maintained with respect
23 to eligible premises in the tenth succeeding taxable year by the lesser
24 of one and a fraction the numerator of which is such number of days in
25 the taxable year of relocation less the number of days the eligible
26 business maintained employment shares in eligible premises in the taxa-
27 ble year of relocation and the denominator of which is the number of

1 days in such tenth taxable year during which such eligible aggregate
2 employment shares are maintained with respect to such premises.

3 (3) Except as provided in subdivision four of this section, if the
4 amount of the credit allowable under this section for any taxable year
5 exceeds the tax imposed for such year, the excess may be carried over,
6 in order, to the five immediately succeeding taxable years and, to the
7 extent not previously deductible, may be deducted from the taxpayer's
8 tax for such years.

9 (4) The credits allowed under this section, against the tax imposed by
10 this chapter for the taxable year of the relocation and for the four
11 taxable years immediately succeeding the taxable year of such relo-
12 cation, shall be deemed to be overpayments of tax by the taxpayer to be
13 credited or refunded, without interest, in accordance with the
14 provisions of section seventy-seven of this title. For such taxable
15 years, such credits or portions thereof may not be carried over to any
16 succeeding taxable year.

17 (5) The credit allowed under this section shall be deducted prior to
18 the deduction of any other credit allowed by this part.

19 § 4. Section 101 of section 2 of chapter 772 of the laws of 1966,
20 relating to enabling any city having a population of one million or more
21 to raise tax revenue, is amended by adding a new subdivision (1) to read
22 as follows:

23 (1) Relocation assistance credit per employee. (1) In addition to any
24 other credit allowed by this part other than a credit allowed by subdi-
25 vision (j) of this section, a taxpayer that has obtained the certif-
26 ications in accordance with subdivision (b) of section twenty-five-gg of
27 the general city law shall be allowed a credit against the tax imposed
28 by this part. The amount of the credit shall be the amount determined by

1 multiplying five thousand dollars by the number of eligible aggregate
2 employment shares maintained by the taxpayer during the taxable year
3 with respect to eligible premises to which the taxpayer has relocated;
4 provided, however, that no credit shall be allowed for the relocation of
5 any retail activity or hotel services. For purposes of this subdivision,
6 the terms "eligible aggregate employment shares", "eligible premises",
7 "relocate", "retail activity" and "hotel services" shall have the mean-
8 ings ascribed by section twenty-five-ff of the general city law.

9 (2) The credit allowed under this subdivision with respect to eligible
10 aggregate employment shares maintained with respect to eligible premises
11 to which the taxpayer has relocated shall be allowed for the taxable
12 year of the relocation and for any of the ten succeeding taxable years
13 during which eligible aggregate employment shares are maintained with
14 respect to eligible premises; provided that the credit allowed for the
15 tenth succeeding taxable year shall be calculated by multiplying the
16 number of eligible aggregate employment shares maintained with respect
17 to eligible premises in the tenth succeeding taxable year by the lesser
18 of one and a fraction the numerator of which is such number of days in
19 the taxable year of relocation less the number of days the eligible
20 business maintained employment shares in eligible premises in the taxa-
21 ble year of relocation and the denominator of which is the number of
22 days in such tenth succeeding taxable year during which such eligible
23 aggregate employment shares are maintained with respect to such prem-
24 ises.

25 (3) Except as provided in paragraph four of this subdivision, if the
26 amount of the credit allowable under this subdivision for any taxable
27 year exceeds the tax imposed for such year, the excess may be carried
28 over, in order, to the five immediately succeeding taxable years and, to

1 the extent not previously deductible, may be deducted from the taxpay-
2 er's tax for such years.

3 (4) The credits allowed under this subdivision, against the tax
4 imposed by this chapter for the taxable year of the relocation and for
5 the four taxable years immediately succeeding the taxable year of such
6 relocation, shall be deemed to be overpayments of tax by the taxpayer to
7 be credited or refunded, without interest, in accordance with the
8 provisions of section seventy-seven of this title. For such taxable
9 years, such credits or portions thereof may not be carried over to any
10 succeeding taxable year.

11 (5) The credit allowable under this subdivision shall be deducted
12 after the credits allowed by subdivision (b) of this section, but prior
13 to the deduction of any other credit allowed by this section.

14 § 5. Section 11-503 of the administrative code of the city of New York
15 is amended by adding a new subdivision (r) to read as follows:

16 (r) Relocation assistance credit per employee. (1) In addition to any
17 other credit allowed by this section other than a credit allowed by
18 subdivision (i) of this section, a taxpayer that has obtained the
19 certifications required by chapter six-E of title twenty-two of this
20 code shall be allowed a credit against the tax imposed by this chapter.
21 The amount of the credit shall be the amount determined by multiplying
22 five thousand dollars by the number of eligible aggregate employment
23 shares maintained by the taxpayer during the taxable year with respect
24 to eligible premises to which the taxpayer has relocated; provided,
25 however, that no credit shall be allowed for the relocation of any
26 retail activity or hotel services. For purposes of this subdivision, the
27 terms "eligible aggregate employment shares", "eligible premises",

1 "relocate", "retail activity" and "hotel services" shall have the mean-
2 ings ascribed by section 22-627 of this code.

3 (2) The credit allowed under this subdivision with respect to eligible
4 aggregate employment shares maintained with respect to eligible premises
5 to which the taxpayer has relocated shall be allowed for the taxable
6 year of the relocation and for any of the ten succeeding taxable years
7 during which eligible aggregate employment shares are maintained with
8 respect to eligible premises; provided that the credit allowed for the
9 tenth succeeding taxable year shall be calculated by multiplying the
10 number of eligible aggregate employment shares maintained with respect
11 to eligible premises in the tenth succeeding taxable year by the lesser
12 of one and a fraction the numerator of which is such number of days in
13 the taxable year of relocation less the number of days the taxpayer
14 maintained employment shares in eligible premises in the taxable year of
15 relocation and the denominator of which is the number of days in such
16 tenth succeeding taxable year during which such eligible aggregate
17 employment shares are maintained with respect to such premises.

18 (3) Except as provided in paragraph four of this subdivision, if the
19 amount of the credit allowable under this subdivision for any taxable
20 year exceeds the tax imposed for such year, the excess may be carried
21 over, in order, to the five immediately succeeding taxable years and, to
22 the extent not previously deductible, may be deducted from the taxpay-
23 er's tax for such years.

