

STATE OF NEW YORK

S. 3009

A. 3009

SENATE - ASSEMBLY

January 22, 2025

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

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

AN ACT to amend the tax law, in relation to the inflation refund credit (Part A); to amend the tax law, in relation to providing for a middle-class tax cut and extending the temporary personal income tax high income surcharge (Part B); to amend the tax law, in relation to enhancing the empire state child credit for three years (Part C); to amend the public housing law, in relation to certain eligibility for the New York state low income housing tax credit program and increases to the aggregate amount of the allocable tax credit (Part D); to amend the tax law, in relation to credits for the rehabilitation of historic properties (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

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

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

31 (3) Amount of credit. (a) For taxpayers who meet the eligibility stan-
32 dards in paragraph two who filed a New York state resident income tax
33 return as married taxpayers filing jointly or a qualified surviving
34 spouse, the credit amount shall be five hundred dollars, and (b) for
35 taxpayers who meet the eligibility standards in paragraph two who filed
36 a New York state resident income tax return as a single taxpayer,

1 married taxpayer filing a separate return, or head of household, the
 2 credit amount shall be three hundred dollars.

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

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

21 § 3. This act shall take effect immediately.

22

PART B

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

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

30 If the New York taxable income is:	The tax is:
31 Not over \$17,150	4% of the New York taxable income
32 Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over
33	\$17,150
34 Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
35	\$23,600
36 Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
37	\$27,900
38 Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess over
39	\$161,550
40 Over \$323,200 but not over	\$18,252 plus 6.85% of excess over
41 \$2,155,350	\$323,200
42 Over \$2,155,350 but not over	\$143,754 plus 9.65% of excess over
43 \$5,000,000	\$2,155,350
44 Over \$5,000,000 but not over	\$418,263 plus 10.30% of excess over
45 \$25,000,000	\$5,000,000
46 Over \$25,000,000	\$2,478,263 plus 10.90% of excess over
47	\$25,000,000

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

51 [If the New York taxable income is:	The tax is:
52 Not over \$17,150	4% of the New York taxable income
53 Over \$17,150 but not over \$23,600	\$686 plus 4.5% of excess over

1		\$17,150
2	Over \$23,600 but not over \$27,900	\$976 plus 5.25% of excess over
3		\$23,600
4	Over \$27,900 but not over \$161,550	\$1,202 plus 5.5% of excess over
5		\$27,900
6	Over \$161,550 but not over \$323,200	\$8,553 plus 6.00% of excess
7		over \$161,550
8	Over \$323,200 but not over	\$18,252 plus 6.85% of excess
9	\$2,155,350	over \$323,200
10	Over \$2,155,350	\$143,754 plus 8.82% of excess
11		over \$2,155,350]
12	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
13	<u>Not over \$17,150</u>	<u>3.90% of the New York taxable</u>
14		<u>income</u>
15	<u>Over \$17,150 but not over \$23,600</u>	<u>\$669 plus 4.40% of excess over</u>
16		<u>\$17,150</u>
17	<u>Over \$23,600 but not over \$27,900</u>	<u>\$953 plus 5.15% of excess over</u>
18		<u>\$23,600</u>
19	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,174 plus 5.40% of excess over</u>
20		<u>\$27,900</u>
21	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,391 plus 5.90% of excess over</u>
22		<u>\$161,550</u>
23	<u>Over \$323,200 but not over</u>	<u>\$17,928 plus 6.85% of excess</u>
24	<u>\$2,155,350</u>	<u>over \$323,200</u>
25	<u>Over \$2,155,350 but not over</u>	<u>\$143,430 plus 9.65% of excess</u>
26	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
27	<u>Over \$5,000,000 but not over</u>	<u>\$417,939 plus 10.30% of excess</u>
28	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
29	<u>Over \$25,000,000</u>	<u>\$2,477,939 plus 10.90% of excess</u>
30		<u>over \$25,000,000</u>

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

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

36	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
37	<u>Not over \$17,150</u>	<u>3.80% of the New York taxable</u>
38		<u>income</u>
39	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
40		<u>\$17,150</u>
41	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
42		<u>\$23,600</u>
43	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>
44		<u>\$27,900</u>
45	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
46		<u>over \$161,550</u>
47	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
48	<u>\$2,155,350</u>	<u>over \$323,200</u>
49	<u>Over \$2,155,350 but not over</u>	<u>\$143,107 plus 9.65% of excess</u>
50	<u>\$5,000,000</u>	<u>over \$2,155,350</u>
51	<u>Over \$5,000,000 but not over</u>	<u>\$417,616 plus 10.30% of excess</u>
52	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
53	<u>Over \$25,000,000</u>	<u>\$2,477,616 plus 10.90% of excess</u>
54		<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 \$17,150</u>	<u>3.80% of the New York taxable</u>
5		<u>income</u>
6	<u>Over \$17,150 but not over \$23,600</u>	<u>\$652 plus 4.30% of excess over</u>
7		<u>\$17,150</u>
8	<u>Over \$23,600 but not over \$27,900</u>	<u>\$929 plus 5.05% of excess over</u>
9		<u>\$23,600</u>
10	<u>Over \$27,900 but not over \$161,550</u>	<u>\$1,146 plus 5.30% of excess over</u>
11		<u>\$27,900</u>
12	<u>Over \$161,550 but not over \$323,200</u>	<u>\$8,229 plus 5.80% of excess</u>
13		<u>over \$161,550</u>
14	<u>Over \$323,200 but not over</u>	<u>\$17,605 plus 6.85% of excess</u>
15	<u>\$2,155,350</u>	<u>over \$323,200</u>
16	<u>Over \$2,155,350</u>	<u>\$143,107 plus 8.82% of excess</u>
17		<u>over \$2,155,350</u>

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

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

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

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

46	[If the New York taxable income is:	The tax is:
47	Not over \$12,800	4% of the New York taxable income
48	Over \$12,800 but not over	\$512 plus 4.5% of excess over
49	\$17,650	\$12,800
50	Over \$17,650 but not over	\$730 plus 5.25% of excess over
51	\$20,900	\$17,650
52	Over \$20,900 but not over	\$901 plus 5.5% of excess over
53	\$107,650	\$20,900
54	Over \$107,650 but not over	\$5,672 plus 6.00% of excess

1	\$269,300	over \$107,650
2	Over \$269,300 but not over	\$15,371 plus 6.85% of excess
3	\$1,616,450	over \$269,300
4	Over \$1,616,450	\$107,651 plus 8.82% of excess
5		over \$1,616,450]

6	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
7	<u>Not over \$12,800</u>	<u>3.90% of the New York taxable</u>
8		<u>income</u>
9	<u>Over \$12,800 but not over</u>	<u>\$499 plus 4.40% of excess over</u>
10	<u>\$17,650</u>	<u>\$12,800</u>
11	<u>Over \$17,650 but not over</u>	<u>\$712 plus 5.15% of excess over</u>
12	<u>\$20,900</u>	<u>\$17,650</u>
13	<u>Over \$20,900 but not over</u>	<u>\$879 plus 5.40% of excess over</u>
14	<u>\$107,650</u>	<u>\$20,900</u>
15	<u>Over \$107,650 but not over</u>	<u>\$5,564 plus 5.90% of excess</u>
16	<u>\$269,300</u>	<u>over \$107,650</u>
17	<u>Over \$269,300 but not over</u>	<u>\$15,101 plus 6.85% of excess</u>
18	<u>\$1,616,450</u>	<u>over \$269,300</u>
19	<u>Over \$1,616,450 but not over</u>	<u>\$107,381 plus 9.65% of excess</u>
20	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
21	<u>Over \$5,000,000 but not over</u>	<u>\$433,894 plus 10.30% of excess</u>
22	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
23	<u>Over \$25,000,000</u>	<u>\$2,493,894 plus 10.90% of excess</u>
24		<u>over \$25,000,000</u>

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

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

30	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
31	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>
32		<u>income</u>
33	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
34	<u>\$17,650</u>	<u>\$12,800</u>
35	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
36	<u>\$20,900</u>	<u>\$17,650</u>
37	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
38	<u>\$107,650</u>	<u>\$20,900</u>
39	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
40	<u>\$269,300</u>	<u>over \$107,650</u>
41	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
42	<u>\$1,616,450</u>	<u>over \$269,300</u>
43	<u>Over \$1,616,450 but not over</u>	<u>\$107,113 plus 9.65% of excess</u>
44	<u>\$5,000,000</u>	<u>over \$1,616,450</u>
45	<u>Over \$5,000,000 but not over</u>	<u>\$433,626 plus 10.30% of excess</u>
46	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
47	<u>Over \$25,000,000</u>	<u>\$2,493,626 plus 10.90% of excess</u>
48		<u>over \$25,000,000</u>

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

51	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
52	<u>Not over \$12,800</u>	<u>3.80% of the New York taxable</u>

1		<u>income</u>
2	<u>Over \$12,800 but not over</u>	<u>\$486 plus 4.30% of excess over</u>
3	<u>\$17,650</u>	<u>\$12,800</u>
4	<u>Over \$17,650 but not over</u>	<u>\$695 plus 5.05% of excess over</u>
5	<u>\$20,900</u>	<u>\$17,650</u>
6	<u>Over \$20,900 but not over</u>	<u>\$859 plus 5.30% of excess over</u>
7	<u>\$107,650</u>	<u>\$20,900</u>
8	<u>Over \$107,650 but not over</u>	<u>\$5,457 plus 5.80% of excess</u>
9	<u>\$269,300</u>	<u>over \$107,650</u>
10	<u>Over \$269,300 but not over</u>	<u>\$14,833 plus 6.85% of excess</u>
11	<u>\$1,616,450</u>	<u>over \$269,300</u>
12	<u>Over \$1,616,450</u>	<u>\$107,113 plus 8.82% of excess</u>
13		<u>over \$1,616,450</u>

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

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

21	If the New York taxable income is:	The tax is:
22	Not over \$8,500	4% of the New York taxable income
23	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
24		\$8,500
25	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
26		\$11,700
27	Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
28		\$13,900
29	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess over
30		\$80,650
31	Over \$215,400 but not over	\$12,356 plus 6.85% of excess over
32	\$1,077,550	\$215,400
33	Over \$1,077,550 but not over	\$71,413 plus 9.65% of excess over
34	\$5,000,000	\$1,077,550
35	Over \$5,000,000 but not over	\$449,929 plus 10.30% of excess over
36	\$25,000,000	\$5,000,000
37	Over \$25,000,000	\$2,509,929 plus 10.90% of excess over
38		\$25,000,000

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

42	[If the New York taxable income is:	The tax is:
43	Not over \$8,500	4% of the New York taxable income
44	Over \$8,500 but not over \$11,700	\$340 plus 4.5% of excess over
45		\$8,500
46	Over \$11,700 but not over \$13,900	\$484 plus 5.25% of excess over
47		\$11,700
48	Over \$13,900 but not over \$80,650	\$600 plus 5.50% of excess over
49		\$13,900
50	Over \$80,650 but not over \$215,400	\$4,271 plus 6.00% of excess
51		over \$80,650
52	Over \$215,400 but not over	\$12,356 plus 6.85% of excess
53	\$1,077,550	over \$215,400
54	Over \$1,077,550	\$71,413 plus 8.82% of excess
55		over \$1,077,550]

1	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
2	<u>Not over \$8,500</u>	<u>3.90% of the New York taxable income</u>
3	<u>Over \$8,500 but not over \$11,700</u>	<u>\$332 plus 4.40% of excess over</u>
4		<u>\$8,500</u>
5	<u>Over \$11,700 but not over \$13,900</u>	<u>\$473 plus 5.15% of excess over</u>
6		<u>\$11,700</u>
7	<u>Over \$13,900 but not over \$80,650</u>	<u>\$586 plus 5.40% of excess over</u>
8		<u>\$13,900</u>
9	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,191 plus 5.90% of excess</u>
10		<u>over \$80,650</u>
11	<u>Over \$215,400 but not over</u>	<u>\$12,141 plus 6.85% of excess</u>
12	<u>\$1,077,550</u>	<u>over \$215,400</u>
13	<u>Over \$1,077,550 but not over</u>	<u>\$71,198 plus 9.65% of excess</u>
14	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
15	<u>Over \$5,000,000 but not over</u>	<u>\$449,714 plus 10.30% of excess</u>
16	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
17	<u>Over \$25,000,000</u>	<u>\$2,509,714 plus 10.90% of excess</u>
18		<u>over \$25,000,000</u>

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

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

24	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
25	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
26	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
27		<u>\$8,500</u>
28	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
29		<u>\$11,700</u>
30	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
31		<u>\$13,900</u>
32	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
33		<u>over \$80,650</u>
34	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>
35	<u>\$1,077,550</u>	<u>over \$215,400</u>
36	<u>Over \$1,077,550 but not over</u>	<u>\$70,983 plus 9.65% of excess</u>
37	<u>\$5,000,000</u>	<u>over \$1,077,550</u>
38	<u>Over \$5,000,000 but not over</u>	<u>\$449,499 plus 10.30% of excess</u>
39	<u>\$25,000,000</u>	<u>over \$5,000,000</u>
40	<u>Over \$25,000,000</u>	<u>\$2,509,499 plus 10.90% of excess</u>
41		<u>over \$25,000,000</u>

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

44	<u>If the New York taxable income is:</u>	<u>The tax is:</u>
45	<u>Not over \$8,500</u>	<u>3.80% of the New York taxable income</u>
46	<u>Over \$8,500 but not over \$11,700</u>	<u>\$323 plus 4.30% of excess over</u>
47		<u>\$8,500</u>
48	<u>Over \$11,700 but not over \$13,900</u>	<u>\$461 plus 5.05% of excess over</u>
49		<u>\$11,700</u>
50	<u>Over \$13,900 but not over \$80,650</u>	<u>\$572 plus 5.30% of excess over</u>
51		<u>\$13,900</u>
52	<u>Over \$80,650 but not over \$215,400</u>	<u>\$4,110 plus 5.80% of excess</u>
53		<u>over \$80,650</u>
54	<u>Over \$215,400 but not over</u>	<u>\$11,926 plus 6.85% of excess</u>

1	<u>\$1,077,550</u>	<u>over \$215,400</u>
2	<u>Over \$1,077,550</u>	<u>\$70,983 plus 8.82% of excess</u>
3		<u>over \$1,077,550</u>

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

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

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

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

28 (1) For resident married individuals filing joint returns and resident
29 surviving spouses:

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
34 <u>\$27,900</u>	35 <u>\$161,550</u>	35 <u>\$0</u>	35 <u>\$333</u>
36 <u>\$161,550</u>	36 <u>\$323,200</u>	36 <u>\$333</u>	36 <u>\$807</u>
37 <u>\$323,200</u>	37 <u>\$2,155,350</u>	37 <u>\$1,140</u>	37 <u>\$3,071</u>
38 <u>\$2,155,350</u>	38 <u>\$5,000,000</u>	38 <u>\$4,211</u>	38 <u>\$60,350</u>
39 <u>\$5,000,000</u>	39 <u>\$25,000,000</u>	39 <u>\$64,561</u>	39 <u>\$32,500</u>

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

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
42 <u>\$27,900</u>	42 <u>\$161,550</u>	42 <u>New York adjusted gross income minus \$107,650</u>
43 <u>\$161,550</u>	43 <u>\$323,200</u>	43 <u>New York adjusted gross income minus \$161,550</u>
44 <u>\$323,200</u>	44 <u>\$2,155,350</u>	44 <u>New York adjusted gross income minus \$323,200</u>
45 <u>\$2,155,350</u>	45 <u>\$5,000,000</u>	45 <u>New York adjusted gross income minus \$2,155,350</u>
46 <u>\$5,000,000</u>	46 <u>\$25,000,000</u>	46 <u>New York adjusted gross income minus \$5,000,000</u>

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

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

1 5.40 percent and New York taxable income and the tax table computation
 2 on the New York taxable income set forth in paragraph one of subsection
 3 (a) of this section, multiplied by a fraction, the numerator of which is
 4 the lesser of fifty thousand dollars or New York adjusted gross income
 5 minus one hundred seven thousand six hundred fifty dollars, and the
 6 denominator of which is fifty thousand dollars.

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

12 (2) For resident heads of households:

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
17 <u>\$107,650</u>	18 <u>\$269,300</u>	18 <u>\$0</u>	18 <u>\$787</u>
19 <u>\$269,300</u>	19 <u>\$1,616,450</u>	19 <u>\$787</u>	19 <u>\$2,559</u>
20 <u>\$1,616,450</u>	20 <u>\$5,000,000</u>	20 <u>\$3,346</u>	20 <u>\$45,260</u>
21 <u>\$5,000,000</u>	21 <u>\$25,000,000</u>	21 <u>\$48,606</u>	21 <u>\$32,500</u>

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

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
24 <u>\$107,650</u>	24 <u>\$269,300</u>	24 <u>New York adjusted gross income minus \$107,650</u>
25 <u>\$269,300</u>	25 <u>\$1,616,450</u>	25 <u>New York adjusted gross income minus \$269,300</u>
26 <u>\$1,616,450</u>	26 <u>\$5,000,000</u>	26 <u>New York adjusted gross income minus \$1,616,450</u>
27 <u>\$5,000,000</u>	27 <u>\$25,000,000</u>	27 <u>New York adjusted gross income minus \$5,000,000</u>

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

31 (iv) the supplemental tax due shall equal the sum of the recapture
 32 base and the product of (i) the incremental benefit and (ii) the phase-
 33 in fraction. Provided, however, that if the New York taxable income of
 34 the taxpayer is less than one hundred seven thousand six hundred fifty
 35 dollars, the supplemental tax shall equal the difference between the
 36 product of 5.90 percent and New York taxable income and the tax table
 37 computation on the New York taxable income set forth in paragraph one of
 38 subsection (b) of this section, multiplied by a fraction, the numerator
 39 of which is the lesser of fifty thousand dollars or New York adjusted
 40 gross income minus one hundred seven thousand six hundred fifty dollars,
 41 and the denominator of which is fifty thousand dollars.

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
53 <u>\$80,650</u>	53 <u>\$215,400</u>	53 <u>\$0</u>	53 <u>\$567</u>
54 <u>\$215,400</u>	54 <u>\$1,077,550</u>	54 <u>\$567</u>	54 <u>\$2,047</u>

1	<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$2,614</u>	<u>\$30,172</u>
2	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$32,786</u>	<u>\$32,500</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>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income minus \$107,650</u>
7	<u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income minus \$215,400</u>
8	<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income minus \$1,077,550</u>
9	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income minus \$5,000,000</u>

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

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

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

29 (d-6) Alternative tax table benefit recapture. Notwithstanding the
30 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-7)
31 of this section, for taxable years beginning on or after two thousand
32 twenty-six and before two thousand thirty-three, there is hereby imposed
33 a supplemental tax in addition to the tax imposed under subsections (a),
34 (b) and (c) of this section for the purpose of recapturing the benefit
35 of the tax tables contained in such subsections. During these taxable
36 years, any reference in this chapter to subsection (d), (d-1), (d-2),
37 (d-3), (d-4), (d-5) or (d-7) of this section shall be read as a refer-
38 ence to this subsection.

39 (1) For resident married individuals filing joint returns and resident
40 surviving spouses:

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

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

45	<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
46	<u>\$27,900</u>	<u>\$161,550</u>	<u>\$0</u>	<u>\$333</u>
47	<u>\$161,550</u>	<u>\$323,200</u>	<u>\$333</u>	<u>\$808</u>
48	<u>\$323,200</u>	<u>\$2,155,350</u>	<u>\$1,141</u>	<u>\$3,393</u>
49	<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>\$4,534</u>	<u>\$60,350</u>
50	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$64,884</u>	<u>\$32,500</u>

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

53	<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
54	<u>\$27,900</u>	<u>\$161,550</u>	<u>New York adjusted gross income</u> <u>minus \$107,650</u>
55			
56	<u>\$161,550</u>	<u>\$323,200</u>	<u>New York adjusted gross income</u>

1			<u>minus \$161,550</u>
2	<u>\$323,200</u>	<u>\$2,155,350</u>	<u>New York adjusted gross income</u>
3			<u>minus \$323,200</u>
4	<u>\$2,155,350</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income</u>
5			<u>minus \$2,155,350</u>
6	<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income</u>
7			<u>minus \$5,000,000</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
19 is the lesser of fifty thousand dollars or New York adjusted gross
20 income minus one hundred seven thousand six hundred fifty dollars, and
21 the denominator of which is fifty thousand dollars.

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

27 (2) For resident heads of households:

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

30 (i) the recapture base and incremental benefit shall be determined by
31 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>

37 (ii) the applicable amount shall be determined by New York taxable
38 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> <u>minus \$269,300</u>
<u>\$1,616,450</u>	<u>\$5,000,000</u>	<u>New York adjusted gross income</u> <u>minus \$1,616,450</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>New York adjusted gross income</u> <u>minus \$5,000,000</u>

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

51 (iv) the supplemental tax due shall equal the sum of the recapture
52 base and the product of (i) the incremental benefit and (ii) the phase-
53 in fraction. Provided, however, that if the New York taxable income of
54 the taxpayer is less than one hundred seven thousand six hundred fifty
55 dollars, the supplemental tax shall equal the difference between the
56 product of 5.80 percent and New York taxable income and the tax table

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

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Recapture Base</u>	<u>Incremental Benefit</u>
<u>\$80,650</u>	<u>\$215,400</u>	<u>\$0</u>	<u>\$568</u>
<u>\$215,400</u>	<u>\$1,077,550</u>	<u>\$568</u>	<u>\$2,261</u>
<u>\$1,077,550</u>	<u>\$5,000,000</u>	<u>\$2,829</u>	<u>\$30,172</u>
<u>\$5,000,000</u>	<u>\$25,000,000</u>	<u>\$33,001</u>	<u>\$32,500</u>

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

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

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

36 (iv) the supplemental tax due shall equal the sum of the recapture
 37 base and the product of (i) the incremental benefit and (ii) the phase-
 38 in fraction. Provided, however, that if the New York taxable income of
 39 the taxpayer is less than eighty thousand six hundred fifty dollars, the
 40 supplemental tax shall equal the difference between the product of 5.80
 41 percent and New York taxable income and the tax table computation on the
 42 New York taxable income set forth in paragraph one of subsection (c) of
 43 this section, multiplied by a fraction, the numerator of which is the
 44 lesser of fifty thousand dollars or New York adjusted gross income minus
 45 one hundred seven thousand six hundred fifty dollars, and the denomina-
 46 tor of which is fifty thousand dollars.