24 (4) The credits allowed under this subdivision, against the tax
25 imposed by this chapter for the taxable year of the relocation and for
26 the four taxable years immediately succeeding the taxable year of such
27 relocation, shall be deemed to be overpayments of tax by the taxpayer to
28 be credited or refunded, without interest, in accordance with the

1 provisions of section 11-526 of this title. For such taxable years, such
2 credits or portions thereof may not be carried over to any succeeding
3 taxable year.

4 (5) The credit allowable under this subdivision shall be deducted
5 after the credits allowed by subdivisions (b) and (j) of this section,
6 but prior to the deduction of any other credit allowed by this section.

7 § 6. Section 11-604 of the administrative code of the city of New York
8 is amended by adding a new subdivision 24 to read as follows:

9 24. Relocation assistance credit per employee. (a) In addition to any
10 other credit allowed by this section other than a credit allowed by
11 subdivision seventeen of this section, a taxpayer that has obtained the
12 certifications required by chapter six-E of title twenty-two of this
13 code shall be allowed a credit against the tax imposed by this chapter.
14 The amount of the credit shall be the amount determined by multiplying
15 five thousand dollars by the number of eligible aggregate employment
16 shares maintained by the taxpayer during the taxable year with respect
17 to eligible premises to which the taxpayer has relocated; provided,
18 however, that no credit shall be allowed for the relocation of any
19 retail activity or hotel services. For purposes of this subdivision, the
20 terms "eligible aggregate employment shares", "eligible premises",
21 "relocate", "retail activity" and "hotel services" shall have the mean-
22 ings ascribed by section 22-627 of this code.

23 (b) The credit allowed under this subdivision with respect to eligible
24 aggregate employment shares maintained with respect to eligible premises
25 to which the taxpayer has relocated shall be allowed for the taxable
26 year of the relocation and for any of the ten succeeding taxable years
27 during which eligible aggregate employment shares are maintained with
28 respect to eligible premises; provided that the credit allowed for the

1 tenth succeeding taxable year shall be calculated by multiplying the
2 number of eligible aggregate employment shares maintained with respect
3 to eligible premises in the tenth succeeding taxable year by the lesser
4 of one and a fraction the numerator of which is such number of days in
5 the taxable year of relocation less the number of days the taxpayer
6 maintained employment shares in eligible premises in the taxable year of
7 relocation and the denominator of which is the number of days in such
8 tenth taxable year during which such eligible aggregate employment
9 shares are maintained with respect to such premises.

10 (c) Except as provided in paragraph (d) of this subdivision, if the
11 amount of the credit allowable under this subdivision for any taxable
12 year exceeds the tax imposed for such year, the excess may be carried
13 over, in order, to the five immediately succeeding taxable years and, to
14 the extent not previously deductible, may be deducted from the taxpay-
15 er's tax for such years.

16 (d) The credits allowed under this subdivision, against the tax
17 imposed by this chapter for the taxable year of the relocation and for
18 the four taxable years immediately succeeding the taxable year of such
19 relocation, shall be deemed to be overpayments of tax by the taxpayer to
20 be credited or refunded, without interest, in accordance with the
21 provisions of section 11-677 of this chapter. For such taxable years,
22 such credits or portions thereof may not be carried over to any succeed-
23 ing taxable year.

24 (e) The credit allowable under this subdivision shall be deducted
25 after the credit allowed by subdivision eighteen of this section, but
26 prior to the deduction of any other credit allowed by this section.

27 § 7. The administrative code of the city of New York is amended by
28 adding a new section 11-643.10 to read as follows:

1 § 11-643.10 Relocation assistance credit per employee. (a) In addition
2 to any other credit allowed by this part other than a credit allowed by
3 section 11-643.7 of this part, a taxpayer that has obtained the certif-
4 ications required by chapter six-E of title twenty-two of this code
5 shall be allowed a credit against the tax imposed by this part. The
6 amount of the credit shall be the amount determined by multiplying five
7 thousand dollars by the number of eligible aggregate employment shares
8 maintained by the taxpayer during the taxable year with respect to
9 eligible premises to which the taxpayer has relocated; provided, howev-
10 er, that no credit shall be allowed for the relocation of any retail
11 activity or hotel services. For purposes of this section, the terms
12 "eligible aggregate employment shares", "eligible premises", "relocate",
13 "retail activity" and "hotel services" shall have the meanings ascribed
14 by section 22-627 of this code.

15 (b) The credit allowed under this section with respect to eligible
16 aggregate employment shares maintained with respect to eligible premises
17 to which the taxpayer has relocated shall be allowed for the taxable
18 year of the relocation and for any of the ten succeeding taxable years
19 during which eligible aggregate employment shares are maintained with
20 respect to eligible premises; provided that the credit allowed for the
21 tenth succeeding taxable year shall be calculated by multiplying the
22 number of eligible aggregate employment shares maintained with respect
23 to eligible premises in the tenth succeeding taxable year by the lesser
24 of one and a fraction the numerator of which is such number of days in
25 the taxable year of relocation less the number of days the taxpayer
26 maintained employment shares in eligible premises in the taxable year of
27 relocation and the denominator of which is the number of days in such

1 tenth succeeding taxable year during which such eligible aggregate
2 employment shares are maintained with respect to such premises.

3 (c) Except as provided in subdivision (d) of this section, if the
4 amount of the credit allowable under this section for any taxable year
5 exceeds the tax imposed for such year, the excess may be carried over,
6 in order, to the five immediately succeeding taxable years and, to the
7 extent not previously deductible, may be deducted from the taxpayer's
8 tax for such years.

9 (d) The credits allowed under this section, against the tax imposed by
10 this chapter for the taxable year of the relocation and for the four
11 taxable years immediately succeeding the taxable year of such relo-
12 cation, shall be deemed to be overpayments of tax by the taxpayer to be
13 credited or refunded, without interest, in accordance with the
14 provisions of section 11-677 of this chapter. For such taxable years,
15 such credits or portions thereof may not be carried over to any succeed-
16 ing taxable year.

17 (e) The credit allowable under this section shall be deducted prior to
18 the deduction of any other credit allowed by this part.

19 § 8. Section 11-654 of the administrative code of the city of New York
20 is amended by adding a new subdivision 24 to read as follows:

21 24. Relocation assistance credit per employee. (a) In addition to any
22 other credit allowed by this section other than a credit allowed by
23 subdivision seventeen of this section, a taxpayer that has obtained the
24 certifications required by chapter six-E of title twenty-two of this
25 code shall be allowed a credit against the tax imposed by this subchap-
26 ter. The amount of the credit shall be the amount determined by multi-
27 plying five thousand dollars by the number of eligible aggregate employ-
28 ment shares maintained by the taxpayer during the taxable year with

1 respect to eligible premises to which the taxpayer has relocated;
2 provided, however, that no credit shall be allowed for the relocation of
3 any retail activity or hotel services. For purposes of this subdivision,
4 the terms "eligible aggregate employment shares", "eligible premises",
5 "relocate", "retail activity" and "hotel services" shall have the mean-
6 ings ascribed by section 22-627 of this code.

7 (b) The credit allowed under this subdivision with respect to eligible
8 aggregate employment shares maintained with respect to eligible premises
9 to which the taxpayer has relocated shall be allowed for the taxable
10 year of the relocation and for any of the ten succeeding taxable years
11 during which eligible aggregate employment shares are maintained with
12 respect to eligible premises; provided that the credit allowed for the
13 tenth succeeding taxable year shall be calculated by multiplying the
14 number of eligible aggregate employment shares maintained with respect
15 to eligible premises in the tenth succeeding taxable year by the lesser
16 of one and a fraction the numerator of which is such number of days in
17 the taxable year of relocation less the number of days the taxpayer
18 maintained employment shares in eligible premises in the taxable year of
19 relocation and the denominator of which is the number of days in such
20 tenth taxable year during which such eligible aggregate employment
21 shares are maintained with respect to such premises.

22 (c) Except as provided in paragraph (d) of this subdivision, if the
23 amount of the credit allowable under this subdivision for any taxable
24 year exceeds the tax imposed for such year, the excess may be carried
25 over, in order, to the five immediately succeeding taxable years and, to
26 the extent not previously deductible, may be deducted from the taxpay-
27 er's tax for such years.

1 (d) The credits allowed under this subdivision, against the tax
2 imposed by this chapter for the taxable year of the relocation and for
3 the four taxable years immediately succeeding the taxable year of such
4 relocation, shall be deemed to be overpayments of tax by the taxpayer to
5 be credited or refunded, without interest, in accordance with the
6 provisions of section 11-677 of this chapter. For such taxable years,
7 such credits or portions thereof may not be carried over to any succeed-
8 ing taxable year.

9 (e) The credit allowable under this subdivision shall be deducted
10 after the credit allowed by subdivision eighteen of this section, but
11 prior to the deduction of any other credit allowed by this section.

12 § 9. The opening paragraph of subdivision (b) of section 22-622 of the
13 administrative code of the city of New York, as amended by section 3 of
14 part RR of chapter 56 of the laws of 2020, is amended to read as
15 follows:

16 No eligible business shall be authorized to receive a credit against
17 tax or a reduction in base rent subject to tax under the provisions of
18 this chapter, and of title eleven of the code as described in subdivi-
19 sion (a) of this section, until the premises with respect to which it is
20 claiming the credit meet the requirements in the definition of eligible
21 premises and until it has obtained a certification of eligibility from
22 the mayor or an agency designated by the mayor, and an annual certif-
23 ication from the mayor or an agency designated by the mayor as to the
24 number of eligible aggregate employment shares maintained by such eligi-
25 ble business that may qualify for obtaining a tax credit for the eligi-
26 ble [business'] business's taxable year. Any written documentation
27 submitted to the mayor or such agency or agencies in order to obtain any
28 such certification shall be deemed a written instrument for purposes of

1 section 175.00 of the penal law. Application fees for such certif-
2 ications shall be determined by the mayor or such agency or agencies. No
3 certification of eligibility shall be issued to an eligible business on
4 or after July first, two thousand [twenty-five] thirty unless:

5 § 10. Title 22 of the administrative code of the city of New York is
6 amended by adding a new chapter 6-E to read as follows:

7 CHAPTER 6-E

8 RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

9 Section 22-627 Definitions.

10 22-628 Authorization to provide relocation assistance credit per
11 employee.

12 § 22-627 Definitions. When used in this chapter, the following terms
13 shall have the following meanings:

14 (a) "Aggregate employment shares" means the sum of all employment
15 shares maintained by an eligible business in a taxable year.

16 (b) "Eligible aggregate employment shares" means, in the case of an
17 eligible business, the amount, if any, of aggregate employment shares
18 maintained by an eligible business in eligible premises in the taxable
19 year in which such eligible business claims a credit pursuant to section
20 22-628 of this chapter; provided, however, that:

21 (1) such amount shall not exceed the lesser of:

22 (i) the number of aggregate employment shares maintained by such
23 eligible business in eligible premises in the taxable year during which
24 such eligible business relocates;

25 (ii) the maximum approved employment shares for such eligible busi-
26 ness; or

1 (iii) an amount equal to the product of multiplying the aggregate
2 employment shares and the linear scalar for such eligible business in
3 such tax year; and

4 (2) a full-time work week or part-time work week at eligible premises
5 prior to the date of relocation shall not be taken into account in
6 determining eligible aggregate employment shares.

7 (c) "Eligible business" means any person subject to a tax imposed
8 under chapter five, subchapter two, three or three-A of chapter six of
9 title eleven of this code, that:

10 (1) has been conducting substantial business operations at one or more
11 business locations outside of New York state for the twenty-four consec-
12 utive months immediately preceding the taxable year during which such
13 eligible business relocates but has not maintained employment shares at
14 premises in New York state at any time during the period beginning Janu-
15 ary first, two thousand twenty-five and ending on the date such business
16 enters into a lease or a contract to purchase the premises that will
17 qualify as eligible premises pursuant to this chapter; and

18 (2) on or after July first, two thousand twenty-five relocates all or
19 part of such business operations.

20 (d) "Eligible premises" means one or more non-residential premises
21 that consist of at least twenty thousand square feet that are:

22 (1) wholly contained in real property located in the city of New York;
23 and

24 (2) for which final certificates of occupancy were issued prior to
25 January first, two thousand.

26 (e) "Employment share" means, for each employee, partner or sole
27 proprietor of an eligible business, the sum of: (1) the number of full-
28 time work weeks worked by such employee, partner or sole proprietor

1 during the eligible business's taxable year divided by the number of
2 weeks in the taxable year; and (2) the number of part-time work weeks
3 worked by such employee, partner or sole proprietor during the eligible
4 business's taxable year divided by an amount equal to twice the number
5 of weeks in the taxable year. Employment share shall not include full-
6 time or part-time work weeks attributable to employees, partners or sole
7 proprietors acquired by an eligible business as a result of a merger
8 with, acquisition of another person, or a transaction having a compara-
9 ble effect, that occurs after June thirtieth, two thousand twenty-five,
10 and before the end of the taxable year in which a credit is claimed by
11 such eligible business pursuant to this section, or to successors, if
12 any, to those employees, partners or sole proprietors.