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

52 (d-7) Alternative tax table benefit recapture. Notwithstanding the
 53 provisions of subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6)
 54 of this section, for taxable years beginning on or after two thousand
 55 thirty-three, there is hereby imposed a supplemental tax in addition to
 56 the tax imposed under subsections (a), (b) and (c) of this section for

1 the purpose of recapturing the benefit of the tax tables contained in
 2 such subsections. During these taxable years, any reference in this
 3 chapter to subsection (d), (d-1), (d-2), (d-3), (d-4), (d-5) or (d-6) of
 4 this section shall be read as a reference to this subsection.

5 (1) For resident married individuals filing joint returns and resident
 6 surviving spouses:

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

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

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

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

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

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,
 29 the supplemental tax shall equal the difference between the product of
 30 5.30 percent and New York taxable income and the tax table computation
 31 on the New York taxable income set forth in paragraph one of subsection
 32 (a) of this section, multiplied by a fraction, the numerator of which is
 33 the lesser of fifty thousand dollars or New York adjusted gross income
 34 minus one hundred seven thousand six hundred fifty dollars, and the
 35 denominator of which is fifty thousand dollars.

36 (2) For resident heads of households:

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

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

Greater than	Not over	Recapture Base	Incremental Benefit
\$107,650	\$269,300	\$0	\$787
\$269,300	\$1,616,450	\$787	\$2,827
\$1,616,450		\$3,614	\$31,844

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

Greater than	Not over	Applicable Amount
\$107,650	\$269,300	New York adjusted gross income minus \$107,650
\$269,300	\$1,616,450	New York adjusted gross income minus \$269,300
\$1,616,450		New York adjusted gross income minus \$1,616,450

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

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

1 dollars, the supplemental tax shall equal the difference between the
 2 product of 5.80 percent and New York taxable income and the tax table
 3 computation on the New York taxable income set forth in paragraph one of
 4 subsection (b) of this section, multiplied by a fraction, the numerator
 5 of which is the lesser of fifty thousand dollars or New York adjusted
 6 gross income minus one hundred seven thousand six hundred fifty dollars,
 7 and the denominator of which is fifty thousand dollars.

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

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

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

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

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

<u>Greater than</u>	<u>Not over</u>	<u>Applicable Amount</u>
19 <u>\$80,650</u>	<u>\$215,400</u>	<u>New York adjusted gross income minus \$107,650</u>
20 <u>\$215,400</u>	<u>\$1,077,550</u>	<u>New York adjusted gross income minus \$215,400</u>
21 <u>\$1,077,550</u>		<u>New York adjusted gross income minus \$1,077,550</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 eighty thousand six hundred fifty dollars, the
 29 supplemental tax shall equal the difference between the product of 5.80
 30 percent and New York taxable income and the tax table computation on the
 31 New York taxable income set forth in paragraph one of subsection (c) of
 32 this section, multiplied by a fraction, the numerator of which is the
 33 lesser of fifty thousand dollars or New York adjusted gross income minus
 34 one hundred seven thousand six hundred fifty dollars, and the denomina-
 35 tor of which is fifty thousand dollars.

36 § 9. This act shall take effect immediately.

38 PART C

39 Section 1. Paragraph 1 of subsection c-1 of section 606 of the tax
 40 law, as amended by section 1 of part HH of chapter 56 of the laws of
 41 2023, is amended to read as follows:

42 (1) [A] For taxable years beginning before January first, two thousand
 43 twenty-five, and taxable years beginning on or after January first, two
 44 thousand twenty-eight, a resident taxpayer shall be allowed a credit as
 45 provided herein equal to the greater of one hundred dollars times the
 46 number of qualifying children of the taxpayer or the applicable percent-
 47 age of the child tax credit allowed the taxpayer under section twenty-
 48 four of the internal revenue code for the same taxable year for each
 49 qualifying child. Provided, however, in the case of a taxpayer whose
 50 federal adjusted gross income exceeds the applicable threshold amount
 51 set forth by section 24(b) (2) of the Internal Revenue Code, the credit
 52 shall only be equal to the applicable percentage of the child tax credit
 53 allowed the taxpayer under section 24 of the Internal Revenue Code for
 54 each qualifying child. For the purposes of this subsection, a qualifying

1 child shall be a child who meets the definition of qualified child under
2 section 24(c) of the internal revenue code. The applicable percentage
3 shall be thirty-three percent. For purposes of this subsection, any
4 reference to section 24 of the Internal Revenue Code shall be a refer-
5 ence to such section as it existed immediately prior to the enactment of
6 Public Law 115-97.

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

9 (1-a) (A) For taxable years beginning on and after January first, two
10 thousand twenty-five, and before January first, two thousand twenty-six,
11 a resident taxpayer shall be allowed a credit as provided herein, equal
12 to the sum of:

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

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

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

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

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

27 (C) The amount of the credit allowable under subparagraphs (A) and (B)
28 of this paragraph shall be reduced (but not below zero) by sixteen
29 dollars and fifty cents for each one thousand dollars by which the
30 taxpayer's federal adjusted gross income exceeds the threshold amount.
31 For the purposes of this subparagraph, the term "threshold amount" shall
32 mean: (i) one hundred ten thousand dollars in the case of married
33 taxpayers filing jointly or a qualified surviving spouse; (ii) seventy-
34 five thousand dollars in the case of a taxpayer filing as head of house-
35 hold; and (iii) fifty-five thousand dollars in the case of a single
36 taxpayer or married taxpayer filing a separate return.

37 (D) For the purposes of this paragraph, a qualifying child shall be an
38 individual who: (i) is a child, sibling, or stepsibling of the taxpayer,
39 or a descendent of any such relative; (ii) has the same principal place
40 of abode as the taxpayer for more than one-half of the taxable year;
41 (iii) has not attained age seventeen; (iv) has not provided over one-
42 half of such individual's own support for the calendar year in which the
43 taxable year of the taxpayer begins; (v) has not filed a joint return
44 (other than only for a claim of refund) with the individual's spouse
45 under section six hundred fifty-one of this article for the taxable
46 year; and (vi) is a citizen or national of the United States, or an
47 individual with an individual taxpayer identification number issued by
48 the internal revenue service.

49 (E) For the purposes of this paragraph, the term "child" shall mean an
50 individual who is the offspring or stepchild of the taxpayer, or an
51 eligible foster child of the taxpayer, or a legally adopted individual
52 of the taxpayer, or an individual who is lawfully placed with the
53 taxpayer for legal adoption by the taxpayer.

54 (F) (i) Except as provided in subparagraph (C) of this paragraph, if
55 an individual may be claimed as a qualifying child by two or more
56 taxpayers for a taxable year, such individual shall be treated as the

1 qualifying child of the taxpayer who is: (I) a parent of the individual,
2 or (II) if subclause (I) does not apply, the taxpayer with the highest
3 federal adjusted gross income for such taxable year.

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

11 (iii) If the parents of an individual may claim such individual as a
12 qualifying child but no parent so claims the individual, such individual
13 may be claimed as the qualifying child of another taxpayer, but only if
14 the federal adjusted gross income of such taxpayer is higher than the
15 highest federal adjusted gross income of any parent of the individual,
16 regardless of a requirement to file a return pursuant to section six
17 hundred fifty-one of this article.

18 § 3. This act shall take effect immediately.

19

PART D

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

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

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

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

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

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

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

52 4. Statewide limitation. The aggregate dollar amount of credit which
53 the commissioner may allocate to eligible low-income buildings under
54 this article shall be two hundred [seventeen] forty-seven million

1 dollars. The limitation provided by this subdivision applies only to
2 allocation of the aggregate dollar amount of credit by the commissioner
3 and does not apply to allowance to a taxpayer of the credit with respect
4 to an eligible low-income building for each year of the credit period.

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

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

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

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

23 § 7. This act shall take effect immediately; provided, however,
24 section two of this act shall take effect April 1, 2025; section three
25 of this act shall take effect April 1, 2026; section four of this act
26 shall take effect April 1, 2027; section five of this act shall take
27 effect April 1, 2028; and section six of this act shall take effect
28 April 1, 2029.

29

PART E

30 Section 1. Subdivision 26 of section 210-B of the tax law, as added by
31 section 17 of part A of chapter 59 of the laws of 2014, paragraphs (a)
32 and (c) as amended by section 2 of part RR of chapter 59 of the laws of
33 2018, subparagraph (i) of paragraph (a) as amended by section 2, subpar-
34 agraph (ii) of paragraph (a) as amended by section 4 and paragraph (a-1)
35 as amended by section 3 of subpart B of part I of chapter 59 of the laws
36 of 2023, paragraph (e) as amended by section 1 of part U of chapter 59
37 of the laws of 2019, paragraph (f) as added by section 2 of part CCC of
38 chapter 59 of the laws of 2021, is amended to read as follows:

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



1 (ii) For taxable years beginning on or after January first, two thou-
2 sand thirty, a taxpayer, or a transferee of such a taxpayer as described
3 in paragraph (g) of this subdivision, shall be allowed a credit as here-
4 inafter provided, against the tax imposed by this article, in an amount
5 equal to thirty percent of the amount of credit allowed the taxpayer for
6 the same taxable year determined without regard to ratably allocating
7 the credit over a five year period as required by subsection (a) of
8 section 47 of the internal revenue code, with respect to a certified
9 historic structure under subsection (c)(3) of section 47 of the internal
10 revenue code with respect to a certified historic structure located
11 within the state. Provided, however, the credit shall not exceed one
12 hundred thousand dollars.

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

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

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

30 (d) The credit allowed under this subdivision for any taxable year
31 shall not reduce the tax due for such year to less than the amount
32 prescribed in paragraph (d) of subdivision one of section two hundred
33 ten of this article. However, if the amount of the credit allowed under
34 this subdivision for any taxable year reduces the tax to such amount or
35 if the taxpayer otherwise pays tax based on the fixed dollar minimum
36 amount, any amount of credit thus not deductible in such taxable year
37 shall be treated as an overpayment of tax to be recredited or refunded
38 in accordance with the provisions of section one thousand eighty-six of
39 this chapter. Provided, however, the provisions of subsection (c) of
40 section one thousand eighty-eight of this chapter notwithstanding, no
41 interest shall be paid thereon.

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

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

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

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

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

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

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

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

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

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

35 (E) the amount of credit being transferred.

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



1 necessary for the transferability of credits allowed under this subdivi-
2 sion.

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

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

14 § 2. Subsection (oo) of section 606 of the tax law, as amended by
15 chapter 239 of the laws of 2009, paragraph 1 as amended by chapter 472
16 of the laws of 2010, subparagraph (A) of paragraph 1 as amended by
17 section 1 of subpart B of part I of chapter 59 of the laws of 2023,
18 paragraph 3 as amended by section 1 of part RR of chapter 59 of the laws
19 of 2018, paragraph 4 as amended by section 1 of part F of chapter 59 of
20 the laws of 2013, paragraph 5 as amended by section 2 of part U of chap-
21 ter 59 of the laws of 2019, paragraph 6 as added by section 1 of part
22 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

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

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

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

1 (3) If the taxpayer is allowed a credit pursuant to section 47 of the
2 internal revenue code with respect to a qualified rehabilitation that is
3 also the subject of the credit allowed by this subsection and that cred-
4 it pursuant to such section 47 is recaptured pursuant to subsection (a)
5 of section 50 of the internal revenue code, a portion of the credit
6 allowed under this subsection must be added back by the taxpayer or
7 transferee in the same taxable year and in the same proportion as the
8 federal recapture.

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

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

29 (A) a qualified rehabilitation project is undertaken within a state
30 park, state historic site, or other land owned by the state, that is
31 under the jurisdiction of the office of parks, recreation and historic
32 preservation; or

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

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

44 (7) (A) A taxpayer allowed a credit pursuant to this subsection may
45 transfer the credit, in whole or in part, to another person or entity,
46 who shall be referred to as the transferee, without regard to how any
47 tax credit authorized pursuant to section forty-seven of the internal
48 revenue code with respect to a qualified rehabilitation project may be
49 allocated and notwithstanding that such other person or entity owns no
50 interest in the qualified rehabilitation project or in an entity with an
51 ownership interest in the qualified rehabilitation project. A transferee
52 may not transfer any credit, or portion thereof, acquired by transfer.

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



1 (i) the building identification numbers for all buildings in the
2 project;

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

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

6 (iv) the amount of consideration received by the taxpayer for the
7 transfer credit; and

8 (v) the amount of credit being transferred.

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

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

36 (E) A taxpayer allowed a credit pursuant to section forty-seven of the
37 internal revenue code with respect to a qualified rehabilitation that is
38 also the subject of the credit allowed by this subsection shall remain
39 solely liable for all obligations and liabilities imposed on the taxpay-
40 er with respect to the credit allowed by this subsection, none of which
41 shall apply to a party to whom the credit has been subsequently trans-
42 ferred.

43 § 3. Subdivision (y) of section 1511 of the tax law, as added by chap-
44 ter 472 of the laws of 2010, subparagraph (A) of paragraph 1 as amended
45 by section 5 of subpart B of part I of chapter 59 of the laws of 2023,
46 paragraph 3 as amended by section 3 of part RR of chapter 59 of the laws
47 of 2018, paragraph 4 as amended by section 4 of part F of chapter 59 of
48 the laws of 2013, paragraph 5 as amended by section 3 of part U of chap-
49 ter 59 of the laws of 2019, paragraph 6 as added by section 3 of part
50 CCC of chapter 59 of the laws of 2021, is amended to read as follows:

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

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

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

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

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

36 (4) The credit allowed under this subdivision for any taxable year
37 shall not reduce the tax due for such year to less than the minimum
38 fixed by paragraph four of subdivision (a) of section fifteen hundred
39 two or section fifteen hundred two-a of this article, whichever is
40 applicable. However, if the amount of credits allowed under this subdivi-
41 sion for any taxable year reduces the tax to such amount, any amount
42 of credit thus not deductible in such taxable year shall be treated as
43 an overpayment of tax to be credited or refunded in accordance with the
44 provisions of section one thousand eighty-six of this chapter. Provided,
45 however, the provisions of subsection (c) of section one thousand eight-
46 y-eight of this chapter notwithstanding, no interest shall be paid ther-
47 eon.

48 (5) [Except in the case of a qualified rehabilitation project under-
49 taken within a state park, state historic site, or other land owned by
50 the state, that is under the jurisdiction of the office of parks, recre-
51 ation and historic preservation, to] To be eligible for the credit
52 allowable under this subdivision, the rehabilitation project shall be in
53 whole or in part located within a census tract which is identified as
54 being at or below one hundred percent of the state median family income
55 as calculated as of April first of each year using the most recent five
56 year estimate from the American community survey published by the United

1 States Census bureau. If there is a change in the most recent five year
2 estimate, a census tract that qualified for eligibility under this
3 program before information about the change was released will remain
4 eligible for a credit under this subdivision for an additional two
5 calendar years. The eligibility restrictions set forth in this paragraph
6 shall not be applicable if:

7 (A) a qualified rehabilitation project is undertaken within a state
8 park, state historic site, or other land owned by the state, that is
9 under the jurisdiction of the office of parks, recreation and historic
10 preservation; or

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

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

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

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

34 (i) the building identification numbers for all buildings in the
35 project;

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

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

39 (iv) the amount of consideration received by the taxpayer for the
40 transfer credit; and

41 (v) the amount of credit being transferred.

42 (C) No transfer shall be effective unless the taxpayer allowed a cred-
43 it pursuant to this subdivision and seeking to transfer the credit files
44 a transfer application with the commissioner of parks, recreation and
45 historic preservation prior to the transfer and such transfer applica-
46 tion is approved. The transfer application shall include the name and
47 federal identification numbers of the taxpayer and each proposed trans-
48 feree, the amount of credit proposed to be transferred to each proposed
49 transferee, a copy of the transfer contract, and such other information
50 as the commissioner or the commissioner of parks, recreation and histor-
51 ic preservation may require. The commissioner of parks, recreation and
52 historic preservation shall approve or deny each transfer application
53 and, if an application is denied, shall issue a written determination to
54 the taxpayer. If the transfer is approved, the commissioner of parks,
55 recreation and historic preservation shall issue a transfer approval
56 certificate that provides the name of the transferor and all transfer-

1 ees, the amount of credit being transferred and such other information
2 as the commissioner of parks, recreation and historic preservation and
3 the commissioner deem necessary. A copy of the transfer approval certif-
4 icate must be attached to each transferee's tax return. The commissioner
5 of parks, recreation and historic preservation, in consultation with the
6 commissioner, may establish such other procedures and standards deemed
7 necessary for the transferability of credits allowed under this subdivi-
8 sion.

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

13 (E) A taxpayer allowed a credit pursuant to section forty-seven of the
14 internal revenue code with respect to a qualified rehabilitation that is
15 also the subject of the credit allowed by this subdivision shall remain
16 solely liable for all obligations and liabilities imposed on the taxpay-
17 er with respect to the credit allowed by this subdivision, none of which
18 shall apply to a party to whom the credit has been subsequently trans-
19 ferred.

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

22

PART F

23 Section 1. This Part enacts into law major components of legislation
24 relating to the purchase of residential real property by certain
25 purchasers, and taxation relating thereto. Each component is wholly
26 contained within a Subpart identified as Subpart A and Subpart B. The
27 effective date for each particular provision contained within such
28 Subpart is set forth in the last section of such Subpart. Any provision
29 in any section contained within a Subpart, including the effective date
30 of the Subpart, which makes a reference to a section "of this act", when
31 used in connection with that particular component, shall be deemed to
32 mean and refer to the corresponding section of the Subpart in which it
33 is found. Section three of this Part sets forth the general effective
34 date of this Part.

35

SUBPART A

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

38

ARTICLE 16

39 SEVENTY-FIVE-DAY WAITING PERIOD FOR SALE OF SINGLE-FAMILY AND TWO-FAMILY
40 RESIDENCES TO CERTAIN PURCHASERS

41 Section 520. Definitions.

42 521. Seventy-five-day waiting period.

43 522. Enforcement.

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

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



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

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

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

9 (ii) a land bank; or

10 (iii) a community land trust.

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

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

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

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

19 (b) An entity is considered owning a single-family residence or two-
20 family residence if it directly owns the single-family residence or
21 two-family residence or indirectly owns ten percent or more of the
22 single-family residence or two-family residence.

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

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

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

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

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

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

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

41 § 521. Seventy-five-day waiting period. 1. Notwithstanding any other
42 provision of law, on and after July first, two thousand twenty-five, it
43 shall be unlawful for a covered entity to purchase, acquire, or offer to
44 purchase or acquire any interest in a single-family residence or two-fa-
45 family residence unless the single-family residence or two-family resi-
46 dence has been listed for sale to the general public for at least seven-
47 ty-five days.

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

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

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

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

14 "COMPLIANCE WITH REAL PROPERTY LAW ARTICLE 16

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

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

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

30 IDENTIFYING INFORMATION

31 BUYER OR BUYERS OF THIS RESIDENCE:

32 _____
33 Printed Name and Mailing Address

34 _____
35 Printed Name and Mailing Address

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

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

40 _____
41 Signature Date

42 _____
43 Signature Date

44 _____
45 SIGNATURE OF WITNESSES

46 _____
47 Signature Date

48 _____
49 Signature Date

50 _____
51 NOTARY ACKNOWLEDGEMENT
52 (insert notary acknowledgement for this form here)"

53 § 522. Enforcement. Notwithstanding any other provision of law, the
54 attorney general of the state of New York shall have the authority to
55 enforce the provisions of section five hundred twenty-one of this arti-
56 cle by applying, in the name of the people of the state of New York, to

1 the supreme court of the state of New York, on notice of five days, for
2 an order enjoining the continuance of such violative activity, including
3 but not limited to by bringing an action for injunctive or declaratory
4 relief if a single-family residence or two-family residence is in the
5 process of being or has been sold in a manner that contravenes the
6 requirements of section five hundred twenty-one of this article, and
7 imposing civil damages and penalties pursuant to subdivisions three and
8 four of section five hundred twenty-one of this article, as applicable.

9 § 2. Severability. If any provision of this act, or any application of
10 any provision of this act, is held to be invalid, that shall not affect
11 the validity or effectiveness of any other provision of this act, or of
12 any other application of any provision of this act, which can be given
13 effect without that provision or application; and to that end, the
14 provisions and applications of this act are severable.

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

17 SUBPART B

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15

PART G

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

18

ARTICLE 30

19

CATALIST NY PROGRAM

20

Section 510. Short title.

21

511. Statement of legislative findings and declaration.

22

512. Definitions.

23

513. Eligibility criteria.

24

514. Application and approval process.

25

515. Tax benefits.

26

516. Powers and duties of the commissioner.

27

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

30

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

35

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

36

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

38

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

42

3. "Certificate of tax benefits" shall mean the document issued to a
43 CATALIST NY small business by the department, after the department has
44 verified that such business entity has met all applicable criteria in
45 section five hundred thirteen of this article to be eligible for the
46 CATALIST NY tax benefits allowed under section five hundred fifteen of
47 this article. The certificate shall be issued in each year in which the
48 eligibility criteria are satisfied and shall specify (a) the number of
49 CATALIST NY small business net new jobs that are eligible for the tax
50 benefits pursuant to section five hundred fifteen of this article; and
51 (b) the taxable year in which such tax benefits are applicable.

52

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

53

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



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

8 7. "Net new job" shall mean a full-time job that: (a) is new to the
9 state; and (b) has not been transferred from employment with another
10 business located in this state through an acquisition, merger, consol-
11 idation or other reorganization of businesses, or the acquisition of
12 assets of another business, and has not been transferred from employment
13 with a related person in this state. For purposes of this subdivision,
14 full-time means at least thirty-five hours of gainful work a week.

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

32 2. A CATALIST NY incubator shall nominate, for certification by the
33 department as a CATALIST NY small business, small businesses that have
34 completed a program with the CATALIST NY incubator, or otherwise have a
35 direct and sustained engagement with the CATALIST NY incubator, to
36 receive tax benefits pursuant to section five hundred fifteen of this
37 article, and paragraph forty-eight of subdivision (c) of section six
38 hundred twelve of the tax law for up to a period of five taxable years
39 commencing with the taxable year during which the CATALIST NY small
40 business is certified by the department.

41 3. To be eligible to be nominated by a CATALIST NY incubator and
42 subsequently certified by the department to receive tax benefits as a
43 CATALIST NY small business, such business entity shall satisfy each of
44 the following conditions: (a) such business shall graduate from, or have
45 otherwise completed, such CATALIST NY incubator's services within the
46 previous twenty-four months and engaged with the CATALIST NY incubator
47 for at least twelve months; (b) such business shall be headquartered in
48 New York state and one or more of the persons employed as chief execu-
49 tive officer, chief technology officer, or chief operating officer shall
50 perform services in New York state; (c) at the time such business is
51 nominated, it shall have fewer than twenty full-time employees; (d) such
52 business shall demonstrate a sound financial plan and, if approved to
53 receive the tax benefits allowed under this program, such business shall
54 create at least two additional permanent full-time, New York state based
55 jobs; (e) during the taxable year immediately preceding the taxable year
56 in which such business would be eligible for the tax benefits pursuant

1 to this program, the small business shall not exceed two million dollars
2 in gross receipts, as determined in accordance with generally accepted
3 accounting principles; and (f) any other conditions as determined by the
4 department through regulations or guidelines promulgated pursuant to
5 paragraph two of section five hundred sixteen of this article.

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

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

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

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

17 (a) provide evidence in a form and manner prescribed by the commis-
18 sioner of the eligibility of the small business being nominated pursuant
19 to paragraphs two and three of section five hundred thirteen of this
20 article for the tax benefits pursuant to section five hundred fifteen of
21 this article and paragraph forty-eight of subdivision (c) of section six
22 hundred twelve of the tax law;

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

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

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

31 § 515. Tax benefits. 1. A CATALIST NY small business certified by the
32 department shall be eligible for an allocation by the department of
33 personal income tax benefits pursuant to paragraph forty-eight of
34 subsection (c) of section six hundred twelve of the tax law for up to
35 eight net new jobs. The tax benefits shall be available for a period of
36 five taxable years commencing with the taxable year during which the
37 department issues the certificate of tax benefits to the CATALIST NY
38 small business.

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

46 3. If the certified CATALIST NY small business creates more net new
47 jobs than for which it has been allocated personal income tax benefits,
48 the allocated personal income tax benefits shall be provided to eligible
49 CATALIST NY small business employees based on the employees' dates of
50 hiring.

51 4. The CATALIST NY small business shall identify to the department,
52 through the submission of a CATALIST Jobs Plan, the titles that shall
53 receive personal income tax benefits pursuant to this section for inclu-
54 sion in the certificate of tax benefits provided to such CATALIST NY
55 small business and such titles shall be included on the certificate of
56 tax benefits provided to such business. CATALIST NY small businesses

1 shall annually identify to the department of taxation and finance, in
2 the form and matter established by such department, the CATALIST NY
3 small business employees who are eligible to receive the personal income
4 tax benefits allocated to such business. The CATALIST NY small business
5 shall provide a copy of the certificate of tax benefits issued by the
6 department to each such employee.

7 5. For taxable years beginning on or after January first, two thousand
8 twenty-five and before January first, two thousand thirty, the aggregate
9 number of CATALIST NY small business employees allowed the tax benefits
10 under this article in any taxable year shall be four thousand five
11 hundred, the funds for which benefits shall be allotted from the funds
12 available for tax credits under article seventeen of this chapter. Such
13 aggregate number of eligible CATALIST NY small business employees shall
14 be allocated by the department among CATALIST NY small businesses in
15 order of priority based upon the date of certification under this arti-
16 cle.

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

19 § 516. Powers and duties of the commissioner. 1. The commissioner is
20 authorized to accept applications from New York state incubators for
21 designation as "CATALIST NY incubators", to accept nominations by CATAL-
22 IST NY incubators of small businesses for designation as CATALIST NY
23 small businesses, and to issue certificates of tax benefits under this
24 article.

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

32 3. The commissioner shall, in consultation with the department of
33 taxation and finance, develop a certificate of tax benefits that shall
34 be issued by the commissioner to eligible CATALIST NY small businesses.
35 Such certificate shall contain such information as required by the
36 department of taxation and finance.

37 4. The commissioner shall solely determine the eligibility of any
38 applicant applying to be a CATALIST NY incubator and designation as a
39 CATALIST NY small business and shall remove any such entities from the
40 program for failing to meet any of the requirements set forth in section
41 five hundred thirteen of this article, or for failing to meet the
42 requirement set forth in subdivision one of section five hundred four-
43 teen of this article.

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

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

51 (48) The amount of any wages received during the taxable year by an
52 employee specified in a certificate of tax benefits issued to a CATALIST
53 NY small business pursuant to article thirty of the economic development
54 law, to the extent included in federal adjusted gross income. Notwith-
55 standing any provision of this chapter to the contrary, the commissioner
56 may assist the commissioner of economic development in determining

1 whether a CATALIST NY small business, or an employee of such business,
2 is entitled to such tax benefits pursuant to article thirty of the
3 economic development law, and may utilize and, if necessary, disclose to
4 the commissioner of economic development, information derived from the
5 tax returns of such employee, such business, or related persons of such
6 business and wage reporting information relating to any employees of
7 such business or its related persons.

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

10

PART H

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

22

SUBPART A

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

25 25. "Semiconductor supply chain project" means a project deemed by the
26 commissioner to make products or develop technologies that are primarily
27 aimed at supporting the growth of the semiconductor manufacturing and
28 related equipment and material supplier sector. "Semiconductor supply
29 chain project" shall include, but need not be limited to, semiconductor
30 device manufacturing, producers of component parts, direct input materi-
31 als and equipment necessary for the manufacture of semiconductor chips,
32 machinery, equipment, and materials necessary for the operational effi-
33 ciency of semiconductor manufacturing facilities, other such inputs
34 directly supportive of the domestic production of semiconductor chips,
35 and companies engaged in the assembly, testing, packaging and advanced
36 packaging semiconductor value chain. "Semiconductor supply chain
37 project" shall not include a project primarily composed of: (i) machin-
38 ery, equipment, or materials that are inputs to manufacturing generally,
39 but are not direct inputs to semiconductor manufacturing in specific;
40 (ii) the production of products or development of technologies that
41 would produce only marginal and incremental benefits to the semiconduc-
42 tor manufacturing sector; (iii) projects that would otherwise qualify as
43 a Green CHIPS project as defined in section twenty-four of this section.

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

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

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

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

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

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

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

1	\$ 36 million	2024
2	\$ 200 million	2025
3	\$ 200 million	2026
4	\$ 200 million	2027
5	\$ 200 million	2028
6	\$ 200 million	2029
7	<u>\$ 200 million</u>	<u>2030</u>
8	<u>\$ 200 million</u>	<u>2031</u>
9	<u>\$ 200 million</u>	<u>2032</u>
10	<u>\$ 200 million</u>	<u>2033</u>
11	<u>\$ 200 million</u>	<u>2034</u>
12	<u>\$ 200 million</u>	<u>2035</u>
13	<u>\$ 200 million</u>	<u>2036</u>
14	<u>\$ 200 million</u>	<u>2037</u>
15	<u>\$ 200 million</u>	<u>2038</u>
16	<u>\$ 200 million</u>	<u>2039</u>

17 2. Twenty-five percent of tax credits shall be allocated to businesses
 18 accepted into the program under subdivision four of section three
 19 hundred fifty-three of this article and seventy-five percent of tax
 20 credits shall be allocated to businesses accepted into the program under
 21 subdivision three of section three hundred fifty-three of this article.

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

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

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

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

49 (a) [A] For taxable years beginning before January first, two thousand
 50 twenty-nine, a taxpayer that has been approved by the commissioner of
 51 economic development to participate in the employee training incentive
 52 program and has been issued a certificate of tax credit pursuant to
 53 section four hundred forty-three of the economic development law shall
 54 be allowed to claim a credit against the tax imposed by this article.
 55 The credit shall equal fifty percent of a taxpayer's eligible training

1 costs, up to a credit of ten thousand dollars per employee completing
2 eligible training pursuant to paragraph (a) of subdivision three of
3 section four hundred forty-one of the economic development law. The
4 credit shall equal fifty percent of the stipend paid to an intern, up to
5 a credit of three thousand dollars per intern completing eligible train-
6 ing pursuant to paragraph (b) of subdivision three of section four
7 hundred forty-one of the economic development law. In no event shall a
8 taxpayer be allowed a credit greater than the amount of credit listed on
9 the certificate of tax credit issued by the commissioner of economic
10 development. The credit will be allowed in the taxable year in which the
11 eligible training is completed.

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

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

37 § 8. The economic development law is amended by adding a new article
38 17-A to read as follows:

39 ARTICLE 17-A

40 SEMICONDUCTOR RESEARCH AND DEVELOPMENT PROJECT PROGRAM

41 Section 359-a. Short title.

42 359-b. Statement of legislative findings and declaration.

43 359-c. Definitions.

44 359-d. Eligibility criteria.

45 359-e. Application and approval process.

46 359-f. Powers and duties of the commissioner.

47 359-g. Semiconductor research and development tax credit.

48 § 359-a. Short title. This article shall be known and may be cited as
49 the "semiconductor research and development project act".

50 § 359-b. Statement of legislative findings and declaration. It is
51 hereby found and declared that New York state needs, as a matter of
52 public policy, to create competitive financial incentives to attract
53 large scale semiconductor research and development projects to New York

1 state, and to position New York state to be at the center of cutting
2 edge innovations in the semiconductor industry.

3 § 359-c. Definitions. For the purposes of this article:

4 1. "Certificate of eligibility" means the document issued by the
5 department to an applicant that has completed an application to be
6 admitted into the semiconductor research and development project program
7 and has been accepted into the program by the department. Possession of
8 a certificate of eligibility does not by itself guarantee the eligibil-
9 ity to claim the tax credit.

10 2. "Certificate of tax credit" means the document issued to a partic-
11 ipant by the department, after the department has verified that the
12 participant has met all applicable eligibility criteria in this article.
13 The certificate shall be issued annually if such criteria are satisfied
14 and shall specify the exact amount of the tax credit under this article
15 that a participant may claim and shall specify the taxable year in which
16 such credit may be claimed.

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

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

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

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

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

25 4. "Preliminary schedule of benefits" means the aggregate amount of
26 the tax credit that a participant in the semiconductor research and
27 development project program may be eligible to receive pursuant to this
28 article. The schedule shall indicate the annual amount of the credit a
29 participant may claim in each of its ten years of eligibility. The
30 preliminary schedule of benefits shall be issued by the department when
31 the department approves the application for admission into the program.

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

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

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

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

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

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

43 6. "Semiconductor research and development project" means a project
44 for a physical research and development facility, deemed by the commis-
45 sioner as being primarily aimed at supporting research and development
46 within the semiconductor manufacturing and related equipment and materi-
47 al supplier sector. Such project shall incur at least one hundred
48 million dollars in qualified investment in New York state. Such project
49 must lead to the establishment and operation of a research and develop-
50 ment facility separate and apart from new or existing semiconductor or
51 semiconductor supply chain manufacturing facilities.

52 § 359-d. Eligibility criteria. 1. To be a participant in the semicon-
53 ductor research and development project program, a business entity shall
54 operate in New York state and be undertaking a semiconductor research
55 and development project as defined in section three hundred fifty-nine-c
56 of this article.

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

6 § 359-e. Application and approval process. 1. A business enterprise
7 must submit a completed application as prescribed by the commissioner.

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

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

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

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

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

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

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

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

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

54 5. A participant may claim tax benefits commencing in the first taxa-
55 ble year that the business enterprise receives a certificate of tax
56 credit. A participant may claim such benefits for the next nine consec-

1 utive taxable years, provided that the participant demonstrates to the
2 department that it continues to satisfy the eligibility criteria speci-
3 fied in section three hundred fifty-nine-d of this article and subdivi-
4 sion two of this section in each of those taxable years.

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

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

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

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

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

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

34 61. Semiconductor research and development tax credit. (a) Allowance
35 of credit. A taxpayer that has been approved by the commissioner of
36 economic development to participate in the semiconductor research and
37 development program and has been issued a certificate of tax credit
38 pursuant to section three hundred fifty-nine-e of the economic develop-
39 ment law shall be allowed to claim a credit against the tax imposed by
40 this article. The credit shall equal up to fifteen percent of the cost
41 or other basis for federal income tax purposes of the qualified invest-
42 ment and shall be allowable in each taxable year for which the commis-
43 sioner of economic development has issued a certificate of tax credit,
44 for up to ten consecutive taxable years. In no event shall a taxpayer be
45 allowed a credit greater than the amount of credit listed on the certif-
46 icate of tax credit issued by the commissioner of economic development.
47 No cost or expense paid or incurred by the taxpayer that is the basis
48 for this credit shall be the basis for any other tax credit provided by
49 this chapter.

50 (b) Application of credit. The credit allowed under this subdivision
51 for any taxable year may not reduce the tax due for such year to less
52 than the amount prescribed in paragraph (d) of subdivision one of
53 section two hundred ten of this article. However, if the amount of cred-
54 it allowed under this subdivision for any taxable year reduces the tax
55 to such amount, or if the taxpayer otherwise pays tax based on the fixed
56 dollar minimum amount, any amount of credit thus not deductible in that



1 taxable year will be treated as an overpayment of tax to be credited or
2 refunded in accordance with the provisions of section one thousand
3 eighty-six of this chapter. Provided, however, the provisions of
4 subsection (c) of section one thousand eighty-eight of this chapter
5 notwithstanding, no interest will be paid thereon.

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

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

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

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

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

52 (3) Reporting. The taxpayer shall attach to its tax return its certifi-
53 cate of tax credit issued by the commissioner of economic development
54 pursuant to section three hundred fifty-nine-e of the economic develop-
55 ment law. In no event shall the taxpayer be allowed a credit greater
56 than the amount of the credit listed on the certificate of tax credit,



1 or in the case of a taxpayer who is a partner in a partnership, a member
2 of a limited liability company, or shareholder in an S corporation, its
3 pro rata share of the amount of credit listed on the certificate of tax
4 credit.

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

14 § 11. The economic development law is amended by adding a new article
15 28 to read as follows:

16 ARTICLE 28

17 SEMICONDUCTOR MANUFACTURING WORKFORCE TRAINING INCENTIVE PROGRAM

18 Section 501. Definitions.

19 502. Eligibility criteria.

20 503. Application and approval process.

21 504. Powers and duties of the commissioner.

22 505. Recordkeeping requirements.

23 506. Cap on tax credit.

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

26 1. "Approved provider" means an entity approved by the commissioner
27 that may provide eligible training to employees of a business entity
28 participating in the semiconductor manufacturing workforce training
29 incentive program. Such criteria shall ensure that any approved provider
30 possesses adequate credentials to provide the training described in an
31 application by a business entity to the commissioner to participate in
32 the semiconductor manufacturing workforce training incentive program.

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

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

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

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

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

49 4. "Semiconductor manufacturing business" means a business deemed by
50 the commissioner to make products or develop technologies that are
51 primarily aimed at supporting the growth of the semiconductor manufac-
52 turing and related equipment and material supplier sector. This shall
53 include, but need not be limited to, semiconductor device manufacturing,
54 producers of component parts, direct input materials and equipment
55 necessary for the manufacture of semiconductor chips, machinery, equip-
56 ment, and materials necessary for the operational efficiency of semicon-



1 ductor manufacturing facilities, other such inputs directly supportive
2 of the domestic production of semiconductor chips, and companies engaged
3 in the assembly, testing, packaging and advanced packaging semiconductor
4 value chain. The "semiconductor and supply chain" tier shall not
5 include a project primarily composed of: (a) machinery, equipment, or
6 materials that are inputs to manufacturing generally, but are not direct
7 inputs to semiconductor manufacturing in specific; or (b) the production
8 of products or development of technologies that would produce only
9 marginal and incremental benefits to the semiconductor manufacturing
10 sector.

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

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

18 1. The business entity must operate in the state as a semiconductor
19 manufacturing business or a manufacturing business as defined in this
20 article;

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

23 3. The business entity must be in compliance with all worker
24 protection and environmental laws and regulations. In addition, the
25 business entity may not owe past due state taxes or local property
26 taxes.

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

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

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

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

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

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

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

52 3. The commissioner may approve an application from a business entity
53 upon determining that such business entity meets the eligibility crite-
54 ria established in section five hundred two of this article. Following
55 approval by the commissioner of an application by a business entity to
56 participate in the semiconductor manufacturing workforce training incen-

1 tive program, the commissioner shall issue a certificate of tax credit
2 to the business entity upon its demonstrating successful completion of
3 such eligible training to the satisfaction of the commissioner. For
4 eligible training as defined by subdivision two of section five hundred
5 one of this article the amount of the credit shall be equal to seventy-
6 five percent of wages, salaries or other compensation, training costs,
7 and wrap around services, up to a credit of twenty-five thousand dollars
8 per employee receiving eligible training, up to one million dollars per
9 eligible non-semiconductor manufacturing business and up to five million
10 dollars per eligible semiconductor manufacturing business. The tax cred-
11 its shall be claimed by the qualified employer as specified in subdivi-
12 sion sixty-two of section two hundred ten-B and subsection (rrr) of
13 section six hundred six of the tax law.

14 § 504. Powers and duties of the commissioner. 1. The commissioner
15 shall promulgate regulations consistent with the purposes of this arti-
16 cle that, notwithstanding any provisions to the contrary in the state
17 administrative procedure act, may be adopted on an emergency basis. Such
18 regulations shall include, but not be limited to, eligibility criteria
19 for business entities desiring to participate in the semiconductor manu-
20 facturing workforce training incentive program, procedures for the
21 receipt and evaluation of applications from business entities to partic-
22 ipate in the program, and such other provisions as the commissioner
23 deems to be appropriate in order to implement the provisions of this
24 article.

25 2. The commissioner shall, in consultation with the department of
26 taxation and finance, develop a certificate of tax credit that shall be
27 issued by the commissioner to participating business entities. Partic-
28 ipants may be required by the commissioner of taxation and finance to
29 include the certificate of tax credit with their tax return to receive
30 any tax benefits under this article.

31 3. The commissioner shall solely determine the eligibility of any
32 applicant applying for entry into the program and shall remove any
33 participant from the program for failing to meet any of the requirements
34 set forth in section five hundred two of this article or for making a
35 material misrepresentation with respect to its participation in the
36 program.

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

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

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

47 62. Semiconductor manufacturing workforce training program tax credit.

48 (a) Allowance of tax credit. A taxpayer that has been approved by the
49 commissioner of economic development to participate in the semiconductor
50 manufacturing workforce training program and has been issued a certif-
51 icate of tax credit pursuant to section five hundred three of the
52 economic development law shall be allowed to claim a credit against the
53 tax imposed by this article. The credit shall equal seventy-five percent
54 of wages, salaries or other compensation, training costs, and wrap
55 around services, up to a credit of twenty-five thousand dollars per
56 employee receiving eligible training, up to one million dollars per

1 eligible non-semiconductor manufacturing business and up to five million
2 dollars per eligible semiconductor manufacturing business pursuant to
3 subdivision three of section five hundred three of the economic develop-
4 ment law. In no event shall a taxpayer be allowed a credit greater than
5 the amount of credit listed on the certificate of tax credit issued by
6 the commissioner of economic development. The credit shall be allowed in
7 the taxable year in which the eligible training is completed. No cost or
8 other expense paid or incurred by the taxpayer that is the basis for
9 this credit shall be the basis for any other tax credit provided by this
10 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 five hundred three of the economic development law.
26 In no event shall the taxpayer be allowed a credit greater than the
27 amount of the credit listed on the certificate of tax credit, or in the
28 case of a taxpayer who is a partner in a partnership, a member of a
29 limited liability company, or shareholder in an S corporation, its pro
30 rata share of the amount of credit listed in the certificate of tax
31 credit.

32 (d) Credit recapture. If a certificate of eligibility or a certificate
33 of tax credit issued by the department of the economic development under
34 article twenty-eight of the economic development law is revoked by such
35 department because the taxpayer does not meet the eligibility require-
36 ment set forth in subdivision three of section five hundred three of the
37 economic development law, the amount of credit described in this subdivi-
38 vision and claimed by the taxpayer prior to that revocation shall be
39 added back to tax in the taxable year in which any such revocation
40 becomes final.

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

43 (rrr) Semiconductor workforce training program tax credit. (1) Allow-
44 ance of tax credit. A taxpayer that has been approved by the commission-
45 er of economic development to participate in the semiconductor workforce
46 training program and has been issued a certificate of tax credit pursu-
47 ant to section five hundred three of the economic development law shall
48 be allowed to claim a credit against the tax imposed by this article.
49 The credit shall equal seventy-five percent of wages, salaries or other
50 compensation, training costs, and wrap around services, up to a credit
51 of twenty-five thousand dollars per employee receiving eligible train-
52 ing, up to one million dollars per eligible non-semiconductor manufact-
53 uring business and up to five million dollars per eligible semiconduc-
54 tor manufacturing business pursuant to subdivision three of section five
55 hundred three of the economic development law. In no event shall a
56 taxpayer be allowed a credit greater than the amount listed on the



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

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

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

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

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

37 SUBPART B

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

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

50 This legislation creates a jobs tax credit for each job of a [strate-
51 gic] business, including a small business directly impacted by an emer-
52 gency and protects state taxpayers' dollars by ensuring that New York
53 provides tax benefits only to businesses that can demonstrate substan-

1 tial physical damage and economic harm resulting from an event leading
2 to an emergency declaration by the governor.

3 § 2. Section 422 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 § 422. Definitions. For the purposes of this article:

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

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

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

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

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

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

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

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

1 9.] 4. "Participant" means a business entity that:

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

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

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

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

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

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

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

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

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

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

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

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

43 (b) in manufacturing;

44 (c) in software development and new media;

45 (d) in scientific research and development;

46 (e) in agriculture;

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

49 (g) in a distribution center.

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

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

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

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

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

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

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

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

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

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

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

53 (d) agree to be permanently disqualified for empire zone tax benefits
54 at any location or locations that qualify for empire state jobs
55 retention program benefits if admitted into the empire state jobs
56 retention program.