13 (f) "Full-time work week" means a week during which at least thirty-
14 five hours of gainful work has been performed by an employee, partner or
15 sole proprietor.

16 (g) "Hotel services" means any services that consist predominately of
17 the lodging of guests at a building or a portion thereof that is regu-
18 larly used and kept open for such services. Hotel services shall include
19 the lodging of guests at an apartment hotel, a motel, boarding house or
20 club, whether or not meals are served.

21 (h) "Linear scalar" means, for an eligible business in a taxable year,
22 the quotient of dividing:

23 (1) the total square footage of an eligible premises; by

24 (2) the product of multiplying two hundred fifty by such business's
25 aggregate employment shares.

26 (i) "Maximum approved employment shares" means a limitation on the
27 aggregate employment shares that an eligible business may receive in any
28 taxable year determined by the mayor pursuant to section 22-628 of this

1 chapter based on documentation submitted by such business demonstrating
2 such business's intention to relocate. The maximum approved employment
3 shares is the number of aggregate employment shares such business
4 intends to relocate as indicated by the mayor on the applicable initial
5 certification of eligibility.

6 (j) "Mayor" means the mayor, or an agency as designated by the mayor.

7 (k) "Part-time work week" means a week during which at least fifteen
8 but less than thirty-five hours of gainful work has been performed by an
9 employee, partner or sole proprietor.

10 (l) "Person" includes any individual, partnership, association, joint-
11 stock company, corporation, estate or trust, limited liability company,
12 and any combination of the foregoing.

13 (m) "Program total" means the sum of maximum approved aggregate
14 employment shares included in all initial certification of eligibility
15 issued by the mayor.

16 (n) "Relocate" means, with respect to an eligible business, to trans-
17 fer a pre-existing business operation to an eligible premises, or to
18 establish a new business operation at such premises, provided that an
19 eligible business shall not be deemed to have relocated unless at least
20 one employee, partner or sole proprietor of the eligible business is
21 transferred to such premises from a pre-existing business operation
22 conducted outside the state of New York. The date of relocation shall be
23 the first day on which the individual so transferred commences work at
24 such eligible premises. The taxable year of relocation shall be the
25 taxable year in which the date of relocation occurs. For purposes of
26 this chapter, an eligible business may relocate only once but may add or
27 substitute other eligible premises throughout such period.

1 (o) "Retail activity" means any activity which consists predominately
2 of:

3 (1) the sale, other than through the mail or by the telephone or by
4 means of the internet, of tangible personal property to a person, for
5 any purpose unrelated to the trade or business of such person;

6 (2) the selling of a service to an individual which generally involves
7 the physical, mental or spiritual care of such individual;

8 (3) the physical care of the personal property of any person unrelated
9 to the trade or business of such person; or

10 (4) the provision of a retail banking service.

11 § 22-628 Authorization to provide relocation assistance credit per
12 employee. (a) An eligible business that relocates shall be allowed to
13 receive a credit against a tax imposed by chapter five, subchapter two,
14 three or three-A of chapter six of title eleven of this code, as
15 described in subdivision (r) of section 11-503, subdivision twenty-four
16 of section 11-604, section 11-643.10, or subdivision twenty-four of
17 section 11-654 of this code.

18 (b) No eligible business shall be authorized to receive a credit
19 against tax under the provisions of this chapter and of title eleven of
20 this code as described in subdivision (a) of this section, unless the
21 premises with respect to which it is claiming the credit are eligible
22 premises and until it has obtained an initial certification of eligibil-
23 ity from the mayor and an annual certification from the mayor as to the
24 number of eligible aggregate employment shares maintained by such eligi-
25 ble business that may qualify for obtaining a tax credit for the eligi-
26 ble business's taxable year. Each initial certification of eligibility
27 shall include the maximum approved employment shares for the eligible
28 business, which shall not exceed five hundred employment shares. Any

1 written documentation submitted to the mayor in order to obtain any such
2 certification shall be deemed a written instrument for purposes of
3 section 175.00 of the penal law. An application fee for such certif-
4 ication shall be determined by the mayor. No initial certification of
5 eligibility shall be issued to an eligible business on or after July
6 first, two thousand twenty-eight unless:

7 (1) prior to such date such business has purchased, leased or entered
8 into a contract to purchase or lease eligible premises;

9 (2) prior to such date such business submits a preliminary application
10 for an initial certification of eligibility to such mayor with respect
11 to a proposed relocation to such premises;

12 (3) such business enters into a lease or contract to purchase an
13 eligible premises between the date that such business submits such
14 preliminary application and three months thereafter; and

15 (4) such business relocates to such premises not later than thirty-six
16 months from the date of submission of such preliminary application.

17 (c) Notwithstanding any provision of law to the contrary, the mayor
18 shall not issue an initial certification of eligibility that would cause
19 the program total to exceed three thousand maximum approved employment
20 shares. The mayor shall approve such applications on a first-come,
21 first-serve basis among eligible businesses in accordance with rules
22 promulgated pursuant to subdivision (d) of this section. The mayor shall
23 include on the mayor's website an indication regarding whether the
24 program total has reached three thousand maximum approved employment
25 shares.

26 (d) The mayor shall be authorized to promulgate rules and regulations
27 to administer and ensure compliance with the provisions of this chapter,
28 including but not limited to rules and regulations to provide for alter-

1 native methods to measure employment shares in instances where an eligi-
2 ble business is not required by law to maintain weekly records of full-
3 time work weeks and part-time work weeks of employees, partners or sole
4 proprietors.

5 (e) For the duration of the benefit period, the recipient of a credit
6 shall file an application for an annual certification each year demon-
7 strating such recipient's eligibility for such credit and the average
8 wage and benefits offered to the applicable relocated employees used in
9 determining eligible aggregate employment shares. Such mayor shall have
10 the authority to require that statements filed under this subdivision be
11 filed electronically and that such statements be certified.

12 (f) The department of small business services may require in a
13 contract with a not-for-profit corporation that provides economic devel-
14 opment services for the city of New York that such corporation will
15 provide administrative support to the mayor and assist the mayor's
16 review of any initial certification of eligibility or annual certif-
17 ication, and provide recommendations regarding the approval of any cred-
18 it pursuant to this chapter.

19 § 11. This act shall take effect July 1, 2025.

20 PART Y

21 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
22 law, as amended by section 1 of part K of chapter 59 of the laws of
23 2022, is amended to read as follows:

24 (a) General. A taxpayer shall be allowed a credit against the tax
25 imposed by this article. Such credit, to be computed as hereinafter
26 provided, shall be allowed for bioheating fuel, used for space heating

1 or hot water production for residential purposes within this state
2 purchased before January first, two thousand [twenty-six] twenty-nine.
3 Such credit shall be \$0.01 per percent of biodiesel per gallon of
4 bioheating fuel, not to exceed twenty cents per gallon, purchased by
5 such taxpayer. Provided, however, that on or after January first, two
6 thousand seventeen, this credit shall not apply to bioheating fuel that
7 is less than six percent biodiesel per gallon of bioheating fuel.

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

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

23 § 3. This act shall take effect immediately.

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

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

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

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

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

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

19 § 4. This act shall take effect immediately.

20 PART AA

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

24 (B) Until May thirty-first, two thousand [twenty-five] twenty-six, the
25 food and drink excluded from the exemption provided by clauses (i), (ii)
26 and (iii) of subparagraph (A) of this paragraph, and bottled water,

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

6 § 2. This act shall take effect immediately.

7 PART BB

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

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

14 § 2. This act shall take effect immediately.

15 PART CC

16 Section 1. Paragraph (a) of subdivision 29 of section 210-B of the
17 tax law, as amended by section 1 of part H of chapter 59 of the laws of
18 2022, is amended to read as follows:

19 (a) Allowance of credit. For taxable years beginning on or after Janu-
20 ary first, two thousand fifteen and before January first, two thousand
21 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be
22 computed as provided in this subdivision, against the tax imposed by
23 this article, for hiring and employing, for not less than twelve contin-
24 uous and uninterrupted months (hereinafter referred to as the twelve-

1 month period) in a full-time or part-time position, a qualified veteran
2 within the state. The taxpayer may claim the credit in the year in which
3 the qualified veteran completes the twelve-month period of employment by
4 the taxpayer. If the taxpayer claims the credit allowed under this
5 subdivision, 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 § 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section
9 210-B of the tax law, as amended by section 1 of part H of chapter 59 of
10 the laws of 2022, is amended to read as follows:

11 (2) 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 § 3. Paragraph 1 of subsection (a-2) of section 606 of the tax law, as
15 amended by section 2 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 subsection, against the tax imposed by this
21 article, for hiring and employing, for not less than twelve continuous
22 and uninterrupted months (hereinafter referred to as the twelve-month
23 period) in a full-time or part-time position, a qualified veteran within
24 the state. The taxpayer may claim the credit in the year in which the
25 qualified veteran completes the twelve-month period of employment by the
26 taxpayer. If the taxpayer claims the credit allowed under this
27 subsection, the taxpayer may not use the hiring of a qualified veteran

1 that is the basis for this credit in the basis of any other credit
2 allowed under this article.

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

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

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

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

25 § 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section
26 1511 of the tax law, as amended by section 3 of part H of chapter 59 of
27 the laws of 2022, is amended to read as follows:

1 (B) who commences employment by the qualified taxpayer on or after
2 January first, two thousand fourteen, and before January first, two
3 thousand [twenty-five] twenty-eight; and
4 § 7. This act shall take effect immediately.

5 PART DD

6 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,
7 amending the tax law relating to a musical and theatrical production
8 credit, as amended by section 1 of part HH of chapter 59 of the laws of
9 2021, is amended to read as follows:

10 § 5. This act shall take effect immediately, provided that section two
11 of this act shall take effect on January 1, 2015, and shall apply to
12 taxable years beginning on or after January 1, 2015, with respect to
13 "qualified production expenditures" and "transportation expenditures"
14 paid or incurred on or after such effective date, regardless of whether
15 the production of the qualified musical or theatrical production
16 commenced before such date, provided further that this act shall expire
17 and be deemed repealed January 1, [2026] 2030.

18 § 2. This act shall take effect immediately.

19 PART EE

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

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

4 § 2. This act shall take effect immediately.

5 PART FF

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

17 SUBPART A

18 Section 1. The racing, pari-mutuel wagering and breeding law is
19 amended by adding a new section 136 to read as follows:

20 § 136. Pari-mutuel wagering tax. 1. Notwithstanding any law to the
21 contrary:

22 (a) the excise tax imposed on each thoroughbred racetrack conducting
23 pari-mutuel wagering on live racing shall be one and one-tenth of one
24 percent (1.1%) of all money wagered on live races at such track;

1 (b) the excise tax imposed on each harness racetrack conducting pari-
2 mutuel wagering on live racing shall be one percent (1%) of all money
3 wagered on live races at such track; and

4 (c) the excise tax imposed on each off-track betting corporation for
5 the privilege of conducting pari-mutuel wagering on live racing shall be
6 six-tenths of one percent (0.6%) of all money wagered on live races
7 through such corporation.

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

14 3. All pari-mutuel wagering taxes shall be collected and remitted in
15 the same manner as such taxes were collected and remitted prior to the
16 enactment of this section.

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

23 5. (a) Thoroughbred racetracks and the corporation established by
24 section two hundred fifty-two of this chapter, harness racetracks and
25 the corporation established by section three hundred thirty of this
26 chapter, and regional off-track betting corporations may agree to imple-
27 ment a revenue distribution scheme that differs from the distribution
28 scheme otherwise established by law. A copy of any such agreement shall

1 be provided to the commission and shall supersede the otherwise applica-
2 ble statutory distribution scheme.

3 (b) Any agreement established pursuant to paragraph (a) of this subdi-
4 vision shall include signatures from all involved parties, set forth the
5 current statute being superseded by the agreement, and the new terms and
6 conditions of the distribution of monies. The commission shall post on
7 the commission's website the applicable superseding distribution scheme
8 within thirty days of receipt by the commission.

9 (c) This subdivision shall supersede all inconsistent provisions of
10 law.

11 § 2. Section 908 of the racing, pari-mutuel wagering and breeding law
12 is REPEALED.