- 1 (e) provide the following information to the department upon request:
2 (i) a plan outlining the schedule for meeting the jobs retention
3 requirements as set forth in subdivision [three] one of section four
4 hundred twenty-three of this article. Such plan must include details on
5 jobs titles and expected salaries;
6 (ii) the prior three years of federal and state income or franchise
7 tax returns, unemployment insurance quarterly returns, real property tax
8 bills and audited financial statements; and
9 (iii) the employer identification or social security numbers for all
10 related persons to the applicant, including those of any members of a
11 limited liability company or partners in a partnership.
12 (f) provide a clear and detailed presentation of all related persons
13 to the applicant to assure the department that jobs are not being shift-
14 ed within the state.
15 (g) certify, under penalty of perjury, that it is in substantial
16 compliance with all environmental, worker protection, and local, state,
17 and federal tax laws.

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

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

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

48 § 5. Section 425 of the economic development law, as added by section
49 1 of part E of chapter 56 of the laws of 2011, is amended to read as
50 follows:

51 § 425. Empire state jobs retention program credit. 1. A participant in
52 the empire state jobs retention program shall be eligible to claim a
53 credit for the impacted jobs. [The] For a business entity that employes
54 three to forty-nine employees, the amount of such credit shall be equal
55 to the product of the gross wages paid for the impacted jobs and [6.85]
56 up to 15 percent. For a business entity that employs fifty to one

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

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

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

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

22 § 6. Section 426 of the economic development law, as added by section
23 1 of part E of chapter 56 of the laws of 2011, is amended to read as
24 follows:

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

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

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

50 § 7. This act shall take effect immediately.

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

1 ment shall have been rendered. It is hereby declared to be the intent of
2 the legislature that this act would have been enacted even if such
3 invalid provisions had not been included herein.

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

7

PART I

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

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

1 Provided, however, in the case of a qualified film for which the credit
2 application was received on or after January first, two thousand twen-
3 ty-five, the credit shall be claimed in the taxable year that includes
4 the last day of the allocation year for which the film has been allo-
5 cated a credit by the department of economic development.

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

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

53 (ii) A taxpayer who is a qualified independent film production company
54 engaging in the production of a feature length film, television film or
55 television series as defined in the regulations promulgated for this
56 program that undertakes multiple productions in New York state may be

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

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

15 § 2. Paragraphs 1, 2 and 7 of subdivision (b) of section 24 of the
16 tax law, paragraph 1 as amended by section 2-a and paragraph 2 as
17 amended by section 3 of part D of chapter 59 of the laws of 2023, para-
18 graph 7 as added by section 9 of part Q of chapter 57 of the laws of
19 2010, are amended and a new paragraph 11 is added to read as follows:

20 (1) "Qualified production costs" means production costs only to the
21 extent such costs are attributable to the use of tangible property or
22 the performance of services within the state directly and predominantly
23 in the production (including pre-production and post production) of a
24 qualified film. In the case of an eligible relocated television series,
25 the term "qualified production costs" shall include, in the first season
26 that the eligible relocated television series is produced in New York
27 after relocation, qualified relocation costs. Provided, however, that
28 the aggregate total eligible qualified production costs for producers,
29 writers, directors, performers (other than background actors with no
30 scripted lines), and composers shall not exceed forty percent of the
31 aggregate sum total of all other qualified production costs. Provided,
32 further, that qualified production costs shall not include any payments
33 to a loan-out company for the provision of specific individual person-
34 nel, such as artists, crew, actors, producers, or directors, for the
35 performance of services used directly in a production unless the taxpay-
36 er has satisfied the withholding requirement pursuant to subdivision (g)
37 of this section.

38 (2) "Production costs" means any costs for tangible property used and
39 services performed directly and predominantly in the production (includ-
40 ing pre-production and post production) of a qualified film.
41 "Production costs" shall not include [(i)] costs for a story, script or
42 scenario to be used for a qualified film [and (ii) wages or salaries or
43 other compensation for writers, directors, composers, and performers
44 (other than background actors with no scripted lines) to the extent
45 those wages or salaries or other compensation exceed five hundred thou-
46 sand dollars per individual]. "Production costs" generally include the
47 wages or salaries or other compensation for writers, directors, compos-
48 ers and performers, technical and crew production costs, such as expend-
49 itures for film production facilities, or any part thereof, props, make-
50 up, wardrobe, film processing, camera, sound recording, set
51 construction, lighting, shooting, editing and meals, and shall include
52 the wages, salaries or other compensation of no more than two producers
53 per qualified film[, not to exceed five hundred thousand dollars per
54 producer, where only one of whom is the principal individual responsible
55 for overseeing the creative and managerial process of production of the
56 qualified film and only one of whom is the principal individual respon-

1 sible for the day-to-day operational management of production of the
2 qualified film; provided, however, that such producers are not compen-
3 sated for any other position on the qualified film by a qualified film
4 production company or a qualified independent film production company
5 for services performed].

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

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

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

27 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
28 subdivision (a) of this section shall be increased by an additional four
29 hundred twenty million dollars in each year starting in two thousand ten
30 through two thousand twenty-three and seven hundred million dollars in
31 each year starting in two thousand twenty-four through two thousand
32 [thirty-four] thirty-six, provided however, seven million dollars of the
33 annual allocation shall be available for the empire state film post
34 production credit pursuant to section thirty-one of this article in two
35 thousand thirteen and two thousand fourteen, twenty-five million dollars
36 of the annual allocation shall be available for the empire state film
37 post production credit pursuant to section thirty-one of this article in
38 each year starting in two thousand fifteen through two thousand twenty-
39 three, and forty-five million dollars of the annual allocation shall be
40 available for the empire state film post production credit pursuant to
41 section thirty-one of this article in each year starting in two thousand
42 twenty-four through two thousand [thirty-four] thirty-six. Provided
43 further, five million dollars of the annual allocation shall be made
44 available for the television writers' and directors' fees and salaries
45 credit pursuant to section twenty-four-b of this article in each year
46 starting in two thousand twenty through two thousand [thirty-four] thir-
47 ty-six. This amount shall be allocated by the department of economic
48 development among taxpayers in accordance with subdivision (a) of this
49 section. If the commissioner of economic development determines that the
50 aggregate amount of tax credits available from additional pool 2 for the
51 empire state film production tax credit have been previously allocated,
52 and determines that the pending applications from eligible applicants
53 for the empire state film post production tax credit pursuant to section
54 thirty-one of this article is insufficient to utilize the balance of
55 unallocated empire state film post production tax credits from such
56 pool, the remainder, after such pending applications are considered,

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

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

44 (4) Additional pool 2 - The aggregate amount of tax credits allowed in
45 subdivision (a) of this section shall be increased by an additional four
46 hundred twenty million dollars in each year starting in two thousand ten
47 through two thousand twenty-three and seven hundred million dollars each
48 year starting in two thousand twenty-four through two thousand [thirty-
49 four] thirty-six, provided however, seven million dollars of the annual
50 allocation shall be available for the empire state film post production
51 credit pursuant to section thirty-one of this article in two thousand
52 thirteen and two thousand fourteen, twenty-five million dollars of the
53 annual allocation shall be available for the empire state film post
54 production credit pursuant to section thirty-one of this article in each
55 year starting in two thousand fifteen through two thousand twenty-three,
56 and forty-five million dollars of the annual allocation shall be avail-

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

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

55 (g) A taxpayer shall withhold from each payment to a loan-out company
56 an amount equal to six and eighty-five one hundredths (6.85) percent of

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

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

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

28 (3) (i) A taxpayer shall not be eligible for the credit established by
29 this section for qualified post production costs, excluding the costs
30 for visual effects and animation, unless the qualified post production
31 costs, excluding the costs for visual effects and animation, at a quali-
32 fied post production facility meet or exceed one million dollars seven-
33 ty-five percent of the total post production costs, excluding the costs
34 for visual effects and animation, paid or incurred in the post
35 production of the qualified film at any post production facility. (ii) A
36 taxpayer shall not be eligible for the credit established by this
37 section for qualified post production costs which are costs for visual
38 effects or animation unless the qualified post production costs for
39 visual effects or animation at a qualified post production facility meet
40 or exceed [three million] five hundred thousand dollars or [twenty] ten
41 percent of the total post production costs for visual effects or
42 animation paid or incurred in the post production of a qualified film at
43 any post production facility, whichever is less. (iii) A taxpayer may
44 claim a credit for qualified post production costs excluding the costs
45 for visual effects and animation, and for qualified post production
46 costs of visual effects and animation, provided that the criteria in
47 subparagraphs (i) and (ii) of this paragraph are both satisfied. The
48 credit shall be allowed for the taxable year in which the production of
49 such qualified film is completed.

50 (5) If the amount of the credit is at least one million dollars but
51 less than five million dollars, the credit shall be claimed over a two
52 year period beginning in the first taxable year in which the credit may
53 be claimed and in the next succeeding taxable year, with one-half of the
54 amount of credit allowed being claimed in each year. If the amount of
55 the credit is at least five million dollars, the credit shall be claimed
56 over a three year period beginning in the first taxable year in which

1 the credit may be claimed and in the next two succeeding taxable years,
2 with one-third of the amount of the credit allowed being claimed in each
3 year. Provided, however, in the case of a qualified film for which the
4 taxpayer filed an initial application on or after January first, two
5 thousand twenty-five, the credit shall be claimed for the taxable year
6 in which such qualified film is completed.

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

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

31 (2) "[Post] Qualified production costs" means production of original
32 content for a qualified film employing traditional, emerging and new
33 workflow techniques used in post-production for picture, sound and music
34 editorial, rerecording and mixing, visual effects, graphic design,
35 [original scoring,] animation, and musical composition in the state; but
36 shall not include the editing of previously produced content for a qual-
37 ified film. Provided, however, that the aggregate total eligible post
38 production costs for the wages, salaries or other compensation of writ-
39 ers, directors, performers (other than background actors with no script-
40 ed lines), composers, and no more than two producers, shall not exceed
41 forty percent of the aggregate sum total of all other qualified post
42 production costs. Provided, further, that qualified post production
43 costs shall not include any payments to a loan-out company for the
44 provision of specific individual personnel, such as artists, crew,
45 actors, producers, or directors, for the performance of services used
46 directly in a production unless the taxpayer has satisfied the withhold-
47 ing requirement pursuant to subdivision (f) of this section.

48 (5) "Loan-out company" means a personal service corporation or other
49 entity with which a qualified film production company or a qualified
50 independent film production company contracts for the provision of spec-
51 ified individual personnel, such as artists, crew, actors, producers, or
52 directors for the performance of services used directly in a production.
53 "Loan-out company" shall not include entities that contracted with a
54 qualified film production company or a qualified independent film
55 production company to provide goods or ancillary contractor services
56 such as catering, construction, trailers, equipment, or transportation.



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

3 (f) 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 (g) 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 § 9. The tax law is amended by adding a new section 24-d to read as
28 follows:

29 § 24-d. Empire state independent film production credit. (a) (1)
30 Allowance of credit. A taxpayer which is a qualified independent film
31 production company, or which is a sole proprietor of or a member of a
32 partnership which is a qualified independent film production company,
33 and which is subject to tax under articles nine-A or twenty-two of this
34 chapter, shall be allowed a credit against such tax, pursuant to the
35 provisions referenced in subdivision (c) of this section, to be computed
36 as hereinafter provided.

37 (2) (i) The amount of the credit shall be the product (or pro rata
38 share of the product, in the case of a member of a partnership) of thir-
39 ty percent and the qualified production costs paid or incurred in the
40 production of a qualified film, provided that the qualified production
41 costs (excluding post production costs) paid or incurred which are
42 attributable to the use of tangible property or the performance of
43 services at a qualified film production facility in the production of
44 such qualified film equal or exceed seventy-five percent of the
45 production costs (excluding post production costs) paid or incurred
46 which are attributable to the use of tangible property or the perform-
47 ance of services at any film production facility within and without the
48 state in the production of such qualified film. However, if the quali-
49 fied production costs (excluding post production costs) which are
50 attributable to the use of tangible property or the performance of
51 services at a qualified film production facility in the production of
52 such qualified film is less than three million dollars, then the portion
53 of the qualified production costs attributable to the use of tangible
54 property or the performance of services in the production of such quali-
55 fied film outside of a qualified film production facility shall be
56 allowed only if the shooting days spent in New York outside of a film



1 production facility in the production of such qualified film equal or
2 exceed seventy-five percent of the total shooting days spent within and
3 without the state outside of a film production facility in the
4 production of such qualified film. The credit shall be allowed for the
5 taxable year in which the production of such qualified film is
6 completed. A taxpayer shall not be eligible for a tax credit established
7 by this section for the production of more than two qualified films per
8 calendar year.

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

43 (3) No qualified production costs used by a taxpayer either as the
44 basis for the allowance of the credit provided for under this section or
45 used in the calculation of the credit provided for under this section
46 shall be used by such taxpayer to claim any other credit allowed pursu-
47 ant to this chapter.

48 (4) Notwithstanding the foregoing provisions of this subdivision, a
49 qualified independent film production company that has applied for cred-
50 it under the provisions of this section, agrees as a condition for the
51 granting of the credit: (i) to include in each qualified film distrib-
52 uted by DVD, or other media for the secondary market, a New York promo-
53 tional video approved by the governor's office of motion picture and
54 television development or to include in the end credits of each quali-
55 fied film "Filmed With the Support of the New York State Governor's
56 Office of Motion Picture and Television Development" and a logo provided

1 by the governor's office of motion picture and television development,
2 and (ii) to certify that it will purchase taxable tangible property and
3 services, defined as qualified production costs pursuant to paragraph
4 one of subdivision (b) of this section, only from companies registered
5 to collect and remit state and local sales and use taxes pursuant to
6 articles twenty-eight and twenty-nine of this chapter.

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

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

28 (2) "Production costs" means any costs for tangible property used and
29 services performed directly and predominantly in the production (includ-
30 ing pre-production and post production) of a qualified film.
31 "Production costs" shall not include costs for a story, script or
32 scenario to be used for a qualified film. "Production costs" generally
33 include writers, directors, composers and performers, technical and crew
34 production costs, such as expenditures for film production facilities,
35 or any part thereof, props, makeup, wardrobe, film processing, camera,
36 sound recording, set construction, lighting, shooting, editing and
37 meals.

38 (3) "Qualified film" means a scripted narrative feature-length film,
39 television film, relocated television series or television series,
40 regardless of the medium by means of which the film or series is created
41 or conveyed. For the purposes of the credit provided by this section
42 only, a "qualified film" whose majority of principal photography shoot-
43 ing days in the production of the qualified film are shot in Westches-
44 ter, Rockland, Nassau, or Suffolk county or any of the five New York
45 City boroughs shall have a minimum budget of one million dollars. A
46 "qualified film", whose majority of principal photography shooting days
47 in the production of the qualified film are shot in any other county of
48 the state than those listed in the preceding sentence shall have a mini-
49 imum budget of two hundred fifty thousand dollars. "Qualified film" shall
50 not include: (i) a television pilot, documentary film, news or current
51 affairs program, interview or talk program, "how-to" (i.e., instruc-
52 tional) film or program, film or program consisting primarily of stock
53 footage, sporting event or sporting program, game show, award ceremony,
54 film or program intended primarily for industrial, corporate or institu-
55 tional end-users, fundraising film or program, daytime drama (i.e.,
56 daytime "soap opera"), commercials, music videos or "reality" program;

1 (ii) a production for which records are required under section 2257 of
2 title 18, United States code, to be maintained with respect to any
3 performer in such production (reporting of books, films, etc. with
4 respect to sexually explicit conduct); or (iii) a television series
5 commonly known as variety entertainment, variety sketch and variety
6 talk, i.e., a program with components of improvisational or scripted
7 content (monologues, sketches, interviews), either exclusively or in
8 combination with other entertainment elements such as musical perform-
9 ances, dancing, cooking, crafts, pranks, stunts, and games and which may
10 be further defined in regulations of the commissioner of economic devel-
11 opment.

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

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

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

28 (7) "Relocated television series" shall mean the first two years of a
29 regularly occurring production intended to run in its initial broadcast,
30 regardless of the medium or mode of its distribution, in a series of
31 narrative and/or thematically related episodes, each of which has a
32 running time of at least thirty minutes in length (inclusive of commer-
33 cial advertisement and interstitial programming, if any), which had
34 filmed a minimum of six episodes of the television series outside the
35 state immediately prior to relocating to the state, where the television
36 series had a total minimum budget of at least one million dollars per
37 episode. For the purposes of this definition only, a television series
38 produced by and for media services providers described as streaming
39 services and/or digital platforms (and excluding network/cable) shall
40 mean a regularly occurring production intended to run in its initial
41 release in a series of narrative and/or thematically related episodes,
42 the aggregate length of which is at least seventy-five minutes, although
43 the episodes themselves may vary in duration from the thirty minutes
44 specified for network/cable production.

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

51 (9) "Loan-out company" means a personal service corporation or other
52 entity with which a qualified independent film production company or a
53 qualified independent film production company contracts for the
54 provision of specified individual personnel, such as artists, crew,
55 actors, producers, or directors for the performance of services used
56 directly in a production. "Loan-out company" shall not include entities

1 that contracted with a qualified independent film production company or
2 a qualified independent film production company to provide goods or
3 ancillary contractor services such as catering, construction, trailers,
4 equipment, or transportation.

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

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

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

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

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

23 (e) Allocation of credit. The aggregate amount of tax credits allowed
24 under this section, subdivision twenty-a of section two hundred ten and
25 subsection (gg-1) of section six hundred six of this chapter in any
26 calendar year shall be (1) twenty million dollars for qualified films
27 with a budget of less than ten million dollars of qualified production;
28 and (2) eighty million dollars for qualified films with a budget of ten
29 million dollars or more of qualified production costs. There shall be at
30 least two application periods each year; such aggregate amount of cred-
31 its shall be allocated by the governor's office for motion picture and
32 television development among taxpayers in order of priority based upon
33 the date of filing of an application for allocation of the independent
34 film production credit with such office within each application period.
35 If the commissioner of economic development determines that the aggre-
36 gate amount of tax credits available for an application period under
37 paragraph one of this subdivision have been previously allocated, and
38 determines that the pending applications from eligible applicants for
39 the other application period in such calendar year is insufficient to
40 utilize the balance of unallocated tax credits for such period, then
41 such commissioner may allocate to productions eligible under such para-
42 graph any credits that remain unallocated for such period pursuant to
43 paragraph two of this subdivision. Provided, however, the total amount
44 of allocated credits applied in any calendar year shall not exceed the
45 aggregate amount of tax credits allowed for such year under this
46 section.

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

52 (2) By January thirty-first of each year, the commissioner of economic
53 development shall report to the comptroller the total amount of such
54 reductions of tax credit during the immediately preceding calendar year.
55 On or before March thirty-first of each year, the comptroller shall
56 transfer without appropriations from the general fund to the empire

1 state entertainment diversity job training development fund established
2 under section ninety-seven-ff of the state finance law an amount equal
3 to the total amount of such reductions reported by the commissioner of
4 economic development for the immediately preceding calendar year.

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

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

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

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

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

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

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

53 (2) Application of credit. If the amount of the credit allowable under
54 this subsection for any taxable year exceeds the taxpayer's tax for such
55 year, the excess shall be treated as an overpayment of tax to be credit-

1 ed or refunded as provided in section six hundred eighty-six of this
 2 article, provided, however, that no interest shall be paid thereon.

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

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

11 § 13. This act shall take effect immediately and shall apply to
 12 initial applications received on or after January 1, 2025, provided,
 13 however, that the amendments to paragraph 4 of subdivision (e) of
 14 section 24 of the tax law made by section three of this act shall take
 15 effect on the same date and in the same manner as section 6 of chapter
 16 683 of the laws of 2019, takes effect.

17 PART J

18 Section 1. Subdivision 13 of section 492 of the economic development
 19 law, as added by section 2 of part AAA of chapter 56 of the laws of
 20 2024, is amended to read as follows:

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

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

29 PART K

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

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

50 § 2. This act shall take effect immediately.

51 PART L

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

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

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

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

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

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

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

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

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

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

5

PART M

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

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

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

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

41 § 3. This act shall take effect immediately.

42

PART N

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38

PART O

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 that would be reported as adjusted gross income if a federal income tax
2 return were required to be filed, reduced by distributions, to the
3 extent included in federal adjusted gross income, received from an indi-
4 vidual retirement account and an individual retirement annuity.

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

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

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

1 cooperative apartment corporation that is described in subparagraph (iv)
2 of paragraph (k) of subdivision two of section four hundred twenty-five
3 of the real property tax law, one third of such amount. In no case shall
4 the term "qualifying taxes" be construed to include penalties or inter-
5 est.

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

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

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

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

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

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

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

37

PART P

38 Section 1. Subdivision 8 of section 874 of the general municipal law
39 is REPEALED.

40 § 2. Subdivision 3 of section 1963 of the public authorities law is
41 REPEALED.

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

44 § 4. Subdivision 3 of section 2326 of the public authorities law is
45 REPEALED.

46 § 5. Subdivision 9 of section 2327 of the public authorities law is
47 REPEALED.

48 § 6. This act shall take effect immediately.

49

PART Q

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

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

7 § 2. Subsection (b) of section 864 of the tax law, as added by section
8 1 of part C of chapter 59 of the laws of 2021, paragraph 3 as amended by
9 chapter 555 of the laws of 2022, is amended to read as follows:

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

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

21 (2) [The amount of any required installment shall be twenty-five
22 percent of the required annual payment] For an election to be taxed
23 pursuant to this article that is made after March fifteenth but before
24 June fifteenth in the taxable year to be valid, the electing partnership
25 or electing S corporation is required to make an estimated tax payment
26 with its election that represents twenty-five percent of the required
27 annual payment. The electing partnership or electing S corporation shall
28 further make payments on June fifteenth, September fifteenth, and Decem-
29 ber fifteenth in the calendar year prior to the year in which the due
30 date of the return required by this article falls, which shall each
31 represent twenty-five percent of the required annual payment.

32 (3) For an election to be taxed pursuant to this article that is made
33 on or after June fifteenth but before September fifteenth in the taxable
34 year to be valid, the electing partnership or electing S corporation is
35 required to make an estimated tax payment with its election that repres-
36 ents fifty percent of the required annual payment. The electing partner-
37 ship or electing S corporation shall further make payments on September
38 fifteenth and December fifteenth in the calendar year prior to the year
39 in which the due date of the return required by this article falls,
40 which shall each represent twenty-five percent of the required annual
41 payment.