13 § 3. Section 1011 of the racing, pari-mutuel wagering and breeding
14 law, as amended by chapter 243 of the laws of 2020, is amended to read
15 as follows:

16 § 1011. Certain credit to off-track betting corporations. a. [During
17 the period that a franchised corporation is simulcasting from a facility
18 operated by such franchised corporation in the second zone as defined in
19 section two hundred forty-seven of this chapter to a facility operated
20 by such franchised corporation pursuant to section one thousand seven of
21 this article, any off-track betting corporation operating in a county in
22 which such association maintains a racetrack shall receive a credit of
23 twenty-five percent of the state taxes due pursuant to section five
24 hundred twenty-seven of this chapter on wagers placed on races conducted
25 by such association, provided that such corporation has entered into an
26 agreement with the employee organization representing the employees of
27 such corporation in which it has agreed not to reduce its workforce as a
28 result of such simulcasting.

1 b.] During the days that a franchised corporation is simulcasting from
2 a racetrack facility operated by such franchised corporation and located
3 in the first zone to a racetrack facility operated by such franchised
4 corporation located wholly within a city of one million or more, one
5 percent of the total wagers placed at such receiving facility shall be
6 paid to such city.

7 [c.] b. During the days that a franchised corporation is simulcasting
8 from a facility located wholly within a city in the first zone to a
9 racetrack facility operated by such franchised corporation located
10 partially within a city with a population in excess of one million and
11 partially within a county, one-half percent of the total wagers placed
12 at such receiving facility shall be paid to such city and one-half
13 percent of such wagers shall be paid to such county.

14 § 4. This act shall take effect September 1, 2025.

15 SUBPART B

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

20 (a) Any racing association or corporation or regional off-track
21 betting corporation, authorized to conduct pari-mutuel wagering under
22 this chapter, desiring to display the simulcast of horse races on which
23 pari-mutuel betting shall be permitted in the manner and subject to the
24 conditions provided for in this article may apply to the commission for
25 a license so to do. Applications for licenses shall be in such form as
26 may be prescribed by the commission and shall contain such information

1 or other material or evidence as the commission may require. No license
2 shall be issued by the commission authorizing the simulcast transmission
3 of thoroughbred races from a track located in Suffolk county. The fee
4 for such licenses shall be five hundred dollars per simulcast facility
5 and for account wagering licensees that do not operate either a simul-
6 cast facility that is open to the public within the state of New York or
7 a licensed racetrack within the state, twenty thousand dollars per year
8 payable by the licensee to the commission for deposit into the general
9 fund. Except as provided in this section, the commission shall not
10 approve any application to conduct simulcasting into individual or group
11 residences, homes or other areas for the purposes of or in connection
12 with pari-mutuel wagering. The commission may approve simulcasting into
13 residences, homes or other areas to be conducted jointly by one or more
14 regional off-track betting corporations and one or more of the follow-
15 ing: a franchised corporation, thoroughbred racing corporation or a
16 harness racing corporation or association; provided (i) the simulcasting
17 consists only of those races on which pari-mutuel betting is authorized
18 by this chapter at one or more simulcast facilities for each of the
19 contracting off-track betting corporations which shall include wagers
20 made in accordance with section one thousand fifteen, one thousand
21 sixteen and one thousand seventeen of this article; provided further
22 that the contract provisions or other simulcast arrangements for such
23 simulcast facility shall be no less favorable than those in effect on
24 January first, two thousand five; (ii) that each off-track betting
25 corporation having within its geographic boundaries such residences,
26 homes or other areas technically capable of receiving the simulcast
27 signal shall be a contracting party; (iii) the distribution of revenues
28 shall be subject to contractual agreement of the parties except that

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

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

24 (iii) Of the sums retained by a receiving track located in Westchester
25 county on races received from a franchised corporation, for the period
26 commencing January first, two thousand eight [and continuing through
27 June thirtieth, two thousand twenty-five], the amount used exclusively
28 for purses to be awarded at races conducted by such receiving track

1 shall be computed as follows: of the sums so retained, two and one-half
2 percent of the total pools. Such amount shall be increased or decreased
3 in the amount of fifty percent of the difference in total commissions
4 determined by comparing the total commissions available after July twen-
5 ty-first, nineteen hundred ninety-five to the total commissions that
6 would have been available to such track prior to July twenty-first,
7 nineteen hundred ninety-five.

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

12 The provisions of this section shall govern the simulcasting of races
13 conducted at thoroughbred tracks located in another state or country on
14 any day during which a franchised corporation is conducting a race meet-
15 ing in Saratoga county at Saratoga thoroughbred racetrack [until June
16 thirtieth, two thousand twenty-five and on any day regardless of whether
17 or not a franchised corporation is conducting a race meeting in Saratoga
18 county at Saratoga thoroughbred racetrack after June thirtieth, two
19 thousand twenty-five]. On any day on which a franchised corporation has
20 not scheduled a racing program but a thoroughbred racing corporation
21 located within the state is conducting racing, each off-track betting
22 corporation branch office and each simulcasting facility licensed in
23 accordance with section one thousand seven (that has entered into a
24 written agreement with such facility's representative horsemen's organ-
25 ization, as approved by the commission), one thousand eight, or one
26 thousand nine of this article shall be authorized to accept wagers and
27 display the live simulcast signal from thoroughbred tracks located in
28 another state or foreign country subject to the following provisions:

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

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

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

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

1 required of a franchised corporation licensed in accordance with section
2 one thousand seven of this article:

3 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
4 wagering and breeding law, as amended by section 6 of part P of chapter
5 59 of the laws of 2024, is amended to read as follows:

6 Notwithstanding any other provision of this chapter, for the period
7 commencing July twenty-fifth, two thousand one [through September
8 eighth, two thousand twenty-four], when a franchised corporation is
9 conducting a race meeting within the state at Saratoga Race Course,
10 every off-track betting corporation branch office and every simulcasting
11 facility licensed in accordance with section one thousand seven (that
12 has entered into a written agreement with such facility's representative
13 horsemen's organization as approved by the commission), one thousand
14 eight or one thousand nine of this article shall be authorized to accept
15 wagers and display the live simulcast signal from thoroughbred tracks
16 located in another state, provided that such facility shall accept
17 wagers on races run at all in-state thoroughbred tracks which are
18 conducting racing programs subject to the following provisions;
19 provided, however, no such written agreement shall be required of a
20 franchised corporation licensed in accordance with section one thousand
21 seven of this article.

22 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
23 racing, pari-mutuel wagering and breeding law and other laws relating to
24 simulcasting, as amended by section 7 of part P of chapter 59 of the
25 laws of 2024, is amended to read as follows:

26 § 32. This act shall take effect immediately [and the pari-mutuel tax
27 reductions in section six of this act shall expire and be deemed
28 repealed on July 1, 2025]; provided, however, that nothing contained

1 herein shall be deemed to affect the application, qualification, expira-
2 tion, or repeal of any provision of law amended by any section of this
3 act, and such provisions shall be applied or qualified or shall expire
4 or be deemed repealed in the same manner, to the same extent and on the
5 same date as the case may be as otherwise provided by law; provided
6 further, however, that sections twenty-three and twenty-five of this act
7 shall remain in full force and effect only until May 1, 1997 and at such
8 time shall be deemed to be repealed.