42 (4) For an election to be taxed pursuant to this article that is made
43 on September fifteenth in the taxable year to be valid, the electing
44 partnership or electing S corporation is required to make an estimated
45 tax payment with its election that represents seventy-five percent of
46 the required annual payment. The electing partnership or electing S
47 corporation shall further make a payment on December fifteenth in the
48 calendar year prior to the year in which the due date of the return
49 required by this article falls, which shall represent twenty-five
50 percent of the required annual payment.

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

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

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

14 § 4. Subsection (b) of section 871 of the tax law, as added by section
15 1 of subpart B of part MM of chapter 59 of the laws of 2022, paragraph 3
16 as amended by chapter 555 of the laws of 2022, is amended to read as
17 follows:

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

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

30 (2) [The amount of any required installment shall be twenty-five
31 percent of the required annual payment] For an election to be taxed
32 pursuant to this article that is made after March fifteenth but before
33 June fifteenth in the taxable year to be valid, the electing city part-
34 nership or electing city S corporation is required to make an estimated
35 tax payment with its election that represents twenty-five percent of the
36 required annual payment. The electing city partnership or electing city
37 S corporation shall further make payments on June fifteenth, September
38 fifteenth, and December fifteenth in the calendar year prior to the year
39 in which the due date of the return required by this article falls,
40 which shall each represent twenty-five percent of the required annual
41 payment.

42 (3) For an election to be taxed pursuant to this article that is made
43 after June fifteenth but before September fifteenth in the taxable year
44 to be valid, the electing city partnership or electing city S corpo-
45 ration is required to make an estimated tax payment with its election
46 that represents fifty percent of the required annual payment. The elect-
47 ing city partnership or electing city S corporation shall further make
48 payments on September fifteenth and December fifteenth in the calendar
49 year prior to the year in which the due date of the return required by
50 this article falls, which shall each represent twenty-five percent of
51 the required annual payment.

52 (4) For an election to be taxed pursuant to this article that is made
53 on September fifteenth in the taxable year to be valid, the electing
54 city partnership or electing city S corporation is required to make an
55 estimated tax payment with its election that represents seventy-five
56 percent of the required annual payment. The electing city partnership or

1 electing city S corporation shall further make a payment on December
2 fifteenth in the calendar year prior to the year in which the due date
3 of the return required by this article falls, which shall represent
4 twenty-five percent of the required annual payment.

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

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

13

PART R

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

16 (a) Requirement of declaration.--Every taxpayer subject to the tax
17 imposed by section two hundred nine of this chapter shall make a decla-
18 ration of its estimated tax for the current privilege period, containing
19 such information as the commissioner of taxation and finance may
20 prescribe by regulations or instructions, if such estimated tax can
21 reasonably be expected to exceed one thousand dollars, or five thousand
22 dollars for taxable years beginning on or after January first, two thou-
23 sand twenty-six. If a taxpayer is subject to the tax surcharge imposed
24 under section two hundred nine-B of this article and such taxpayer's
25 estimated tax under section two hundred nine of this article can reason-
26 ably be expected to exceed one thousand dollars, or five thousand
27 dollars for taxable years beginning on or after January first, two thou-
28 sand twenty-six, such taxpayer shall also make a declaration of its
29 estimated tax surcharge for the current privilege period.

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

33 (a) First installments for certain taxpayers.--In privilege periods of
34 twelve months ending at any time during the calendar year nineteen
35 hundred seventy and thereafter, every taxpayer subject to the tax
36 imposed by section two hundred nine of this [chapter] article must pay
37 with the report required to be filed for the preceding privilege period,
38 or with an application for extension of the time for filing the report,
39 for taxable years beginning before January first, two thousand sixteen,
40 and must pay on or before the fifteenth day of the third month of such
41 privilege periods, for taxable years beginning on or after January
42 first, two thousand sixteen, an amount equal to (i) twenty-five percent
43 of the second preceding year's tax if the second preceding year's tax
44 exceeded one thousand dollars, or five thousand dollars for taxable
45 years beginning on or after January first, two thousand twenty-six, but
46 was equal to or less than one hundred thousand dollars, or (ii) forty
47 percent of the second preceding year's tax if the second preceding
48 year's tax exceeded one hundred thousand dollars. If the second preced-
49 ing year's tax under section two hundred nine of this chapter exceeded
50 one thousand dollars, or five thousand dollars for taxable years begin-
51 ning on or after January first, two thousand twenty-six, and the taxpay-
52 er is subject to the tax surcharge imposed by section two hundred nine-B
53 of this [chapter] article, the taxpayer must also pay with the tax
54 surcharge report required to be filed for the second preceding privilege

1 period, or with an application for extension of the time for filing the
2 report, for taxable years beginning before January first, two thousand
3 sixteen, and must pay on or before the fifteenth day of the third month
4 of such privilege periods, for taxable years beginning on or after Janu-
5 ary first, two thousand sixteen, an amount equal to (i) twenty-five
6 percent of the tax surcharge imposed for the second preceding year if
7 the second preceding year's tax was equal to or less than one hundred
8 thousand dollars, or (ii) forty percent of the tax surcharge imposed for
9 the second preceding year if the second preceding year's tax exceeded
10 one hundred thousand dollars. Provided, however, that every taxpayer
11 that is a New York S corporation must pay with the report required to be
12 filed for the preceding privilege period, or with an application for
13 extension of the time for filing the report, an amount equal to (i)
14 twenty-five percent of the preceding year's tax if the preceding year's
15 tax exceeded one thousand dollars, or five thousand dollars for taxable
16 years beginning on or after January first, two thousand twenty-six, but
17 was equal to or less than one hundred thousand dollars, or (ii) forty
18 percent of the preceding year's tax if the preceding year's tax exceeded
19 one hundred thousand dollars.

20 § 3. This act shall take effect immediately.

21

PART S

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

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

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

37 (A) travel expenses;

38 (B) lodging expenses; and

39 (C) lost wages.

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

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

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

52 (38) [An] For taxable years beginning before January first, two thou-
53 sand twenty-five, an amount of up to ten thousand dollars if a taxpayer,
54 while living, donates one or more of [his or her] the taxpayer's human



1 organs to another human being for human organ transplantation. For
2 purposes of this paragraph, "human organ" means all or part of a liver,
3 pancreas, kidney, intestine, lung, or bone marrow. A subtract modifica-
4 tion allowed under this paragraph shall be claimed in the taxable year
5 in which the human organ transplantation occurs. Provided, however, that
6 this deduction shall not apply to any donation for which the taxpayer
7 has received benefits under section forty-three hundred seventy-one of
8 the public health law.

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

- 13 (i) travel expenses;
14 (ii) lodging expenses; and
15 (iii) lost wages.

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

18 § 3. This act shall take effect immediately.

19

PART T

20 Section 1. Paragraph 3 of subsection (a) of section 954 of the tax
21 law, as amended by section 1 of part F of chapter 59 of the laws of
22 2019, is amended to read as follows:

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

34 § 2. This act shall take effect immediately.

35

PART U

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

39 (c) Amount of credit. Except as provided in paragraph (d) of this
40 subdivision, the amount of credit for taxable years beginning before
41 January first, two thousand twenty-five shall be thirty-five percent of
42 the first six thousand dollars in qualified first-year wages earned by
43 each qualified employee and for taxable years beginning on or after
44 January first, two thousand twenty-five shall be the first five thousand
45 dollars in qualified first-year wages earned by each qualified employee.
46 "Qualified first-year wages" means wages paid or incurred by the taxpay-
47 er during the taxable year to qualified employees which are attribut-
48 able, with respect to any such employee, to services rendered during the
49 one-year period beginning with the day the employee begins work for the
50 taxpayer.

51 (d) Credit where federal work opportunity tax credit applies. With
52 respect to any qualified employee whose qualified first-year wages under

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

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

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

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

46 § 3. This act shall take effect immediately.

47

PART V

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

51 3. If the amount of taxable income for any year of any taxpayer
52 (including any taxpayer which has elected to be taxed under subchapter s
53 of chapter one of the internal revenue code), as returned to the United
54 States treasury department is changed or corrected by the commissioner

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

24 § 2. Subsection (b) of section 653 of the tax law, as added by chapter
25 563 of the laws of 1960, is amended to read as follows:

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

31 (1) If a partnership is required to report federal adjustments arising
32 from a partnership level audit or an administrative adjustment request
33 pursuant to section six hundred fifty-nine-a of this part, the partner-
34 ship's federal partnership representative is the New York partnership
35 representative unless the partnership designates, in a manner determined
36 by the commissioner, that another person shall act on behalf of the
37 partnership.

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

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

43 § 659. Report of federal changes, corrections or disallowances. If the
44 amount of a taxpayer's federal taxable income, total taxable amount or
45 ordinary income portion of a lump sum distribution or includible gain of
46 a trust reported on [his] their federal income tax return for any taxa-
47 ble year, or the amount of a taxpayer's earned income credit or credit
48 for employment-related expenses set forth on such return, or the amount
49 of any federal foreign tax credit affecting the calculation of the cred-
50 it for Canadian provincial taxes under section six hundred twenty or six
51 hundred twenty-A of this article, or the amount of any claim of right
52 adjustment, is changed or corrected by the United States internal reven-
53 ue service or other competent authority or as the result of a renegoti-
54 ation of a contract or subcontract with the United States, or the amount
55 an employer is required to deduct and withhold from wages for federal
56 income tax withholding purposes is changed or corrected by such service

1 or authority or if a taxpayer's claim for credit or refund of federal
2 income tax is disallowed in whole or in part, the taxpayer or employer
3 shall report such change or correction or disallowance within ninety
4 days after the final determination of such change, correction, renegoti-
5 ation or disallowance, or as otherwise required by the commissioner, and
6 shall concede the accuracy of such determination or state wherein it is
7 erroneous. Provided, however, if the taxpayer is a direct or indirect
8 partner of a partnership required to report adjustments in accordance
9 with section six hundred fifty-nine-a of this part, such taxpayer shall
10 also report such adjustments in accordance with section six hundred
11 fifty-nine-a of this part when such adjustments result in an overpay-
12 ment. The allowance of a tentative carryback adjustment based upon a net
13 operating loss carryback pursuant to section sixty-four hundred eleven
14 of the internal revenue code shall be treated as a final determination
15 for purposes of this section. Any taxpayer filing an amended federal
16 income tax return and any employer filing an amended federal return of
17 income tax withheld shall also file within ninety days thereafter an
18 amended return under this article, and shall give such information as
19 the commissioner may require. The commissioner may by regulation
20 prescribe such exceptions to the requirements of this section as [he or
21 she deems] they deem appropriate. For purposes of this section, (i) the
22 term "taxpayer" shall include a partnership having a resident partner or
23 having any income derived from New York sources, and a corporation with
24 respect to which the taxable year of such change, correction, disallow-
25 ance or amendment is a year with respect to which the election provided
26 for in subsection (a) of section six hundred sixty of this article is in
27 effect, and (ii) the term "federal income tax return" shall include the
28 returns of income required under sections six thousand thirty-one and
29 six thousand thirty-seven of the internal revenue code. In the case of
30 such a corporation, such report shall also include any change or
31 correction of the taxes described in paragraphs two and three of
32 subsection (f) of section thirteen hundred sixty-six of the internal
33 revenue code. Reports made under this section by a partnership or corpo-
34 ration shall indicate the portion of the change in each item of income,
35 gain, loss or deduction (and, in the case of a corporation, of each
36 change in, or disallowance of a claim for credit or refund of, a tax
37 referred to in the preceding sentence) allocable to each partner or
38 shareholder and shall set forth such identifying information with
39 respect to such partner or shareholder as may be prescribed by the
40 commissioner.

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

43 § 659-a. Reporting of federal partnership adjustments. (a) If any
44 item required to be shown on a federal partnership return, for any part-
45 nership that has a resident partner or any income derived from New York
46 sources, including any gross income, gain, loss, deduction, penalty,
47 credit, or tax for any year of such partnership, including any amount of
48 any partner's distributive share, is changed or corrected by the commis-
49 sioner of internal revenue or other officer of the United States or
50 other competent authority, and the partnership is issued an adjustment
51 under section sixty-two hundred twenty-five of the internal revenue code
52 or makes a federal election for alternative payment with the United
53 States internal revenue service as part of a partnership level audit, or
54 files an administrative adjustment request, the partnership shall
55 report, in the manner prescribed by the commissioner, each change or
56 correction in sufficient detail to allow for the computation of the New

1 York tax change or correction for the reviewed year within ninety days
2 after the date of each final federal determination, or ninety days after
3 the filing of an administrative adjustment request.

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

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

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

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

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

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

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

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

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

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

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

45 (2) Notwithstanding any election made for federal purposes under the
46 provisions of subchapter C of chapter sixty-three of the internal reven-
47 ue code, any changes or corrections made by the United States internal
48 revenue service pursuant to such a final federal adjustment or as a
49 result of an administrative adjustment request that increases New York
50 taxable income must be calculated with respect to the impacted partner-
51 ship in the reviewed year, and any additional New York tax owed as a
52 result of such a final federal adjustment or administrative adjustment
53 request must be paid by the impacted partnership as computed in accord-
54 ance with subsection (d) of this section.

55 (3) Notwithstanding any election made for federal purposes under the
56 provisions of subchapter C of chapter sixty-three of the internal reven-

1 ue code, where changes or corrections made by the United States internal
2 revenue service pursuant to such a final federal adjustment or as a
3 result of an administrative adjustment request decrease New York taxable
4 income, the partners may request any resulting overpayment as permitted
5 under this article and articles nine-A and thirty-three of this chapter.

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

9 (1) Impacted partnerships must report any final federal adjustments
10 and administrative adjustment requests regardless of tax impact. Such
11 report must include the impacted partnership's direct and indirect part-
12 ner identifying information and any other information the commissioner
13 may require.

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

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

18 (i) for partners subject to tax pursuant to articles nine-a or thir-
19 ty-three of this chapter in the reviewed year, other than tiered part-
20 ners, the partner's distributive share of gross income or gain, appor-
21 tioned to New York using a percentage using the apportionment rules
22 described in article nine-A of this chapter;

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

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

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

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

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

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

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

54 (i) the cumulative distributive share of all direct and indirect part-
55 ners as computed under clauses (i), (ii), (iii), and (iv) of subpara-
56 graph (A) of paragraph (2) of subsection (d) of this section, multiplied

1 by the highest tax rate imposed under section six hundred one of this
2 article for the reviewed year, and

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

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

11 (3) The impacted partnership must inform each direct and indirect
12 partner of partnership adjustments described in paragraph three of
13 subsection (c) of this section in the manner required by the commission-
14 er.

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

18 (1) If the impacted partnership files a report within the period spec-
19 ified in subsection (c) of this section, the commissioner may assess an
20 impacted partnership additional tax, interest, and penalties arising
21 from final federal adjustments or administrative adjustment requests
22 pursuant to the provisions of section six hundred eighty-three of this
23 article.

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

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

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

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

39 (1) If the taxpayer or employer fails to comply with section six
40 hundred fifty-nine or section six hundred fifty-nine-a, instead of the
41 mode and time of assessment provided for in subsection (b) of this
42 section, the [tax commission] commissioner may assess a deficiency based
43 upon such federal change, correction or disallowance by mailing to the
44 taxpayer a notice of additional tax due specifying the amount of the
45 deficiency, and such deficiency, together with the interest, additions
46 to tax and penalties stated in such notice, shall be deemed assessed on
47 the date such notice is mailed unless within thirty days after the mail-
48 ing of such notice a report of the federal change, correction or disal-
49 lowance or an amended return, where such return was required by section
50 six hundred fifty-nine or section six hundred fifty-nine-a, is filed
51 accompanied by a statement showing wherein such federal determination
52 and such notice of additional tax due are erroneous.

53 (2) Such notice shall not be considered as a notice of deficiency for
54 the purposes of this section, subsection (f) of section six hundred
55 eighty-seven (limiting credits or refunds after petition to the [tax
56 commission] division of tax appeals), or subsection (b) of section six

1 hundred eighty-nine (authorizing the filing of a petition with the [tax
2 commission] division of tax appeals based on a notice of deficiency),
3 nor shall such assessment or the collection thereof be prohibited by the
4 provisions of subsection (c).

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

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

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

49 § 7. Paragraphs 1, 2 and 3 of subsection (c) of section 683 of the tax
50 law, as added by chapter 1011 of 1962, paragraph 1 as amended by chapter
51 526 of the laws of 1973, subparagraph (C) of paragraph 1 and paragraph 3
52 as amended by chapter 28 of the laws of 1987, are amended as follows:

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

54 (A) no return is filed,

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

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

3 (2) Extension by agreement.--Where, before the expiration of the time
4 prescribed in this section for the assessment of tax, both the [tax
5 commission] commissioner and the taxpayer have consented in writing to
6 its assessment after such time, the tax may be assessed at any time
7 prior to the expiration of the period agreed upon. The period so agreed
8 upon may be extended by subsequent agreements in writing made before the
9 expiration of the period previously agreed upon.

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

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

23 (2) If any partnership, S corporation, or trust required to file a
24 return or report under subsection (c) or subsection (f) of section six
25 hundred fifty-eight or under section six hundred fifty-nine or six
26 hundred fifty-nine-a of this article for any taxable year fails to file
27 such return or report at the time prescribed therefor (determined with
28 regard to any extension of time for filing), or files a return or report
29 which fails to show the information required under such subsection (c)
30 [or] of section six hundred fifty-nine of this article, or files a
31 return or report which fails to show the information required under
32 subsection (d) of section six hundred fifty-nine-a of this article,
33 unless it is shown that such failure is due to reasonable cause and not
34 due to willful neglect, there shall, upon notice and demand by the
35 commissioner and in the same manner as tax, be paid by the partnership
36 or S corporation a penalty for each month (or fraction thereof) during
37 which such failure continues (but not to exceed five months). The amount
38 of such penalty for any month is the product of fifty dollars, multi-
39 plied by the number of partners in the partnership or shareholders in
40 the S corporation during any part of the taxable year who were subject
41 to tax under this article during any part of such taxable year, except
42 that, in the case of a trust, the penalty shall be equal to one hundred
43 fifty dollars a month up to a maximum of fifteen hundred dollars per
44 taxable year.

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

47 (c) Notice of federal change or correction.--A claim for credit or
48 refund of any overpayment of tax attributable to a federal change or
49 correction required to be reported pursuant to section six hundred
50 fifty-nine or by a partner of a partnership required to report a federal
51 change or correction pursuant to section six hundred fifty-nine-a shall
52 be filed by the taxpayer within two years from the time the notice of
53 such change or correction or such amended return was required to be
54 filed with the commissioner of taxation and finance. If the report or
55 amended return required by section six hundred fifty-nine or six hundred
56 fifty-nine-a is not filed within the ninety day period therein speci-

1 filed, no interest shall be payable on any claim for credit or refund of
2 the overpayment attributable to the federal change or correction. The
3 amount of such credit or refund shall not exceed the amount of the
4 reduction in tax attributable to such federal change, correction or
5 items amended on the taxpayer's amended federal income tax return. This
6 subsection shall not affect the time within which or the amount for
7 which a claim for credit or refund may be filed apart from this
8 subsection.

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

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

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

18 (a) Except as otherwise provided in this article, any tax imposed
19 pursuant to the authority of this article shall be administered and
20 collected by the commissioner in the same manner as the tax imposed by
21 article twenty-two of this chapter is administered and collected by the
22 commissioner. All of the provisions of article twenty-two of this chap-
23 ter relating to or applicable to payment of estimated tax, returns,
24 payment of tax, claim of right adjustment, withholding of tax from
25 wages, employer's statements and returns, employer's liability for taxes
26 required to be withheld and all other provisions of article twenty-two
27 of this chapter relating to or applicable to the administration,
28 collection, liability for and review of the tax imposed by article twen-
29 ty-two of this chapter, including sections six hundred fifty-two through
30 six hundred fifty-four, sections six hundred fifty-seven through [six
31 hundred fifty-nine] six hundred fifty-nine-a, sections six hundred
32 sixty-one and six hundred sixty-two, sections six hundred seventy-one
33 and six hundred seventy-two, sections six hundred seventy-four through
34 six hundred seventy-eight and sections six hundred eighty-one through
35 six hundred ninety-seven of this chapter, inclusive, shall apply to a
36 tax imposed pursuant to the authority of this article with the same
37 force and effect as if those provisions had been incorporated in full
38 into this article, and had expressly referred to the tax imposed pursu-
39 ant to the authority of this article, except where inconsistent with a
40 provision of this article. Whenever there is joint collection of state
41 and city personal income taxes, it shall be deemed that such collections
42 shall represent proportionately the applicable state and city personal
43 income taxes in determining the amount to be remitted to the city.

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

47 (1) If the amount of the life insurance company taxable income (which
48 shall include, in the case of a stock life insurance company which has
49 an existing policyholders surplus account, the amount of direct and
50 indirect distributions during the taxable year to shareholders from such
51 account), taxable income of a partnership or taxable income, as the case
52 may be, or alternative minimum taxable income for any year of any
53 taxpayer as returned to the United States treasury department is changed
54 or corrected by the commissioner of internal revenue or other officer of
55 the United States or other competent authority, such taxpayer shall
56 report such change or corrected taxable income or alternative minimum

1 taxable income within ninety days (or one hundred twenty days, in the
 2 case of a taxpayer making a combined return under this article for such
 3 year) after the final determination of such change or correction or as
 4 required by the commissioner, and shall concede the accuracy of such
 5 determination or state wherein it is erroneous. Provided, however, if
 6 the taxpayer is a direct or indirect partner of a partnership required
 7 to report adjustments in accordance with section six hundred
 8 fifty-nine-a of this chapter, such taxpayer shall also report such
 9 adjustments in accordance with section six hundred fifty-nine-a of this
 10 chapter when such adjustments result in an overpayment. Any taxpayer
 11 filing an amended return with such department shall also file within
 12 ninety days (or one hundred twenty days, in the case of a taxpayer
 13 making a combined return under this article for such year) thereafter an
 14 amended return with the commissioner which shall contain such informa-
 15 tion as the commissioner shall require. The allowance of a tentative
 16 carryback adjustment based upon a net operating loss carryback or net
 17 capital loss carryback pursuant to section sixty-four hundred eleven of
 18 the internal revenue code or upon an operations loss carryback pursuant
 19 to section eight hundred ten of the internal revenue code, shall be
 20 treated as a final determination for purposes of this subdivision.

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

27

PART W

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

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

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

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

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

44	<u>If the number of</u>	<u>Income no greater than:</u>
45	<u>dependents is:</u>	
46	<u>1</u>	<u>\$36,789</u>
47	<u>2</u>	<u>\$46,350</u>
48	<u>3</u>	<u>\$54,545</u>
49	<u>4</u>	<u>\$61,071</u>
50	<u>5</u>	<u>\$68,403</u>
51	<u>6</u>	<u>\$75,204</u>
52	<u>7 or more</u>	<u>\$91,902</u>

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

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

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

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

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

24 (ii) subsection (a) of section eight hundred seventy of this chapter
 25 against the tax imposed pursuant to the authority of article thirty of
 26 this chapter; and

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

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

41 (3) For purposes of this subsection:

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

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

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

50 (h) Credit for certain taxpayers with incomes below certain thresh-
 51 olds. (1) Notwithstanding any other provision of law to the contrary,
 52 for any taxable year beginning on or after January first, two thousand
 53 twenty-five, a credit shall be allowed to a taxpayer against the taxes

1 imposed pursuant to the authority of this chapter in an amount equal to
 2 the tax otherwise due under this chapter for such taxable year reduced
 3 by all the credits permitted by this chapter for such taxable year if:

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

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

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

	<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
11	<u>1</u>	<u>\$36,789</u>
12	<u>2</u>	<u>\$46,350</u>
13	<u>3</u>	<u>\$54,545</u>
14	<u>4</u>	<u>\$61,071</u>
15	<u>5</u>	<u>\$68,403</u>
16	<u>6</u>	<u>\$75,204</u>
17	<u>7 or more</u>	<u>\$91,902</u>

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

	<u>If the number of dependents is:</u>	<u>Income no greater than:</u>
22	<u>1</u>	<u>\$31,503</u>
23	<u>2</u>	<u>\$36,824</u>
24	<u>3</u>	<u>\$46,512</u>
25	<u>4</u>	<u>\$53,711</u>
26	<u>5</u>	<u>\$59,928</u>
27	<u>6</u>	<u>\$65,712</u>
28	<u>7</u>	<u>\$74,565</u>
29	<u>8 or more</u>	<u>\$88,361</u>

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

37 (C) such taxpayer is not allowed a credit pursuant to: (i) subsection
 38 (a) of section eight hundred sixty-three of the tax law against the
 39 tax imposed pursuant to article twenty-two of such law; or (ii) subdivi-
 40 sion (g) of this section against the tax imposed pursuant to this chap-
 41 ter;

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

45 (2) Where the income of a taxpayer exceeds the amount indicated in
 46 subparagraph (B) of paragraph one of this subdivision for such taxpayer
 47 by five thousand dollars or less, and such taxpayer satisfies subpara-
 48 graph (A) and subparagraphs (C) and (D) of paragraph one of this subdivi-
 49 vision, a credit shall be allowed in the amount determined by multiply-
 50 ing: (A) the tax otherwise due under this article for such taxable year
 51 reduced by all the credits permitted by this article for such taxable
 52 year by (B) a fraction the numerator of which is five thousand dollars

1 minus the amount by which such income exceeds the amount indicated in
 2 subparagraph (B) of paragraph one of this subdivision and the denomina-
 3 tor of which is five thousand dollars.

4 (3) For purposes of this subdivision:

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

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

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

13

PART X

14 Section 1. The opening paragraph of subdivision (b) of section 25-z of
 15 the general city law, as amended by section 1 of part RR of chapter 56
 16 of the laws of 2020, is amended to read as follows:

17 No eligible business shall be authorized to receive a credit under any
 18 local law enacted pursuant to this article until the premises with
 19 respect to which it is claiming the credit meet the requirements in the
 20 definition of eligible premises and until it has obtained a certif-
 21 ication of eligibility from the mayor of such city or an agency desig-
 22 nated by such mayor, and an annual certification from such mayor or an
 23 agency designated by such mayor as to the number of eligible aggregate
 24 employment shares maintained by such eligible business that may qualify
 25 for obtaining a tax credit for the eligible [business'] business's taxa-
 26 ble year. Any written documentation submitted to such mayor or such
 27 agency or agencies in order to obtain any such certification shall be
 28 deemed a written instrument for purposes of section 175.00 of the penal
 29 law. Such local law may provide for application fees to be determined by
 30 such mayor or such agency or agencies. No such certification of eligi-
 31 bility shall be issued under any local law enacted pursuant to this
 32 article to an eligible business on or after July first, two thousand
 33 [twenty-five] thirty unless:

34 § 2. The general city law is amended by adding a new article 2-K to
 35 read as follows:

ARTICLE 2-K

RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

38 Section 25-ff. Definitions.

39 25-gg. Relocation assistance credit per employee.

40 § 25-ff. Definitions. When used in this article, the following terms
 41 shall have the following meanings:

42 (a) "Aggregate employment shares" means the sum of all employment
 43 shares maintained by an eligible business in a taxable year.

44 (b) "Eligible aggregate employment shares" means, in the case of an
 45 eligible business, the amount, if any, of aggregate employment shares
 46 maintained by an eligible business in eligible premises in the taxable
 47 year in which such eligible business claims a credit pursuant to a local
 48 law enacted in accordance with section twenty-five-gg of this article;
 49 provided, however, that:

50 (1) such amount shall not exceed the lesser of:

51 (i) the number of aggregate employment shares maintained by such
 52 eligible business in eligible premises in the taxable year during which
 53 such eligible business relocates;



1 (ii) the maximum approved employment shares for such eligible busi-
2 ness; or

3 (iii) an amount equal to the product of multiplying the aggregate
4 employment shares and the linear scalar for such eligible business in
5 such tax year; and

6 (2) a full-time work week or part-time work week at eligible premises
7 prior to the date of relocation shall not be taken into account in
8 determining eligible aggregate employment shares.

9 (c) "Eligible business" means any person subject to a tax imposed
10 under a local law enacted pursuant to part two or three of section one,
11 or section two of chapter seven hundred seventy-two of the laws of nine-
12 teen hundred sixty-six that:

13 (1) has been conducting substantial business operations at one or more
14 business locations outside of New York state for the twenty-four consec-
15 utive months immediately preceding the taxable year during which such
16 eligible business relocates but has not maintained employment shares at
17 premises in New York state at any time during the period beginning Janu-
18 ary first, two thousand twenty-five and ending on the date such business
19 enters into a lease or a contract to purchase the premises that will
20 qualify as eligible premises pursuant to this article; and

21 (2) on or after July first, two thousand twenty-five relocates all or
22 part of such business operations.

23 (d) "Eligible premises" means one or more non-residential premises
24 that consist of at least twenty thousand square feet that are:

25 (1) wholly contained in real property located in a city with a popu-
26 lation of one million or more; and

27 (2) for which final certificates of occupancy were issued prior to
28 January first, two thousand.

29 (e) "Employment share" means, for each employee, partner or sole
30 proprietor of an eligible business, the sum of: (1) the number of full-
31 time work weeks worked by such employee, partner or sole proprietor
32 during the eligible business's taxable year divided by the number of
33 weeks in the taxable year; and (2) the number of part-time work weeks
34 worked by such employee, partner or sole proprietor during the eligible
35 business's taxable year divided by an amount equal to twice the number
36 of weeks in the taxable year. Employment share shall not include full-
37 time or part-time work weeks attributable to employees, partners or sole
38 proprietors acquired by an eligible business as a result of a merger
39 with, acquisition of another person, or a transaction having a compara-
40 ble effect, that occurs after June thirtieth, two thousand twenty-five,
41 and before the end of the taxable year in which a credit is claimed by
42 such eligible business pursuant to a local law enacted in accordance
43 with section twenty-five-gg of this article, or to successors, if any,
44 to those employees, partners or sole proprietors.

45 (f) "Full-time work week" means a week during which at least thirty-
46 five hours of gainful work has been performed by an employee, partner or
47 sole proprietor.

48 (g) "Hotel services" means any services that consist predominately of
49 the lodging of guests at a building or a portion thereof that is regu-
50 larly used and kept open for such services. Hotel services shall include
51 the lodging of guests at an apartment hotel, a motel, boarding house or
52 club, whether or not meals are served.

53 (h) "Linear scalar" means, for an eligible business in a taxable year
54 in which a credit is claimed pursuant to a local law enacted in accord-
55 ance with section twenty-five-gg of this article, the quotient of divid-
56 ing the total square footage of an eligible premises by the product of

1 multiplying two hundred fifty by such business's aggregate employment
2 shares.

3 (i) "Maximum approved employment shares" means a limitation on the
4 aggregate employment shares that an eligible business may receive in any
5 taxable year determined by the mayor pursuant to a local law enacted in
6 accordance with section twenty-five-gg of this article based on documen-
7 tation submitted by such business demonstrating such business's inten-
8 tion to relocate. The maximum approved employment shares is the number
9 of aggregate employment shares such business intends to relocate as
10 indicated by the mayor on the applicable initial certification of eligi-
11 bility.

12 (j) "Mayor" means the mayor of a city having a population of one
13 million or more, or an agency of such city as designated by such mayor.

14 (k) "Part-time work week" means a week during which at least fifteen
15 but less than thirty-five hours of gainful work has been performed by an
16 employee, partner or sole proprietor.

17 (l) "Person" includes any individual, partnership, association, joint-
18 stock company, corporation, estate or trust, limited liability company,
19 and any combination of the foregoing.

20 (m) "Program total" means the sum of maximum approved aggregate
21 employment shares included in all initial certification of eligibility
22 issued by the mayor.

23 (n) "Relocate" means, with respect to an eligible business, to trans-
24 fer a pre-existing business operation to an eligible premises, or to
25 establish a new business operation at such premises, provided that an
26 eligible business shall not be deemed to have relocated unless at least
27 one employee, partner or sole proprietor of the eligible business is
28 transferred to such premises from a pre-existing business operation
29 conducted outside the state of New York. The date of relocation shall be
30 the first day on which the individual so transferred commences work at
31 such eligible premises. The taxable year of relocation shall be the
32 taxable year in which the date of relocation occurs. For purposes of
33 this article, an eligible business may relocate only once but may add or
34 substitute other eligible premises throughout such period.

35 (o) "Retail activity" means any activity which consists predominately
36 of:

37 (1) the sale, other than through the mail or by the telephone or by
38 means of the internet, of tangible personal property to a person, for
39 any purpose unrelated to the trade or business of such person;

40 (2) the selling of a service to an individual which generally involves
41 the physical, mental or spiritual care of such individual;

42 (3) the physical care of the personal property of any person unrelated
43 to the trade or business of such person; or

44 (4) the provision of a retail banking service.

45 § 25-gg. Relocation assistance credit per employee. (a) Any city
46 having a population of one million or more is hereby authorized and
47 empowered to adopt and amend a local law allowing an eligible business
48 that relocates to receive a credit against a tax imposed under a local
49 law enacted pursuant to part two or three of section one or section two
50 of chapter seven hundred seventy-two of the laws of nineteen hundred
51 sixty-six. The amount of such credit shall be determined by multiplying
52 five thousand dollars by the number of eligible aggregate employment
53 shares maintained by the taxpayer during the taxable year with respect
54 to eligible premises to which the taxpayer has relocated, and may be
55 taken, pursuant to the provisions of section four-j of part two of
56 section one, or subdivision (1) of section one hundred one of section

1 two of chapter seven hundred seventy-two of the laws of nineteen hundred
2 sixty-six, for up to eleven consecutive taxable years beginning with the
3 taxable year in which the eligible business relocates, provided that no
4 such credit shall be allowed for the relocation of any retail activity
5 or hotel services.

6 (b) No eligible business shall be authorized to receive a credit
7 against tax under any local law enacted pursuant to this article unless
8 the premises with respect to which it is claiming the credit are eligi-
9 ble premises and until it has obtained an initial certification of
10 eligibility from the mayor of such city and an annual certification from
11 such mayor as to the number of eligible aggregate employment shares
12 maintained by such eligible business that may qualify for obtaining a
13 tax credit for the eligible business's taxable year. Each initial
14 certification of eligibility shall include the maximum approved employ-
15 ment shares for the eligible business, which shall not exceed five
16 hundred employment shares. Any written documentation submitted to such
17 mayor in order to obtain any such certification shall be deemed a writ-
18 ten instrument for purposes of section 175.00 of the penal law. Such
19 local law may provide for an application fee for such certification to
20 be determined by such mayor. No initial certification of eligibility
21 shall be issued under any local law enacted pursuant to this article to
22 an eligible business on or after July first, two thousand twenty-eight
23 unless:

24 (1) prior to such date, such business has purchased, leased or entered
25 into a contract to purchase or lease eligible premises;

26 (2) prior to such date, such business submits a preliminary applica-
27 tion for an initial certification of eligibility to such mayor with
28 respect to a proposed relocation to such premises;

29 (3) such business enters into a lease or contract to purchase an
30 eligible premises between the date that such business submits such
31 preliminary application and three months thereafter; and

32 (4) such business relocates to such premises not later than thirty-six
33 months from the date of submission of such preliminary application.

34 (c) Notwithstanding any provision of law to the contrary, such mayor
35 shall not issue an initial certification of eligibility that would cause
36 the program total to exceed three thousand maximum approved employment
37 shares. Such mayor shall approve applications on a first-come, first-
38 serve basis among eligible businesses in accordance with rules promul-
39 gated pursuant to a local law authorized by subdivision (d) of this
40 section. Such mayor shall include on such mayor's website an indication
41 regarding whether the program total has reached three thousand maximum
42 approved employment shares.

43 (d) Such mayor shall be authorized to promulgate rules and regulations
44 to administer and ensure compliance with the provisions of this article,
45 including but not limited to rules and regulations to provide for alter-
46 native methods to measure employment shares in instances where an eligi-
47 ble business is not required by law to maintain weekly records of full-
48 time work weeks and part-time work weeks of employees, partners or sole
49 proprietors.

50 (e) For the duration of the benefit period, the recipient of a credit
51 pursuant to a local law enacted in accordance with this article shall
52 file an application for an annual certification each year demonstrating
53 such recipient's eligibility for such credit and the average wage and
54 benefits offered to the applicable relocated employees used in determin-
55 ing eligible aggregate employment shares. Such mayor shall have the

1 authority to require that statements filed under this subdivision be
2 filed electronically and that such statements be certified.

3 (f) The business services agency of a city that adopts a local law
4 pursuant to this article may require in a contract with a not-for-profit
5 corporation that provides economic development services for such city
6 that such corporation will provide administrative support to such mayor
7 and assist such mayor's review of any initial certification of eligibil-
8 ity or annual certification, and provide recommendations regarding the
9 approval of any credit pursuant to a local law enacted in accordance
10 with this article.

11 § 3. Part II of section 1 of chapter 772 of the laws of 1966, relating
12 to enabling any city having a population of one million or more to raise
13 tax revenue, is amended by adding a new section 4-j to read as follows:

14 § 4-j. Relocation assistance credit per employee. (1) In addition to
15 any other credit allowed by this part other than a credit allowed by
16 section four-h of this part, a taxpayer that has obtained the certif-
17 ications in accordance with subdivision (b) of section twenty-five-gg of
18 the general city law shall be allowed a credit against the tax imposed
19 by this part. The amount of the credit shall be the amount determined
20 by multiplying five thousand dollars by the number of eligible aggregate
21 employment shares maintained by the taxpayer during the taxable year
22 with respect to eligible premises to which the taxpayer has relocated;
23 provided, however, that no credit shall be allowed for the relocation of
24 any retail activity or hotel services. For purposes of this section, the
25 terms "eligible aggregate employment shares", "eligible premises",
26 "relocate", "retail activity" and "hotel services" shall have the mean-
27 ings ascribed by section twenty-five-ff of the general city law.

28 (2) The credit allowed under this section with respect to eligible
29 aggregate employment shares maintained with respect to eligible premises
30 to which the taxpayer has relocated shall be allowed for the taxable
31 year of the relocation and for any of the ten succeeding taxable years
32 during which eligible aggregate employment shares are maintained with
33 respect to eligible premises; provided that the credit allowed for the
34 tenth succeeding taxable year shall be calculated by multiplying the
35 number of eligible aggregate employment shares maintained with respect
36 to eligible premises in the tenth succeeding taxable year by the lesser
37 of one and a fraction the numerator of which is such number of days in
38 the taxable year of relocation less the number of days the eligible
39 business maintained employment shares in eligible premises in the taxa-
40 ble year of relocation and the denominator of which is the number of
41 days in such tenth taxable year during which such eligible aggregate
42 employment shares are maintained with respect to such premises.

43 (3) Except as provided in subdivision four of this section, if the
44 amount of the credit allowable under this section for any taxable year
45 exceeds the tax imposed for such year, the excess may be carried over,
46 in order, to the five immediately succeeding taxable years and, to the
47 extent not previously deductible, may be deducted from the taxpayer's
48 tax for such years.

49 (4) The credits allowed under this section, against the tax imposed by
50 this chapter for the taxable year of the relocation and for the four
51 taxable years immediately succeeding the taxable year of such relo-
52 cation, shall be deemed to be overpayments of tax by the taxpayer to be
53 credited or refunded, without interest, in accordance with the
54 provisions of section seventy-seven of this title. For such taxable
55 years, such credits or portions thereof may not be carried over to any
56 succeeding taxable year.

1 (5) The credit allowed under this section shall be deducted prior to
2 the deduction of any other credit allowed by this part.

3 § 4. Section 101 of section 2 of chapter 772 of the laws of 1966,
4 relating to enabling any city having a population of one million or more
5 to raise tax revenue, is amended by adding a new subdivision (1) to read
6 as follows:

7 (1) Relocation assistance credit per employee. (1) In addition to any
8 other credit allowed by this part other than a credit allowed by subdivi-
9 vision (j) of this section, a taxpayer that has obtained the certifi-
10 fications in accordance with subdivision (b) of section twenty-five-gg of
11 the general city law shall be allowed a credit against the tax imposed
12 by this part. The amount of the credit shall be the amount determined by
13 multiplying five thousand dollars by the number of eligible aggregate
14 employment shares maintained by the taxpayer during the taxable year
15 with respect to eligible premises to which the taxpayer has relocated;
16 provided, however, that no credit shall be allowed for the relocation of
17 any retail activity or hotel services. For purposes of this subdivision,
18 the terms "eligible aggregate employment shares", "eligible premises",
19 "relocate", "retail activity" and "hotel services" shall have the mean-
20 ings ascribed by section twenty-five-ff of the general city law.

21 (2) The credit allowed under this subdivision with respect to eligible
22 aggregate employment shares maintained with respect to eligible premises
23 to which the taxpayer has relocated shall be allowed for the taxable
24 year of the relocation and for any of the ten succeeding taxable years
25 during which eligible aggregate employment shares are maintained with
26 respect to eligible premises; provided that the credit allowed for the
27 tenth succeeding taxable year shall be calculated by multiplying the
28 number of eligible aggregate employment shares maintained with respect
29 to eligible premises in the tenth succeeding taxable year by the lesser
30 of one and a fraction the numerator of which is such number of days in
31 the taxable year of relocation less the number of days the eligible
32 business maintained employment shares in eligible premises in the taxa-
33 ble year of relocation and the denominator of which is the number of
34 days in such tenth succeeding taxable year during which such eligible
35 aggregate employment shares are maintained with respect to such prem-
36 ises.

37 (3) Except as provided in paragraph four of this subdivision, if the
38 amount of the credit allowable under this subdivision for any taxable
39 year exceeds the tax imposed for such year, the excess may be carried
40 over, in order, to the five immediately succeeding taxable years and, to
41 the extent not previously deductible, may be deducted from the taxpay-
42 er's tax for such years.

43 (4) The credits allowed under this subdivision, against the tax
44 imposed by this chapter for the taxable year of the relocation and for
45 the four taxable years immediately succeeding the taxable year of such
46 relocation, shall be deemed to be overpayments of tax by the taxpayer to
47 be credited or refunded, without interest, in accordance with the
48 provisions of section seventy-seven of this title. For such taxable
49 years, such credits or portions thereof may not be carried over to any
50 succeeding taxable year.

51 (5) The credit allowable under this subdivision shall be deducted
52 after the credits allowed by subdivision (b) of this section, but prior
53 to the deduction of any other credit allowed by this section.

54 § 5. Section 11-503 of the administrative code of the city of New York
55 is amended by adding a new subdivision (r) to read as follows:

1 (r) Relocation assistance credit per employee. (1) In addition to any
2 other credit allowed by this section other than a credit allowed by
3 subdivision (i) of this section, a taxpayer that has obtained the
4 certifications required by chapter six-E of title twenty-two of this
5 code shall be allowed a credit against the tax imposed by this chapter.
6 The amount of the credit shall be the amount determined by multiplying
7 five thousand dollars by the number of eligible aggregate employment
8 shares maintained by the taxpayer during the taxable year with respect
9 to eligible premises to which the taxpayer has relocated; provided,
10 however, that no credit shall be allowed for the relocation of any
11 retail activity or hotel services. For purposes of this subdivision, 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 22-627 of this code.

15 (2) The credit allowed under this subdivision 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
28 tenth succeeding taxable year during which such eligible aggregate
29 employment shares are maintained with respect to such premises.

30 (3) Except as provided in paragraph four of this subdivision, if the
31 amount of the credit allowable under this subdivision for any taxable
32 year exceeds the tax imposed for such year, the excess may be carried
33 over, in order, to the five immediately succeeding taxable years and, to
34 the extent not previously deductible, may be deducted from the taxpay-
35 er's tax for such years.

36 (4) The credits allowed under this subdivision, against the tax
37 imposed by this chapter for the taxable year of the relocation and for
38 the four taxable years immediately succeeding the taxable year of such
39 relocation, shall be deemed to be overpayments of tax by the taxpayer to
40 be credited or refunded, without interest, in accordance with the
41 provisions of section 11-526 of this title. For such taxable years, such
42 credits or portions thereof may not be carried over to any succeeding
43 taxable year.