9 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
10 racing, pari-mutuel wagering and breeding law and other laws relating to
11 simulcasting and the imposition of certain taxes, as amended by section
12 8 of part P of chapter 59 of the laws of 2024, is amended to read as
13 follows:

14 § 54. This act shall take effect immediately; provided, however,
15 sections three through twelve of this act shall take effect on January
16 1, 1991[, and section 1013 of the racing, pari-mutuel wagering and
17 breeding law, as added by section thirty-eight of this act, shall expire
18 and be deemed repealed on July 1, 2025]; and section eighteen of this
19 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
20 two of this act shall take effect as of the same date as chapter 772 of
21 the laws of 1989 took effect.

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

25 (a) The franchised corporation authorized under this chapter to
26 conduct pari-mutuel betting at a race meeting or races run thereat shall
27 distribute all sums deposited in any pari-mutuel pool to the holders of
28 winning tickets therein, provided such tickets are presented for payment

1 before April first of the year following the year of their purchase,
2 less an amount that shall be established and retained by such franchised
3 corporation of between twelve to seventeen percent of the total deposits
4 in pools resulting from on-track regular bets, and fourteen to twenty-
5 one percent of the total deposits in pools resulting from on-track
6 multiple bets and fifteen to twenty-five percent of the total deposits
7 in pools resulting from on-track exotic bets and fifteen to thirty-six
8 percent of the total deposits in pools resulting from on-track super
9 exotic bets, plus the breaks. The retention rate to be established is
10 subject to the prior approval of the commission.

11 Such rate may not be changed more than once per calendar quarter to be
12 effective on the first day of the calendar quarter. "Exotic bets" and
13 "multiple bets" shall have the meanings set forth in section five
14 hundred nineteen of this chapter. "Super exotic bets" shall have the
15 meaning set forth in section three hundred one of this chapter. For
16 purposes of this section, a "pick six bet" shall mean a single bet or
17 wager on the outcomes of six races. The breaks are hereby defined as the
18 odd cents over any multiple of five for payoffs greater than one dollar
19 five cents but less than five dollars, over any multiple of ten for
20 payoffs greater than five dollars but less than twenty-five dollars,
21 over any multiple of twenty-five for payoffs greater than twenty-five
22 dollars but less than two hundred fifty dollars, or over any multiple of
23 fifty for payoffs over two hundred fifty dollars. Out of the amount so
24 retained there shall be paid by such franchised corporation to the
25 commissioner of taxation and finance, as a reasonable tax by the state
26 for the privilege of conducting pari-mutuel betting on the races run at
27 the race meetings held by such franchised corporation, the following
28 percentages of the total pool for regular and multiple bets five percent

1 of regular bets and four percent of multiple bets plus twenty percent of
2 the breaks; for exotic wagers seven and one-half percent plus twenty
3 percent of the breaks, and for super exotic bets seven and one-half
4 percent plus fifty percent of the breaks.

5 For the period commencing April first, two thousand one [through
6 December thirty-first, two thousand twenty-five], such tax on all wagers
7 shall be one and six-tenths percent, plus, in each such period, twenty
8 percent of the breaks. Payment to the New York state thoroughbred breed-
9 ing and development fund by such franchised corporation shall be one-
10 half of one percent of total daily on-track pari-mutuel pools resulting
11 from regular, multiple and exotic bets and three percent of super exotic
12 bets and for the period commencing April first, two thousand one
13 [through December thirty-first, two thousand twenty-five], such payment
14 shall be seven-tenths of one percent of regular, multiple and exotic
15 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.

1

PART GG

2 Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel
3 wagering and breeding law, as amended by chapter 174 of the laws of
4 2013, is amended to read as follows:

5 1. (a) For a gaming facility in zone two, there is hereby imposed a
6 tax on gross gaming revenues. The amount of such tax imposed shall be as
7 follows; provided, however, should a licensee have agreed within its
8 application to supplement the tax with a binding supplemental fee
9 payment exceeding the aforementioned tax rate, such tax and supplemental
10 fee shall apply for a gaming facility:

11 [(a)] (1) in region two, forty-five percent of gross gaming revenue
12 from slot machines and ten percent of gross gaming revenue from all
13 other sources.

14 [(b)] (2) in region one, thirty-nine percent of gross gaming revenue
15 from slot machines and ten percent of gross gaming revenue from all
16 other sources.

17 [(c)] (3) in region five, thirty-seven percent of gross gaming revenue
18 from slot machines and ten percent of gross gaming revenue from all
19 other sources.

20 (b) (1) Notwithstanding the tax rates on gross gaming revenue from
21 slot machines provided in paragraph (a) of this subdivision, for the
22 period of April first, two thousand twenty-six through June thirtieth,
23 two thousand twenty-eight, each gaming facility in zone two shall
24 continue to be subject to the same tax rate on gross gaming revenue from
25 slot machines as was imposed in the preceding fiscal year.

26 (2) As a condition of the lower slot machine tax rate, the licensed
27 gaming facility must be current on all statutory obligations to the

1 state or have entered into and be in compliance with a repayment agree-
2 ment with the state. If the commission, in its sole discretion, deter-
3 mines that a gaming facility has not adhered to this condition for any
4 such time period, the gaming facility shall forfeit this lower slot
5 machine tax rate for such time period.

6 (3) Each gaming facility shall provide an annual fiscal report to the
7 governor, the speaker of the assembly, the temporary president of the
8 senate, director of the division of budget and the commission detailing
9 actual use of the funds resulting from the lower slot machine tax rate.
10 Such report shall include, but not be limited to, any impact on employ-
11 ment levels since receiving the lower slot machine tax rate, an account-
12 ing of the use of such funds, any other measures implemented to improve
13 the financial stability of the gaming facility and any other information
14 as deemed necessary by the commission. Such report shall be due no later
15 than January first of each year and shall be posted on the commission
16 website.

17 § 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending
18 the racing, pari-mutuel wagering and breeding law relating to the tax
19 on gaming revenues, is amended to read as follows:

20 § 2. This act shall take effect immediately and shall expire and be
21 deemed repealed [five years after such date] April 1, 2026.