44 (5) The credit allowable under this subdivision shall be deducted
45 after the credits allowed by subdivisions (b) and (j) of this section,
46 but prior to the deduction of any other credit allowed by this section.

47 § 6. Section 11-604 of the administrative code of the city of New York
48 is amended by adding a new subdivision 24 to read as follows:

49 24. Relocation assistance credit per employee. (a) In addition to any
50 other credit allowed by this section other than a credit allowed by
51 subdivision seventeen of this section, a taxpayer that has obtained the
52 certifications required by chapter six-E of title twenty-two of this
53 code shall be allowed a credit against the tax imposed by this chapter.
54 The amount of the credit shall be the amount determined by multiplying
55 five thousand dollars by the number of eligible aggregate employment
56 shares maintained by the taxpayer during the taxable year with respect

1 to eligible premises to which the taxpayer has relocated; provided,
2 however, that no credit shall be allowed for the relocation of any
3 retail activity or hotel services. For purposes of this subdivision, the
4 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.

28 (d) The credits allowed under this subdivision, against the tax
29 imposed by this chapter for the taxable year of the relocation and for
30 the four taxable years immediately succeeding the taxable year of such
31 relocation, shall be deemed to be overpayments of tax by the taxpayer to
32 be credited or refunded, without interest, in accordance with the
33 provisions of section 11-677 of this chapter. For such taxable years,
34 such credits or portions thereof may not be carried over to any succeed-
35 ing taxable year.

36 (e) The credit allowable under this subdivision shall be deducted
37 after the credit allowed by subdivision eighteen of this section, but
38 prior to the deduction of any other credit allowed by this section.

39 § 7. The administrative code of the city of New York is amended by
40 adding a new section 11-643.10 to read as follows:

41 § 11-643.10 Relocation assistance credit per employee. (a) In addition
42 to any other credit allowed by this part other than a credit allowed by
43 section 11-643.7 of this part, a taxpayer that has obtained the certif-
44 ications required by chapter six-E of title twenty-two of this code
45 shall be allowed a credit against the tax imposed by this part. The
46 amount of the credit shall be the amount determined by multiplying five
47 thousand dollars by the number of eligible aggregate employment shares
48 maintained by the taxpayer during the taxable year with respect to
49 eligible premises to which the taxpayer has relocated; provided, howev-
50 er, that no credit shall be allowed for the relocation of any retail
51 activity or hotel services. For purposes of this section, the terms
52 "eligible aggregate employment shares", "eligible premises", "relocate",
53 "retail activity" and "hotel services" shall have the meanings ascribed
54 by section 22-627 of this code.

55 (b) The credit allowed under this section with respect to eligible
56 aggregate employment shares maintained with respect to eligible premises

1 to which the taxpayer has relocated shall be allowed for the taxable
2 year of the relocation and for any of the ten succeeding taxable years
3 during which eligible aggregate employment shares are maintained with
4 respect to eligible premises; provided that the credit allowed for the
5 tenth succeeding taxable year shall be calculated by multiplying the
6 number of eligible aggregate employment shares maintained with respect
7 to eligible premises in the tenth succeeding taxable year by the lesser
8 of one and a fraction the numerator of which is such number of days in
9 the taxable year of relocation less the number of days the taxpayer
10 maintained employment shares in eligible premises in the taxable year of
11 relocation and the denominator of which is the number of days in such
12 tenth succeeding taxable year during which such eligible aggregate
13 employment shares are maintained with respect to such premises.

14 (c) Except as provided in subdivision (d) of this section, if the
15 amount of the credit allowable under this section for any taxable year
16 exceeds the tax imposed for such year, the excess may be carried over,
17 in order, to the five immediately succeeding taxable years and, to the
18 extent not previously deductible, may be deducted from the taxpayer's
19 tax for such years.

20 (d) The credits allowed under this section, against the tax imposed by
21 this chapter for the taxable year of the relocation and for the four
22 taxable years immediately succeeding the taxable year of such relo-
23 cation, shall be deemed to be overpayments of tax by the taxpayer to be
24 credited or refunded, without interest, in accordance with the
25 provisions of section 11-677 of this chapter. For such taxable years,
26 such credits or portions thereof may not be carried over to any succeed-
27 ing taxable year.

28 (e) The credit allowable under this section shall be deducted prior to
29 the deduction of any other credit allowed by this part.

30 § 8. Section 11-654 of the administrative code of the city of New York
31 is amended by adding a new subdivision 24 to read as follows:

32 24. Relocation assistance credit per employee. (a) In addition to any
33 other credit allowed by this section other than a credit allowed by
34 subdivision seventeen of this section, a taxpayer that has obtained the
35 certifications required by chapter six-E of title twenty-two of this
36 code shall be allowed a credit against the tax imposed by this subchap-
37 ter. The amount of the credit shall be the amount determined by multi-
38 plying five thousand dollars by the number of eligible aggregate employ-
39 ment shares maintained by the taxpayer during the taxable year with
40 respect to eligible premises to which the taxpayer has relocated;
41 provided, however, that no credit shall be allowed for the relocation of
42 any retail activity or hotel services. For purposes of this subdivision,
43 the terms "eligible aggregate employment shares", "eligible premises",
44 "relocate", "retail activity" and "hotel services" shall have the mean-
45 ings ascribed by section 22-627 of this code.

46 (b) The credit allowed under this subdivision with respect to eligible
47 aggregate employment shares maintained with respect to eligible premises
48 to which the taxpayer has relocated shall be allowed for the taxable
49 year of the relocation and for any of the ten succeeding taxable years
50 during which eligible aggregate employment shares are maintained with
51 respect to eligible premises; provided that the credit allowed for the
52 tenth succeeding taxable year shall be calculated by multiplying the
53 number of eligible aggregate employment shares maintained with respect
54 to eligible premises in the tenth succeeding taxable year by the lesser
55 of one and a fraction the numerator of which is such number of days in
56 the taxable year of relocation less the number of days the taxpayer

1 maintained employment shares in eligible premises in the taxable year of
2 relocation and the denominator of which is the number of days in such
3 tenth taxable year during which such eligible aggregate employment
4 shares are maintained with respect to such premises.

5 (c) Except as provided in paragraph (d) of this subdivision, if the
6 amount of the credit allowable under this subdivision for any taxable
7 year exceeds the tax imposed for such year, the excess may be carried
8 over, in order, to the five immediately succeeding taxable years and, to
9 the extent not previously deductible, may be deducted from the taxpay-
10 er's tax for such years.

11 (d) The credits allowed under this subdivision, against the tax
12 imposed by this chapter for the taxable year of the relocation and for
13 the four taxable years immediately succeeding the taxable year of such
14 relocation, shall be deemed to be overpayments of tax by the taxpayer to
15 be credited or refunded, without interest, in accordance with the
16 provisions of section 11-677 of this chapter. For such taxable years,
17 such credits or portions thereof may not be carried over to any succeed-
18 ing taxable year.

19 (e) The credit allowable under this subdivision shall be deducted
20 after the credit allowed by subdivision eighteen of this section, but
21 prior to the deduction of any other credit allowed by this section.

22 § 9. The opening paragraph of subdivision (b) of section 22-622 of the
23 administrative code of the city of New York, as amended by section 3 of
24 part RR of chapter 56 of the laws of 2020, is amended to read as
25 follows:

26 No eligible business shall be authorized to receive a credit against
27 tax or a reduction in base rent subject to tax under the provisions of
28 this chapter, and of title eleven of the code as described in subdivi-
29 sion (a) of this section, until the premises with respect to which it is
30 claiming the credit meet the requirements in the definition of eligible
31 premises and until it has obtained a certification of eligibility from
32 the mayor or an agency designated by the mayor, and an annual certif-
33 ication from the mayor or an agency designated by the mayor as to the
34 number of eligible aggregate employment shares maintained by such eligi-
35 ble business that may qualify for obtaining a tax credit for the eligi-
36 ble [business'] business's taxable year. Any written documentation
37 submitted to the mayor or such agency or agencies in order to obtain any
38 such certification shall be deemed a written instrument for purposes of
39 section 175.00 of the penal law. Application fees for such certif-
40 ications shall be determined by the mayor or such agency or agencies. No
41 certification of eligibility shall be issued to an eligible business on
42 or after July first, two thousand [twenty-five] thirty unless:

43 § 10. Title 22 of the administrative code of the city of New York is
44 amended by adding a new chapter 6-E to read as follows:

45 CHAPTER 6-E

46 RELOCATION ASSISTANCE CREDIT PER EMPLOYEE

47 Section 22-627 Definitions.

48 22-628 Authorization to provide relocation assistance credit per
49 employee.

50 § 22-627 Definitions. When used in this chapter, the following terms
51 shall have the following meanings:

52 (a) "Aggregate employment shares" means the sum of all employment
53 shares maintained by an eligible business in a taxable year.

1 (b) "Eligible aggregate employment shares" means, in the case of an
2 eligible business, the amount, if any, of aggregate employment shares
3 maintained by an eligible business in eligible premises in the taxable
4 year in which such eligible business claims a credit pursuant to section
5 22-628 of this chapter; provided, however, that:

6 (1) such amount shall not exceed the lesser of:

7 (i) the number of aggregate employment shares maintained by such
8 eligible business in eligible premises in the taxable year during which
9 such eligible business relocates;

10 (ii) the maximum approved employment shares for such eligible busi-
11 ness; or

12 (iii) an amount equal to the product of multiplying the aggregate
13 employment shares and the linear scalar for such eligible business in
14 such tax year; and

15 (2) a full-time work week or part-time work week at eligible premises
16 prior to the date of relocation shall not be taken into account in
17 determining eligible aggregate employment shares.

18 (c) "Eligible business" means any person subject to a tax imposed
19 under chapter five, subchapter two, three or three-A of chapter six of
20 title eleven of this code, that:

21 (1) has been conducting substantial business operations at one or more
22 business locations outside of New York state for the twenty-four consec-
23 utive months immediately preceding the taxable year during which such
24 eligible business relocates but has not maintained employment shares at
25 premises in New York state at any time during the period beginning Janu-
26 ary first, two thousand twenty-five and ending on the date such business
27 enters into a lease or a contract to purchase the premises that will
28 qualify as eligible premises pursuant to this chapter; and

29 (2) on or after July first, two thousand twenty-five relocates all or
30 part of such business operations.

31 (d) "Eligible premises" means one or more non-residential premises
32 that consist of at least twenty thousand square feet that are:

33 (1) wholly contained in real property located in the city of New York;
34 and

35 (2) for which final certificates of occupancy were issued prior to
36 January first, two thousand.

37 (e) "Employment share" means, for each employee, partner or sole
38 proprietor of an eligible business, the sum of: (1) the number of full-
39 time work weeks worked by such employee, partner or sole proprietor
40 during the eligible business's taxable year divided by the number of
41 weeks in the taxable year; and (2) the number of part-time work weeks
42 worked by such employee, partner or sole proprietor during the eligible
43 business's taxable year divided by an amount equal to twice the number
44 of weeks in the taxable year. Employment share shall not include full-
45 time or part-time work weeks attributable to employees, partners or sole
46 proprietors acquired by an eligible business as a result of a merger
47 with, acquisition of another person, or a transaction having a compara-
48 ble effect, that occurs after June thirtieth, two thousand twenty-five,
49 and before the end of the taxable year in which a credit is claimed by
50 such eligible business pursuant to this section, or to successors, if
51 any, to those employees, partners or sole proprietors.

52 (f) "Full-time work week" means a week during which at least thirty-
53 five hours of gainful work has been performed by an employee, partner or
54 sole proprietor.

55 (g) "Hotel services" means any services that consist predominately of
56 the lodging of guests at a building or a portion thereof that is regu-

1 larly used and kept open for such services. Hotel services shall include
2 the lodging of guests at an apartment hotel, a motel, boarding house or
3 club, whether or not meals are served.

4 (h) "Linear scalar" means, for an eligible business in a taxable year,
5 the quotient of dividing:

6 (1) the total square footage of an eligible premises; by

7 (2) the product of multiplying two hundred fifty by such business's
8 aggregate employment shares.

9 (i) "Maximum approved employment shares" means a limitation on the
10 aggregate employment shares that an eligible business may receive in any
11 taxable year determined by the mayor pursuant to section 22-628 of this
12 chapter based on documentation submitted by such business demonstrating
13 such business's intention to relocate. The maximum approved employment
14 shares is the number of aggregate employment shares such business
15 intends to relocate as indicated by the mayor on the applicable initial
16 certification of eligibility.

17 (j) "Mayor" means the mayor, or an agency as designated by the mayor.

18 (k) "Part-time work week" means a week during which at least fifteen
19 but less than thirty-five hours of gainful work has been performed by an
20 employee, partner or sole proprietor.

21 (l) "Person" includes any individual, partnership, association, joint-
22 stock company, corporation, estate or trust, limited liability company,
23 and any combination of the foregoing.

24 (m) "Program total" means the sum of maximum approved aggregate
25 employment shares included in all initial certification of eligibility
26 issued by the mayor.

27 (n) "Relocate" means, with respect to an eligible business, to trans-
28 fer a pre-existing business operation to an eligible premises, or to
29 establish a new business operation at such premises, provided that an
30 eligible business shall not be deemed to have relocated unless at least
31 one employee, partner or sole proprietor of the eligible business is
32 transferred to such premises from a pre-existing business operation
33 conducted outside the state of New York. The date of relocation shall be
34 the first day on which the individual so transferred commences work at
35 such eligible premises. The taxable year of relocation shall be the
36 taxable year in which the date of relocation occurs. For purposes of
37 this chapter, an eligible business may relocate only once but may add or
38 substitute other eligible premises throughout such period.

39 (o) "Retail activity" means any activity which consists predominately
40 of:

41 (1) the sale, other than through the mail or by the telephone or by
42 means of the internet, of tangible personal property to a person, for
43 any purpose unrelated to the trade or business of such person;

44 (2) the selling of a service to an individual which generally involves
45 the physical, mental or spiritual care of such individual;

46 (3) the physical care of the personal property of any person unrelated
47 to the trade or business of such person; or

48 (4) the provision of a retail banking service.

49 § 22-628 Authorization to provide relocation assistance credit per
50 employee. (a) An eligible business that relocates shall be allowed to
51 receive a credit against a tax imposed by chapter five, subchapter two,
52 three or three-A of chapter six of title eleven of this code, as
53 described in subdivision (r) of section 11-503, subdivision twenty-four
54 of section 11-604, section 11-643.10, or subdivision twenty-four of
55 section 11-654 of this code.

1 (b) No eligible business shall be authorized to receive a credit
2 against tax under the provisions of this chapter and of title eleven of
3 this code as described in subdivision (a) of this section, unless the
4 premises with respect to which it is claiming the credit are eligible
5 premises and until it has obtained an initial certification of eligibil-
6 ity from the mayor and an annual certification from the mayor as to the
7 number of eligible aggregate employment shares maintained by such eligi-
8 ble business that may qualify for obtaining a tax credit for the eligi-
9 ble business's taxable year. Each initial certification of eligibility
10 shall include the maximum approved employment shares for the eligible
11 business, which shall not exceed five hundred employment shares. Any
12 written documentation submitted to the mayor in order to obtain any such
13 certification shall be deemed a written instrument for purposes of
14 section 175.00 of the penal law. An application fee for such certifi-
15 cation shall be determined by the mayor. No initial certification of
16 eligibility shall be issued to an eligible business on or after July
17 first, two thousand twenty-eight unless:

18 (1) prior to such date such business has purchased, leased or entered
19 into a contract to purchase or lease eligible premises;

20 (2) prior to such date such business submits a preliminary application
21 for an initial certification of eligibility to such mayor with respect
22 to a proposed relocation to such premises;

23 (3) such business enters into a lease or contract to purchase an
24 eligible premises between the date that such business submits such
25 preliminary application and three months thereafter; and

26 (4) such business relocates to such premises not later than thirty-six
27 months from the date of submission of such preliminary application.

28 (c) Notwithstanding any provision of law to the contrary, the mayor
29 shall not issue an initial certification of eligibility that would cause
30 the program total to exceed three thousand maximum approved employment
31 shares. The mayor shall approve such applications on a first-come,
32 first-serve basis among eligible businesses in accordance with rules
33 promulgated pursuant to subdivision (d) of this section. The mayor shall
34 include on the mayor's website an indication regarding whether the
35 program total has reached three thousand maximum approved employment
36 shares.

37 (d) The mayor shall be authorized to promulgate rules and regulations
38 to administer and ensure compliance with the provisions of this chapter,
39 including but not limited to rules and regulations to provide for alter-
40 native methods to measure employment shares in instances where an eligi-
41 ble business is not required by law to maintain weekly records of full-
42 time work weeks and part-time work weeks of employees, partners or sole
43 proprietors.

44 (e) For the duration of the benefit period, the recipient of a credit
45 shall file an application for an annual certification each year demon-
46 strating such recipient's eligibility for such credit and the average
47 wage and benefits offered to the applicable relocated employees used in
48 determining eligible aggregate employment shares. Such mayor shall have
49 the authority to require that statements filed under this subdivision be
50 filed electronically and that such statements be certified.

51 (f) The department of small business services may require in a
52 contract with a not-for-profit corporation that provides economic devel-
53 opment services for the city of New York that such corporation will
54 provide administrative support to the mayor and assist the mayor's
55 review of any initial certification of eligibility or annual certifi-

1 ication, and provide recommendations regarding the approval of any cred-
2 it pursuant to this chapter.

3 § 11. This act shall take effect July 1, 2025.

4

PART Y

5 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax
6 law, as amended by section 1 of part K of chapter 59 of the laws of
7 2022, is amended to read as follows:

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

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

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

33 § 3. This act shall take effect immediately.

34

PART Z

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

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

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

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

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

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

1 § 4. This act shall take effect immediately.

2

PART AA

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

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

14 § 2. This act shall take effect immediately.

15

PART BB

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

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

22 § 2. This act shall take effect immediately.

23

PART CC

24 Section 1. Paragraph (a) of subdivision 29 of section 210-B of the
25 tax law, as amended by section 1 of part H of chapter 59 of the laws of
26 2022, is amended to read as follows:

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

40 § 2. Subparagraph 2 of paragraph (b) of subdivision 29 of section
41 210-B of the tax law, as amended by section 1 of part H of chapter 59 of
42 the laws of 2022, is amended to read as follows:

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

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

49 (1) Allowance of credit. For taxable years beginning on or after Janu-
50 ary first, two thousand fifteen and before January first, two thousand

1 [twenty-six] twenty-nine, a taxpayer shall be allowed a credit, to be
2 computed as provided in this subsection, against the tax imposed by this
3 article, for hiring and employing, for not less than twelve continuous
4 and uninterrupted months (hereinafter referred to as the twelve-month
5 period) in a full-time or part-time position, a qualified veteran within
6 the state. The taxpayer may claim the credit in the year in which the
7 qualified veteran completes the twelve-month period of employment by the
8 taxpayer. If the taxpayer claims the credit allowed under this
9 subsection, the taxpayer may not use the hiring of a qualified veteran
10 that is the basis for this credit in the basis of any other credit
11 allowed under this article.

12 § 4. Subparagraph (B) of paragraph 2 of subsection (a-2) of section
13 606 of the tax law, as amended by section 2 of part H of chapter 59 of
14 the laws of 2022, is amended to read as follows:

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

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

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

34 § 6. Subparagraph (B) of paragraph 2 of subdivision (g-1) of section
35 1511 of the tax law, as amended by section 3 of part H of chapter 59 of
36 the laws of 2022, is amended to read as follows:

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

40 § 7. This act shall take effect immediately.

41

PART DD

42 Section 1. Section 5 of part HH of chapter 59 of the laws of 2014,
43 amending the tax law relating to a musical and theatrical production
44 credit, as amended by section 1 of part HH of chapter 59 of the laws of
45 2021, is amended to read as follows:

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

54 § 2. This act shall take effect immediately.

1

PART EE

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

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

9 § 2. This act shall take effect immediately.

10

PART FF

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

22

SUBPART A

23 Section 1. The racing, pari-mutuel wagering and breeding law is
24 amended by adding a new section 136 to read as follows:

25 § 136. Pari-mutuel wagering tax. 1. Notwithstanding any law to the
26 contrary:

27 (a) the excise tax imposed on each thoroughbred racetrack conducting
28 pari-mutuel wagering on live racing shall be one and one-tenth of one
29 percent (1.1%) of all money wagered on live races at such track;

30 (b) the excise tax imposed on each harness racetrack conducting pari-
31 mutuel wagering on live racing shall be one percent (1%) of all money
32 wagered on live races at such track; and

33 (c) the excise tax imposed on each off-track betting corporation for
34 the privilege of conducting pari-mutuel wagering on live racing shall be
35 six-tenths of one percent (0.6%) of all money wagered on live races
36 through such corporation.

37 2. Beginning with state fiscal year two thousand twenty-six, the
38 aggregate amount of the pari-mutuel wagering tax paid by a harness track
39 pursuant to paragraph (b) of subdivision one of this section in a state
40 fiscal year shall not exceed the pari-mutuel wagering tax attributable
41 to live racing handle paid by such harness track in state fiscal year
42 two thousand twenty-four.

43 3. All pari-mutuel wagering taxes shall be collected and remitted in
44 the same manner as such taxes were collected and remitted prior to the
45 enactment of this section.

46 4. Breaks, as defined in sections two hundred thirty-six, two hundred
47 thirty-eight, three hundred eighteen, and four hundred eighteen of this
48 chapter are not permitted, unless required by another jurisdiction
49 pursuant to section nine hundred five of this chapter. All distributions
50 to the holders of winning tickets shall be calculated to the nearest
51 penny.

1 5. (a) Thoroughbred racetracks and the corporation established by
 2 section two hundred fifty-two of this chapter, harness racetracks and
 3 the corporation established by section three hundred thirty of this
 4 chapter, and regional off-track betting corporations may agree to imple-
 5 ment a revenue distribution scheme that differs from the distribution
 6 scheme otherwise established by law. A copy of any such agreement shall
 7 be provided to the commission and shall supersede the otherwise applica-
 8 ble statutory distribution scheme.

9 (b) Any agreement established pursuant to paragraph (a) of this subdivi-
 10 vision shall include signatures from all involved parties, set forth the
 11 current statute being superseded by the agreement, and the new terms and
 12 conditions of the distribution of monies. The commission shall post on
 13 the commission's website the applicable superseding distribution scheme
 14 within thirty days of receipt by the commission.

15 (c) This subdivision shall supersede all inconsistent provisions of
 16 law.

17 § 2. Section 908 of the racing, pari-mutuel wagering and breeding law
 18 is REPEALED.

19 § 3. Section 1011 of the racing, pari-mutuel wagering and breeding
 20 law, as amended by chapter 243 of the laws of 2020, is amended to read
 21 as follows:

22 § 1011. Certain credit to off-track betting corporations. a. [During
 23 the period that a franchised corporation is simulcasting from a facility
 24 operated by such franchised corporation in the second zone as defined in
 25 section two hundred forty-seven of this chapter to a facility operated
 26 by such franchised corporation pursuant to section one thousand seven of
 27 this article, any off-track betting corporation operating in a county in
 28 which such association maintains a racetrack shall receive a credit of
 29 twenty-five percent of the state taxes due pursuant to section five
 30 hundred twenty-seven of this chapter on wagers placed on races conducted
 31 by such association, provided that such corporation has entered into an
 32 agreement with the employee organization representing the employees of
 33 such corporation in which it has agreed not to reduce its workforce as a
 34 result of such simulcasting.

35 b.] During the days that a franchised corporation is simulcasting from
 36 a racetrack facility operated by such franchised corporation and located
 37 in the first zone to a racetrack facility operated by such franchised
 38 corporation located wholly within a city of one million or more, one
 39 percent of the total wagers placed at such receiving facility shall be
 40 paid to such city.

41 [c.] b. During the days that a franchised corporation is simulcasting
 42 from a facility located wholly within a city in the first zone to a
 43 racetrack facility operated by such franchised corporation located
 44 partially within a city with a population in excess of one million and
 45 partially within a county, one-half percent of the total wagers placed
 46 at such receiving facility shall be paid to such city and one-half
 47 percent of such wagers shall be paid to such county.

48 § 4. This act shall take effect September 1, 2025.

49 SUBPART B

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

1 (a) Any racing association or corporation or regional off-track
2 betting corporation, authorized to conduct pari-mutuel wagering under
3 this chapter, desiring to display the simulcast of horse races on which
4 pari-mutuel betting shall be permitted in the manner and subject to the
5 conditions provided for in this article may apply to the commission for
6 a license so to do. Applications for licenses shall be in such form as
7 may be prescribed by the commission and shall contain such information
8 or other material or evidence as the commission may require. No license
9 shall be issued by the commission authorizing the simulcast transmission
10 of thoroughbred races from a track located in Suffolk county. The fee
11 for such licenses shall be five hundred dollars per simulcast facility
12 and for account wagering licenses that do not operate either a simul-
13 cast facility that is open to the public within the state of New York or
14 a licensed racetrack within the state, twenty thousand dollars per year
15 payable by the licensee to the commission for deposit into the general
16 fund. Except as provided in this section, the commission shall not
17 approve any application to conduct simulcasting into individual or group
18 residences, homes or other areas for the purposes of or in connection
19 with pari-mutuel wagering. The commission may approve simulcasting into
20 residences, homes or other areas to be conducted jointly by one or more
21 regional off-track betting corporations and one or more of the follow-
22 ing: a franchised corporation, thoroughbred racing corporation or a
23 harness racing corporation or association; provided (i) the simulcasting
24 consists only of those races on which pari-mutuel betting is authorized
25 by this chapter at one or more simulcast facilities for each of the
26 contracting off-track betting corporations which shall include wagers
27 made in accordance with section one thousand fifteen, one thousand
28 sixteen and one thousand seventeen of this article; provided further
29 that the contract provisions or other simulcast arrangements for such
30 simulcast facility shall be no less favorable than those in effect on
31 January first, two thousand five; (ii) that each off-track betting
32 corporation having within its geographic boundaries such residences,
33 homes or other areas technically capable of receiving the simulcast
34 signal shall be a contracting party; (iii) the distribution of revenues
35 shall be subject to contractual agreement of the parties except that
36 statutory payments to non-contracting parties, if any, may not be
37 reduced; provided, however, that nothing herein to the contrary shall
38 prevent a track from televising its races on an irregular basis primari-
39 ly for promotional or marketing purposes as found by the commission. For
40 purposes of this paragraph, the provisions of section one thousand thir-
41 teen of this article shall not apply. Any agreement authorizing an
42 in-home simulcasting experiment commencing prior to May fifteenth, nine-
43 teen hundred ninety-five, may, and all its terms, be extended [until
44 June thirtieth, two thousand twenty-five]; provided, however, that any
45 party to such agreement may elect to terminate such agreement upon
46 conveying written notice to all other parties of such agreement at least
47 forty-five days prior to the effective date of the termination, via
48 registered mail. Any party to an agreement receiving such notice of an
49 intent to terminate, may request the commission to mediate between the
50 parties new terms and conditions in a replacement agreement between the
51 parties as will permit continuation of an in-home experiment [until June
52 thirtieth, two thousand twenty-five]; and (iv) no in-home simulcasting
53 in the thoroughbred special betting district shall occur without the
54 approval of the regional thoroughbred track.

55 § 2. Subparagraph (iii) of paragraph d of subdivision 3 of section
56 1007 of the racing, pari-mutuel wagering and breeding law, as amended by

1 section 2 of part P of chapter 59 of the laws of 2024, is amended to
2 read as follows:

3 (iii) Of the sums retained by a receiving track located in Westchester
4 county on races received from a franchised corporation, for the period
5 commencing January first, two thousand eight [and continuing through
6 June thirtieth, two thousand twenty-five], the amount used exclusively
7 for purses to be awarded at races conducted by such receiving track
8 shall be computed as follows: of the sums so retained, two and one-half
9 percent of the total pools. Such amount shall be increased or decreased
10 in the amount of fifty percent of the difference in total commissions
11 determined by comparing the total commissions available after July twen-
12 ty-first, nineteen hundred ninety-five to the total commissions that
13 would have been available to such track prior to July twenty-first,
14 nineteen hundred ninety-five.

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

19 The provisions of this section shall govern the simulcasting of races
20 conducted at thoroughbred tracks located in another state or country on
21 any day during which a franchised corporation is conducting a race meet-
22 ing in Saratoga county at Saratoga thoroughbred racetrack [until June
23 thirtieth, two thousand twenty-five and on any day regardless of whether
24 or not a franchised corporation is conducting a race meeting in Saratoga
25 county at Saratoga thoroughbred racetrack after June thirtieth, two
26 thousand twenty-five]. On any day on which a franchised corporation has
27 not scheduled a racing program but a thoroughbred racing corporation
28 located within the state is conducting racing, each off-track betting
29 corporation branch office and each simulcasting facility licensed in
30 accordance with section one thousand seven (that has entered into a
31 written agreement with such facility's representative horsemen's organ-
32 ization, as approved by the commission), one thousand eight, or one
33 thousand nine of this article shall be authorized to accept wagers and
34 display the live simulcast signal from thoroughbred tracks located in
35 another state or foreign country subject to the following provisions:

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

39 1. The provisions of this section shall govern the simulcasting of
40 races conducted at harness tracks located in another state or country
41 [during] beginning with the period commencing July first, nineteen
42 hundred ninety-four [through June thirtieth, two thousand twenty-five].
43 This section shall supersede all inconsistent provisions of this chap-
44 ter.

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

49 The provisions of this section shall govern the simulcasting of races
50 conducted at thoroughbred tracks located in another state or country on
51 any day during which a franchised corporation is not conducting a race
52 meeting in Saratoga county at Saratoga thoroughbred racetrack [until
53 June thirtieth, two thousand twenty-five]. Every off-track betting
54 corporation branch office and every simulcasting facility licensed in
55 accordance with section one thousand seven that have entered into a
56 written agreement with such facility's representative horsemen's organ-

1 ization as approved by the commission, one thousand eight or one thou-
2 sand nine of this article shall be authorized to accept wagers and
3 display the live full-card simulcast signal of thoroughbred tracks
4 (which may include quarter horse or mixed meetings provided that all
5 such wagering on such races shall be construed to be thoroughbred races)
6 located in another state or foreign country, subject to the following
7 provisions; provided, however, no such written agreement shall be
8 required of a franchised corporation licensed in accordance with section
9 one thousand seven of this article:

10 § 6. The opening paragraph of section 1018 of the racing, pari-mutuel
11 wagering and breeding law, as amended by section 6 of part P of chapter
12 59 of the laws of 2024, is amended to read as follows:

13 Notwithstanding any other provision of this chapter, for the period
14 commencing July twenty-fifth, two thousand one [through September
15 eighth, two thousand twenty-four], when a franchised corporation is
16 conducting a race meeting within the state at Saratoga Race Course,
17 every off-track betting corporation branch office and every simulcasting
18 facility licensed in accordance with section one thousand seven (that
19 has entered into a written agreement with such facility's representative
20 horsemen's organization as approved by the commission), one thousand
21 eight or one thousand nine of this article shall be authorized to accept
22 wagers and display the live simulcast signal from thoroughbred tracks
23 located in another state, provided that such facility shall accept
24 wagers on races run at all in-state thoroughbred tracks which are
25 conducting racing programs subject to the following provisions;
26 provided, however, no such written agreement shall be required of a
27 franchised corporation licensed in accordance with section one thousand
28 seven of this article.

29 § 7. Section 32 of chapter 281 of the laws of 1994, amending the
30 racing, pari-mutuel wagering and breeding law and other laws relating to
31 simulcasting, as amended by section 7 of part P of chapter 59 of the
32 laws of 2024, is amended to read as follows:

33 § 32. This act shall take effect immediately [and the pari-mutuel tax
34 reductions in section six of this act shall expire and be deemed
35 repealed on July 1, 2025]; provided, however, that nothing contained
36 herein shall be deemed to affect the application, qualification, expira-
37 tion, or repeal of any provision of law amended by any section of this
38 act, and such provisions shall be applied or qualified or shall expire
39 or be deemed repealed in the same manner, to the same extent and on the
40 same date as the case may be as otherwise provided by law; provided
41 further, however, that sections twenty-three and twenty-five of this act
42 shall remain in full force and effect only until May 1, 1997 and at such
43 time shall be deemed to be repealed.

44 § 8. Section 54 of chapter 346 of the laws of 1990, amending the
45 racing, pari-mutuel wagering and breeding law and other laws relating to
46 simulcasting and the imposition of certain taxes, as amended by section
47 8 of part P of chapter 59 of the laws of 2024, is amended to read as
48 follows:

49 § 54. This act shall take effect immediately; provided, however,
50 sections three through twelve of this act shall take effect on January
51 1, 1991[, and section 1013 of the racing, pari-mutuel wagering and
52 breeding law, as added by section thirty-eight of this act, shall expire
53 and be deemed repealed on July 1, 2025]; and section eighteen of this
54 act shall take effect on July 1, 2008 and sections fifty-one and fifty-
55 two of this act shall take effect as of the same date as chapter 772 of
56 the laws of 1989 took effect.

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

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

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

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

51 § 10. This act shall take effect immediately.

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

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

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

8

PART GG

9 Section 1. Subdivision 1 of section 1351 of the racing, pari-mutuel
10 wagering and breeding law, as amended by chapter 174 of the laws of
11 2013, is amended to read as follows:

12 1. (a) For a gaming facility in zone two, there is hereby imposed a
13 tax on gross gaming revenues. The amount of such tax imposed shall be as
14 follows; provided, however, should a licensee have agreed within its
15 application to supplement the tax with a binding supplemental fee
16 payment exceeding the aforementioned tax rate, such tax and supplemental
17 fee shall apply for a gaming facility:

18 [(a)] (1) in region two, forty-five percent of gross gaming revenue
19 from slot machines and ten percent of gross gaming revenue from all
20 other sources.

21 [(b)] (2) in region one, thirty-nine percent of gross gaming revenue
22 from slot machines and ten percent of gross gaming revenue from all
23 other sources.

24 [(c)] (3) in region five, thirty-seven percent of gross gaming revenue
25 from slot machines and ten percent of gross gaming revenue from all
26 other sources.

27 (b) (1) Notwithstanding the tax rates on gross gaming revenue from
28 slot machines provided in paragraph (a) of this subdivision, for the
29 period of April first, two thousand twenty-six through June thirtieth,
30 two thousand twenty-eight, each gaming facility in zone two shall
31 continue to be subject to the same tax rate on gross gaming revenue from
32 slot machines as was imposed in the preceding fiscal year.

33 (2) As a condition of the lower slot machine tax rate, the licensed
34 gaming facility must be current on all statutory obligations to the
35 state or have entered into and be in compliance with a repayment agree-
36 ment with the state. If the commission, in its sole discretion, deter-
37 mines that a gaming facility has not adhered to this condition for any
38 such time period, the gaming facility shall forfeit this lower slot
39 machine tax rate for such time period.

40 (3) Each gaming facility shall provide an annual fiscal report to the
41 governor, the speaker of the assembly, the temporary president of the
42 senate, director of the division of budget and the commission detailing
43 actual use of the funds resulting from the lower slot machine tax rate.
44 Such report shall include, but not be limited to, any impact on employ-
45 ment levels since receiving the lower slot machine tax rate, an account-
46 ing of the use of such funds, any other measures implemented to improve
47 the financial stability of the gaming facility and any other information
48 as deemed necessary by the commission. Such report shall be due no later
49 than January first of each year and shall be posted on the commission
50 website.

51 § 2. Section 2 of part 000 of chapter 59 of the laws of 2021 amending
52 the racing, pari-mutuel wagering and breeding law relating to the tax
53 on gaming revenues, is amended to read as follows:

1 § 2. This act shall take effect immediately and shall expire and be
2 deemed repealed [five years after such date] April 1, 2026.

3 § 3. This act shall take effect immediately; provided however, that
4 section one of this act shall take effect on the same date as the rever-
5 sion of subdivision 1 of section 1351 of the racing, pari-mutuel wager-
6 ing and breeding law as provided in section 2 of part 000 of chapter 59
7 of the laws of 2021, as amended; provided further, that section one of
8 this act shall expire and be deemed repealed July 1, 2028.

9

PART HH

10 Section 1. Subdivision 2 of section 509-a of the racing, pari-mutuel
11 wagering and breeding law, as amended by section 1 of part 0 of chapter
12 59 of the laws of 2024, is amended to read as follows:

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

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

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

51 d. Notwithstanding any other provision of law or regulation to the
52 contrary, from April first, two thousand twenty-four to March thirty-
53 first, two thousand twenty-five, twenty-three percent of the funds, not
54 to exceed two and one-half million dollars, in the Catskill off-track

1 betting corporation's capital acquisition fund established pursuant to
2 this section, and one million dollars in the Capital off-track betting
3 corporation's capital acquisition fund established pursuant to this
4 section, shall be available to such off-track betting corporation for
5 the purposes of expenditures necessary to accept authorized wagers; past
6 due statutory obligations to New York licensed or franchised racing
7 corporations or associations; past due contractual obligations due to
8 other racing associations or organizations for the costs of acquiring a
9 simulcast signal; past due statutory payment obligations due to the New
10 York state thoroughbred breeding and development fund corporation, agri-
11 culture and New York state horse breeding development fund, and the
12 Harry M. Zweig memorial fund for equine research; and past due obli-
13 gations due the state.

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

28 f. Prior to a corporation being able to utilize the funds authorized
29 by paragraph c [or], d or e of this subdivision, the corporation must
30 attest that the surcharge monies from section five hundred thirty-two of
31 this chapter are being held separate and apart from any amounts other-
32 wise authorized to be retained from pari-mutuel pools and all surcharge
33 monies have been and will continue to be paid to the localities as
34 prescribed in law. Once this condition is satisfied, the corporation
35 must submit an expenditure plan to the gaming commission for review.
36 Such plan shall include the corporation's outstanding liabilities,
37 projected revenue for the upcoming year, a detailed explanation of how
38 the funds will be used, and any other information necessary to detail
39 such plan as determined by the commission. Upon review, the commission
40 shall make a determination as to whether the requirements of this para-
41 graph have been satisfied and notify the corporation of expenditure plan
42 approval. In the event the commission determines the requirements of
43 this paragraph have not been satisfied, the commission shall notify the
44 corporation of all deficiencies necessary for approval. As a condition
45 of such expenditure plan approval, the corporation shall provide a
46 report to the commission no later than the last day of the calendar year
47 for which the funds are requested, which shall include an accounting of
48 the use of such funds. At such time, the commission may cause an inde-
49 pendent audit to be conducted of the corporation's books to ensure that
50 all moneys were spent as indicated in such approved plan. The audit
51 shall be paid for from money in the fund established by this section. If
52 the audit determines that a corporation used the money authorized under
53 this section for a purpose other than one listed in their expenditure
54 plan, then the corporation shall reimburse the capital acquisition fund
55 for the unauthorized amount.

56 § 2. This act shall take effect immediately.

1

PART II

2 Section 1. Subdivision 6 of section 1012-a of the racing, pari-mutuel
3 wagering and breeding law, as amended by chapter 243 of the laws of
4 2020, is amended and a new subdivision 7 is added to read as follows:

5 6. multi-jurisdictional account wagering providers shall pay a market
6 origin fee equal to five percent on each wager accepted from New York
7 residents. Multi-jurisdictional account wagering providers shall make
8 the required payments to the market origin account on or before the
9 fifth business day of each month and such required payments shall cover
10 payments due for the period of the preceding calendar month; provided,
11 however, that such payments required to be made on April fifteenth shall
12 be accompanied by a report under oath, showing the total of all such
13 payments, together with such other information as the commission may
14 require. A penalty of five percent and interest at the rate of one
15 percent per month from the date the report is required to be filed to
16 the date the payment shall be payable in case any payments required by
17 this subdivision are not paid when due. If the commission determines
18 that any moneys received under this subdivision were paid in error, the
19 commission may cause the same to be refunded without interest out of any
20 moneys collected thereunder, provided an application therefor is filed
21 with the commission within one year from the time the erroneous payment
22 was made. The commission shall pay into the racing regulation account,
23 under the joint custody of the comptroller and the commission, the total
24 amount of the fee collected pursuant to this section[.]; and

25 7. the multi-jurisdictional account wagering provider shall, at the
26 same time and in addition to the fee established in subdivision six of
27 this section, pay an additional fee equal to one percent on each wager
28 accepted from New York residents. Such payments shall be subject to the
29 same penalties and interest payments as the market origin fee. Moneys
30 collected pursuant to this subdivision shall be paid by the multi-juris-
31 ditional account wagering provider to the commission for deposit into
32 the general fund of the state treasury.

33 § 2. Section 703 of the racing, pari-mutuel wagering and breeding law
34 is amended by adding a new subdivision 1-a to read as follows:

35 1-a. In addition to the moneys specified in subdivision one of this
36 section, up to an amount equivalent to all moneys collected pursuant to
37 subdivision seven of section one thousand twelve-a of this chapter shall
38 be appropriated or transferred to the fund from the general fund of the
39 state treasury to be used for the purposes contained in the agreement
40 established pursuant to subdivision seven of section seven hundred four
41 of this article, provided that such amount shall not exceed what is
42 necessary to cover all expenses as contained in such agreement.

43 § 3. Section 704 of the racing, pari-mutuel wagering and breeding law
44 is amended by adding a new subdivision 7 to read as follows:

45 7. (a) The moneys appropriated or transferred to the fund from the
46 general fund of the state treasury pursuant to subdivision one-a of
47 section seven hundred three of this article shall be expended for a
48 three-year research proposal conducted pursuant to an agreement between
49 the dean of the Cornell University College of Veterinary Medicine and
50 the executive director of the commission. Such agreement shall, at a
51 minimum, require the following:

52 (i) proposed research to identify the incident of fetlock fractures
53 and pre-fracture pathology in thoroughbred racehorses, with and without
54 lameness;



1 (ii) proposed research to determine the sensitivity and specificity of
2 standing computed tomography, positron emission tomography, and magnetic
3 resonance imaging of thoroughbred racehorses compared to that of digital
4 radiographs;

5 (iii) use of photo-counting computed tomography and high field magnet-
6 ic resonance imaging to further define early bone pathology in thorough-
7 bred racehorses that suffer fatal fractures of the fetlock joint, to
8 further characterize blood biomarker findings in healthy and clinically
9 lame horses in a large population of thoroughbred racehorses; and

10 (iv) attempted refinement of a risk factor index for fatal musculosk-
11 elletal injury for thoroughbred racing based on epidemiological findings,
12 preliminary scanning technology, clinical examination, and advance imag-
13 ing.

14 (b) The moneys appropriated or transferred to the fund from the gener-
15 al fund of the state treasury pursuant to subdivision one-a of section
16 seven hundred three of this article may be used to purchase equipment
17 and fund staffing needs necessary to carry out the research tasks speci-
18 fied in paragraph (a) of this subdivision.

19 (c) Any residual unexpended funds collected pursuant to subdivision
20 seven of section one thousand twelve-a of this chapter shall remain in
21 the general fund of the state treasury.

22 § 4. Section 208 of the racing, pari-mutuel wagering and breeding law
23 is amended by adding a new subdivision 10 to read as follows:

24 10. It is incumbent upon the franchised corporation to ensure the
25 health and safety of its equine participants. To accomplish that goal,
26 the franchised corporation shall, by September first, two thousand twen-
27 ty-five, remit a one-time payment of two million dollars to the Harry M.
28 Zweig memorial fund, established under section seven hundred one of this
29 chapter, to be used for the conduct of research as specified in subdivi-
30 sion seven of section seven hundred four of this chapter.

31 § 5. This act shall take effect immediately, and shall apply to wagers
32 from New York residents accepted on and after September 1, 2025 through
33 August 31, 2028; provided, however that the provisions of this act shall
34 expire and be deemed repealed on September 1, 2028.

35 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
36 sion, section or part of this act shall be adjudged by any court of
37 competent jurisdiction to be invalid, such judgment shall not affect,
38 impair, or invalidate the remainder thereof, but shall be confined in
39 its operation to the clause, sentence, paragraph, subdivision, section
40 or part thereof directly involved in the controversy in which such judg-
41 ment shall have been rendered. It is hereby declared to be the intent of
42 the legislature that this act would have been enacted even if such
43 invalid provisions had not been included herein.

44 § 3. This act shall take effect immediately provided, however, that
45 the applicable effective date of Parts A through II of this act shall be
46 as specifically set forth in the last section of such Parts.