22 § 3. This act shall take effect immediately; provided however, that
23 section one of this act shall take effect on the same date as the rever-
24 sion of subdivision 1 of section 1351 of the racing, pari-mutuel wager-
25 ing and breeding law as provided in section 2 of part 000 of chapter 59
26 of the laws of 2021, as amended; provided further, that section one of
27 this act shall expire and be deemed repealed July 1, 2028.

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-

1 first, two thousand twenty-four, twenty-three percent of the funds, not
2 to exceed two and one-half million dollars, in the Catskill off-track
3 betting corporation's capital acquisition fund established pursuant to
4 this section, and one million dollars in the Capital off-track betting
5 corporation's capital acquisition fund established pursuant to this
6 section, shall be available to such off-track betting corporation for
7 the purposes of expenditures necessary to accept authorized wagers; past
8 due statutory obligations to New York licensed or franchised racing
9 corporations or associations; past due contractual obligations due to
10 other racing associations or organizations for the costs of acquiring a
11 simulcast signal; past due statutory payment obligations due to the New
12 York state thoroughbred breeding and development fund corporation, agri-
13 culture and New York state horse breeding development fund, and the
14 Harry M. Zweig memorial fund for equine research; and past due obli-
15 gations due the state.

16 d. Notwithstanding any other provision of law or regulation to the
17 contrary, from April first, two thousand twenty-four to March thirty-
18 first, two thousand twenty-five, twenty-three percent of the funds, not
19 to exceed two and one-half million dollars, in the Catskill off-track
20 betting corporation's capital acquisition fund established pursuant to
21 this section, and one million dollars in the Capital off-track betting
22 corporation's capital acquisition fund established pursuant to this
23 section, shall be available to such off-track betting corporation for
24 the purposes of expenditures necessary to accept authorized wagers; past
25 due statutory obligations to New York licensed or franchised racing
26 corporations or associations; past due contractual obligations due to
27 other racing associations or organizations for the costs of acquiring a
28 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

1 the funds will be used, and any other information necessary to detail
2 such plan as determined by the commission. Upon review, the commission
3 shall make a determination as to whether the requirements of this para-
4 graph have been satisfied and notify the corporation of expenditure plan
5 approval. In the event the commission determines the requirements of
6 this paragraph have not been satisfied, the commission shall notify the
7 corporation of all deficiencies necessary for approval. As a condition
8 of such expenditure plan approval, the corporation shall provide a
9 report to the commission no later than the last day of the calendar year
10 for which the funds are requested, which shall include an accounting of
11 the use of such funds. At such time, the commission may cause an inde-
12 pendent audit to be conducted of the corporation's books to ensure that
13 all moneys were spent as indicated in such approved plan. The audit
14 shall be paid for from money in the fund established by this section. If
15 the audit determines that a corporation used the money authorized under
16 this section for a purpose other than one listed in their expenditure
17 plan, then the corporation shall reimburse the capital acquisition fund
18 for the unauthorized amount.

19 § 2. This act shall take effect immediately.

20

PART II

21 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel
22 wagering and breeding law, as amended by chapter 243 of the laws of
23 2020, is amended and a new subdivision 7 is added to read as follows:

24 6. multi-jurisdictional account wagering providers shall pay a market
25 origin fee equal to five percent on each wager accepted from New York
26 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:

1 1-a. In addition to the moneys specified in subdivision one of this
2 section, up to an amount equivalent to all moneys collected pursuant to
3 subdivision seven of section one thousand twelve-a of this chapter shall
4 be appropriated or transferred to the fund from the general fund of the
5 state treasury to be used for the purposes contained in the agreement
6 established pursuant to subdivision seven of section seven hundred four
7 of this article, provided that such amount shall not exceed what is
8 necessary to cover all expenses as contained in such agreement.

9 § 3. Section 704 of the racing, pari-mutuel wagering and breeding law
10 is amended by adding a new subdivision 7 to read as follows:

11 7. (a) The moneys appropriated or transferred to the fund from the
12 general fund of the state treasury pursuant to subdivision one-a of
13 section seven hundred three of this article shall be expended for a
14 three-year research proposal conducted pursuant to an agreement between
15 the dean of the Cornell University College of Veterinary Medicine and
16 the executive director of the commission. Such agreement shall, at a
17 minimum, require the following:

18 (i) proposed research to identify the incident of fetlock fractures
19 and pre-fracture pathology in thoroughbred racehorses, with and without
20 lameness;

21 (ii) proposed research to determine the sensitivity and specificity of
22 standing computed tomography, positron emission tomography, and magnetic
23 resonance imaging of thoroughbred racehorses compared to that of digital
24 radiographs;

25 (iii) use of photo-counting computed tomography and high field magnet-
26 ic resonance imaging to further define early bone pathology in thorough-
27 bred racehorses that suffer fatal fractures of the fetlock joint, to

1 further characterize blood biomarker findings in healthy and clinically
2 lame horses in a large population of thoroughbred racehorses; and

3 (iv) attempted refinement of a risk factor index for fatal musculosk-
4 keletal injury for thoroughbred racing based on epidemiological findings,
5 preliminary scanning technology, clinical examination, and advance imag-
6 ing.

7 (b) The moneys appropriated or transferred to the fund from the gener-
8 al fund of the state treasury pursuant to subdivision one-a of section
9 seven hundred three of this article may be used to purchase equipment
10 and fund staffing needs necessary to carry out the research tasks speci-
11 fied in paragraph (a) of this subdivision.

12 (c) Any residual unexpended funds collected pursuant to subdivision
13 seven of section one thousand twelve-a of this chapter shall remain in
14 the general fund of the state treasury.

15 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law
16 is amended by adding a new subdivision 10 to read as follows:

17 10. It is incumbent upon the franchised corporation to ensure the
18 health and safety of its equine participants. To accomplish that goal,
19 the franchised corporation shall, by September first, two thousand twen-
20 ty-five, remit a one-time payment of two million dollars to the Harry M.
21 Zweig memorial fund, established under section seven hundred one of this
22 chapter, to be used for the conduct of research as specified in subdivi-
23 sion seven of section seven hundred four of this chapter.

24 § 5. This act shall take effect immediately, and shall apply to wagers
25 from New York residents accepted on and after September 1, 2025 through
26 August 31, 2028; provided, however that the provisions of this act shall
27 expire and be deemed repealed on September 1, 2028.

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

10 § 3. This act shall take effect immediately provided, however, that
11 the applicable effective date of Parts A through II of this act shall be
12 as specifically set forth in the last section of such Parts.